



Australian Government
Department of Industry,
Innovation and Science

Anti-Dumping
Commission

CUSTOMS ACT 1901 - PART XVB

**STATEMENT OF ESSENTIAL FACTS
NO. 370**

AND

**PRELIMINARY AFFIRMATIVE
DETERMINATION NO. 370**

**ALLEGED DUMPING OF ZINC COATED (GALVANISED)
STEEL EXPORTED FROM THE REPUBLIC OF INDIA
(INDIA), MALAYSIA AND THE SOCIALIST REPUBLIC
OF VIETNAM (VIETNAM)**

AND

**THE ALLEGED SUBSIDISATION OF GALVANISED
STEEL EXPORTED FROM INDIA AND VIETNAM**

May 2017

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ABBREVIATIONS

AUD	Australian dollars
ABF	Australian Border Force
the Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
BlueScope	BlueScope Steel Limited
BMT	Base metal thickness
China	the People's Republic of China
the Commission	Anti-Dumping Commission
the Commissioner	Commissioner of the Anti-Dumping Commission
CSCM	CSC Steel Sdn Bhd
CSVC	China Steel Sumikin Vietnam Joint Stock Company
CTM	Cost to make
CTMS	Cost to make and sell
CTS	Cost to sell
EPR	Electronic public record
Essar Steel	Essar Steel India Ltd
FIS	Free into store
FIW	FIW Steel Sdn Bhd
FOB	Free on board
the goods	the goods the subject of the application (also referred to as the goods under consideration)
Hoa Sen	Hoa Sen Group
HRC	Hot rolled coil
the investigation period	1 July 2015 to 30 June 2016
India	The Republic of India
IPP	Import parity price
JSWSL	JSW Steel Limited
JSWC	JSW Steel Coated Products Limited
JSW Group	Collectively: JSW Steel Coated Products Limited; and JSW Steel Limited
Nam Kim	Nam Kim Steel Joint Stock Company
the Parliamentary Secretary	the Parliamentary Secretary to the Minister for Industry and Science
REP 190	Final Report No. 190
REP 193	Final Report No. 193
SEF	Statement of essential facts
Vietnam	the Socialist Republic of Vietnam

1. SUMMARY AND RECOMMENDATIONS

1.1 Introduction

This statement of essential facts (SEF) relates to the investigation by the Anti-Dumping Commission (the Commission) of the allegations made by BlueScope Steel Limited (BlueScope) that certain zinc coated (galvanised) steel¹ exported to Australia from the Republic of India (India), Malaysia and the Socialist Republic of Vietnam (Vietnam) at dumped prices and from India and Vietnam at subsidised prices has caused material injury to the Australian industry producing like goods.

This SEF sets out the facts on which the Commissioner of the Anti-Dumping Commission (the Commissioner) proposes to base a recommendation to the Assistant Minister for Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science (Parliamentary Secretary).²

The Commission's findings are based on the information available and may be subject to change if additional information becomes available as the investigation proceeds.

1.2 Authority to make decision

Division 2 of Part XVB of the *Customs Act 1901* (the Act) describes, among other matters, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application under subsection 269TB(1) for the purpose of making a report to the Parliamentary Secretary. Section 269TDA describes the reasons upon which the Commissioner must terminate an investigation.

1.3 Finding

The Commission has found that galvanised steel exported from Malaysia and Vietnam were exported at dumped prices and from India were at dumped and subsidised prices during the investigation period, and that those exports caused material injury to the Australian industry.

Based on these preliminary findings and subject to any submissions received in response to this SEF, the Commissioner proposes to recommend that the Parliamentary Secretary publish:

- dumping duty notices in respect of all exports of galvanised steel from India, Malaysia and Vietnam, except for exports by Hoa Sen Group and Nam Kim Steel Joint Stock Company; and

¹ Refer to the full description of the goods in Section 3.2.1 of this report.

² On 19 July 2016, the Prime Minister appointed the Parliamentary Secretary to the Minister for Industry, Innovation and Science as the Assistant Minister for Industry, Innovation and Science. For the purposes of this investigation, the Minister is the Parliamentary Secretary to the Minister for Industry, Innovation and Science.

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- countervailing duty notices in respect of all exports of galvanised steel exported from India.

1.4 Preliminary affirmative determination

The Commissioner is satisfied there are sufficient grounds for:

- the publication of a dumping duty notice in relation to galvanised steel exported to Australia from India, Malaysia and Vietnam; and
- the publication of a countervailing duty notice in relation to galvanised steel exported to Australia from India.

The Commissioner considers that the Australian Border Force (ABF) should take securities under section 42 of the Act in respect of interim dumping duty that may become payable in relation to galvanised steel exported to Australia from India, Malaysia and Vietnam and interim countervailing duty that may become payable in relation to galvanised steel exported to Australia from India. The Commissioner is satisfied that securities are necessary to prevent material injury to the Australian industry occurring while the investigation continues. A detailed discussion is at Chapter 14 of this report.

Securities will apply to imports of galvanised steel from India, Malaysia and Vietnam entered for home consumption on or after 1 June 2017.

1.5 Application

On 15 August 2016, BlueScope lodged an application alleging that the Australian industry has suffered material injury caused by exports of galvanised steel to Australia from India, Malaysia and Vietnam at dumped prices and from India and Vietnam at subsidised prices. BlueScope alleges that the industry has been injured through:

- loss of sales volume;
- reduced market share;
- price depression;
- price suppression;
- loss of profits;
- reduced profitability;
- reduced employment;
- reduced capacity utilization;
- reduced return on investment; and
- reduced investment.

The Commissioner decided not to reject the application and initiated an investigation into the alleged dumping of galvanised steel from India, Malaysia and Vietnam and alleged subsidisation of galvanised steel from India and Vietnam on 7 October 2016.

Anti-Dumping Notice (ADN) No. 2016/105 provides further details relating to the initiation of the investigation and is available on the Anti-Dumping Commission's (the Commission's) website³.

1.6 Investigation process and timeframes

The Commissioner must, within 110 days after the initiation of an investigation, or such longer period as the Parliamentary Secretary allows, place on the public record a SEF on which the Commissioner proposes to base his recommendations to the Parliamentary Secretary in relation to the application.⁴

In formulating the SEF, the Commissioner must have regard to the application, and any submissions concerning publication of the notice that are received by the Commission within 40 days of the date of initiation of the investigation.⁵ The Commissioner may also have regard to any other matters considered relevant.⁶

The SEF was originally due to be placed on the public record by 25 January 2017. However, the due date for the SEF and final report was extended on three occasions.⁷ The Commissioner is now required to place the SEF on the public record by 31 May 2017.

In respect of the investigation:

- the investigation period⁸ for the purpose of assessing dumping is 1 July 2015 to 30 June 2016; and
- the injury analysis period for the purpose of determining whether material injury to the Australian industry has been caused by exports of dumped and subsidised goods is from 1 July 2012.

1.7 Preliminary findings and conclusions

The Commissioner has made the following findings and conclusions based on available information at this stage of the investigation.

1.8 The goods and like goods (Chapter 3 of this report)

Locally produced galvanised steel are like goods to the goods the subject of the applications (the goods).

³ www.adcommission.gov.au.

⁴ Subsection 269TDAA(1)

⁵ Subsection 269TDAA(2)(a)

⁶ Subsection 269TDAA(2)(b)

⁷ On 14 January 2017, the Commissioner was granted a 90 day extension of time for the publication of the SEF by the Parliamentary Secretary. A further 15 day and 21 day extensions were provided by the Commissioner on 20 April 2017 and on 8 May 2017.

⁸ Subsection 269T(1)

1.9 Australian industry (Section 4 of this report)

There is an Australian industry producing like goods to the goods the subject of the investigations and these like goods are wholly manufactured in Australia by BlueScope.

1.10 Australian Market (Chapter 5 of this report)

The Australian market for galvanised steel is supplied by locally produced and imported goods.

1.11 Dumping (Chapter 6 of this report)

The Commission considers that:

- galvanised steel exported to Australia from India, Malaysia and Vietnam during the investigation period was dumped except by Hoa Sen Group and Nam Kim Joint Stock Company (Nam Kim); and
- the volume of dumped goods from these countries, and the dumping margins for all exporters (except Hoa Sen Group and Nam Kim) were not negligible.

The Commission’s assessment of dumping margins for galvanised steel exported from India, Malaysia and Vietnam is at table 1 below:

Country	Exporter/Manufacturer	Preliminary dumping margin
India	JSW Group	9.0%
	Essar Steel India Limited	7.6%
	Uncooperative and all other exporters	12.0%
Malaysia	CSC Steel Sdn.Bhd	14.5%
	FIW Steel Sdn Bhd	16.5%
	Uncooperative and all other exporters	16.5%
Vietnam	Hoa Sen Group	<2%
	China Steel Sumikin Vietnam Joint Stock Company	8.4%
	Nam Kim Steel Joint Stock Company	<2%
	Uncooperative and all other exporters	14.2%

Table 1: Summary of dumping margin

1.12 Subsidy – (Chapters 7 and 8 and of this report)

The Commission considers that:

- galvanised steel exported to Australia from India, during the investigation period was subsidised;
- galvanised steel exported from Vietnam was not subsidised; and
- the volume of subsidised goods from India, were not negligible.

The Commission’s assessment of subsidy margins for galvanised steel exported from India, Vietnam is at table 2 below:

Country	Exporter/Manufacturer	Preliminary subsidy margin
India	JSW Group	5.0%
	Essar Steel India Limited ⁹	3.6%
	Uncooperative and all other exporters	6.2%
Vietnam	Hoa Sen Group	<2%
	China Steel Sumikin Vietnam Joint Stock Company	
	Nam Kim Steel Joint Stock Company	
	Uncooperative and all other exporters	

Table 2: Summary of subsidy margin

1.13 Economic Condition of the Industry (Chapter 9 of this report)

The Commissioner considers that the Australian industry has experienced injury in the forms of:

- price depression;
- price suppression;
- reduced profit and profitability;
- Reduced capital expenditure and
- reduced employment

⁹ Essar Steel only participated in the dumping investigation, the Commission used Essar Steel Export price from that part of investigation to calculate its dumping margin

1.14 Causation assessment (Chapter 10 of this report)

The Commissioner considers that the Australian industry suffered material injury as a result of exports of galvanised steel at dumped and subsidised prices from India and dumped prices from Malaysia and Vietnam.

1.15 Will dumping and material injury continue? (Chapter 11 of this report)

The Commissioner is of the view that exports of galvanised steel may continue in the future as dumped and subsidised prices from India and dumped prices from Malaysia and Vietnam, and that continued dumping and subsidisation from these countries may continue to cause material injury to the Australian industry.

1.16 Non-injurious price (Chapter 12 of this report)

The Commission considers that the non-injurious price can be established by reference to a constructed price which reflects an undumped and unsubsidised import price parity.

1.17 Proposed measures (Chapter 13 of this report)

The Commissioner proposes to recommend to the Parliamentary Secretary that anti-dumping measures (in the form of a dumping duty for India, Malaysia and Vietnam and a countervailing notice for India) be imposed:

- using combination of fixed and variable duty method for subsidy; plus
- A combination of fixed and variable duty method for dumping, minus an amount for the subsidy rate applying to export subsidy programs (where this has been received by the exporter or group of exporters).

2. BACKGROUND

2.1 Initiation

On 15 August 2016, BlueScope lodged an application for the publication of a dumping duty notice in respect of galvanised steel exported to Australia from India, Malaysia and Vietnam, and a countervailing duty notice in respect of galvanised steel exported from India and Vietnam (collectively referred to as the nominated countries).

BlueScope alleged in its application that the Australian industry suffered material injury caused by galvanised steel exported to Australia from the nominated countries at dumped and/or subsidised prices. BlueScope alleged that the industry had been injured through:

- loss of sales volume;
- reduced market share;
- price depression;
- price suppression;
- loss of profits;
- reduced profitability;
- reduced employment;
- reduced capacity utilization;
- reduced return on investment; and
- reduced investment.

Subsequent to receiving further information and data on 29 August, 2 September, 5 September, 14 September and 4 October 2016 from BlueScope and having considered the application, the Commissioner decided not to reject the application and initiated an investigation into the alleged dumping and subsidisation of galvanised steel on 7 October 2016. Public notification of initiation of the investigation was also made on 7 October 2016 and is available on the Commission's website¹⁰.

ADN No. 2016/105 provides further details relating to the initiation of the investigation

In respect of the investigation:

- the investigation period¹¹ for the purpose of assessing dumping and subsidisation is 1 July 2015 to 30 June 2016; and
- the injury analysis period for the purpose of determining whether material injury has been caused to the Australian industry is from 1 July 2012.¹²

¹⁰ www.adcommission.gov.au.

¹¹ As that term is defined in subsection 269T(1).

¹² The purpose of the injury period is to allow the Commission to identify and examine trends in the market which in turn assists the Commission in its examination of whether material injury has occurred over the investigation period.

2.2 Previous investigations, Reviews and Inquiries

On 30 April 2013, an investigation into the alleged dumping of galvanised steel exported to Australia from the People's Republic of China (China), Korea and Taiwan was finalised (Trade Measures Report No. 190 refers) (REP 190)¹³. As a result of that investigation, a dumping duty notice was published for all exports of galvanised steel from:

- China, by all exporters;
- Korea, by all exporters, other than Union Steel Co., Ltd;¹⁴ and
- Taiwan, by all exporters, other than Sheng Yu Co., Ltd and Ta Fong Steel Co., Ltd.¹⁵

On 28 June 2013, an investigation into the alleged subsidisation of galvanised steel exported to Australia from China was finalised (Trade Measures Report No. 193 refers) (REP 193)¹⁶. As a result of that investigation, a countervailing duty notice was published for all exports of galvanised steel from China by all exporters other than Angang Steel Company Limited (ANSTEEL)¹⁷ and ANSC TKS Galvanising Co., Ltd. On 11 September 2013, the Anti-Dumping Review Panel (ADRP) revoked the decision to terminate the investigation as it related to ANSTEEL, with the effect that the investigation was resumed. After resuming the investigation, the Commissioner subsequently decided to terminate the investigation in relation to ANSTEEL.

On 30 July 2015, the Commissioner terminated an investigation into alleged dumping of galvanised steel from India and Vietnam as the investigation found that the volume of dumped exports from Vietnam was negligible and that negligible injury was caused to the Australian industry by the dumped goods from India. Further details of this investigation can be found in TER 249, which is available on the Commission's website.

On 17 March 2016, the then Parliamentary Secretary accepted the Commissioner's recommendation in relation to an anti-circumvention inquiry into the slight modification of zinc coated (galvanised) steel exported to Australia from China, Korea and Taiwan and on 18 March 2016, the anti-dumping measures applying to China, Korea and Taiwan were amended to include 'alloyed' steel goods exported by certain exporters from China, Korea and Taiwan (ADN 2016/23 refers).

On 12 May 2017, the Parliamentary Secretary accepted the Commissioner's recommendation in relation to the review of measures against six single exporters for the goods exported from China and Taiwan. The Commissioner recommended that the

¹³ It is noted that the goods in REP 190 was determined to be zinc coated products of iron and non-alloy steel only.

¹⁴ On 26 April 2013, the dumping investigation was terminated, in so far as it related to galvanised steel exported by Union Steel Co., Ltd, Sheng Yu Co., Ltd and Ta Fong Steel Co., Ltd. This decision was based on the finding that the dumping margins for goods exported by those companies during the investigation period were less than 2% (refer Termination Report No. 190A).

¹⁵ See above.

¹⁶ It is noted that the goods in REP 193 was determined to be zinc coated products of iron and non-alloy steel only.

¹⁷ On 17 June 2013, the countervailing investigation was terminated, in so far as it related to galvanised steel exported by ANSTEEL and ANSC TKS Galvanising Co., Ltd, on the basis that the countervailable subsidisation was negligible in regards to these exporters (refer Termination Report No. 193(i)).

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dumping duty notice in respect of galvanised steel have effect as if different variable factors for the 6 exporters had been ascertained (ADN 2017/49 and REP 365 refers).

2.3 Responding to this SEF

This SEF sets out the facts on which the Commissioner proposes to base a recommendation to the Parliamentary Secretary, unless the investigation is terminated earlier. The SEF informs interested parties of the facts established to date and allows them to make submissions in response. It is important to note that this SEF may not represent the final views of the Commissioner.

Following its publication on the public record, interested parties have 20 days to respond to the SEF. Responses to this SEF should be provided to the Commissioner no later than **20 June 2017**.

The Commissioner will consider submissions received in response to the SEF in either making his final report and recommendations to the Parliamentary Secretary, or in relation to terminating the investigation if he decides to do so. The Commissioner is not obliged to have regard to any submission made in response to the SEF received after 20 June 2017, if to do so would, in the opinion of the Commissioner, prevent the timely preparation of the final report to the Parliamentary Secretary¹⁸ due on 15 July 2017.

The final report, if the investigation is not terminated, will set out the Commissioner's findings of fact in relation to the investigation and recommend whether a dumping duty notice and/or countervailing duty notice should be published, and the extent of any interim duties that are, or should be, payable. Submissions should preferably be emailed to operations5@adcommission.gov.au. Alternatively, they may be sent to fax number +61 3 8539 2499, or posted to:

Director, Operations 5
Anti-Dumping Commission
Industry House, Level 7
10 Binara Street
CANBERRA ACT 2601
AUSTRALIA

Confidential submissions must be clearly marked accordingly and a non-confidential version of any submission is required for inclusion on the public record. A guide for making submissions is available at www.adcommission.gov.au.

The public record contains non-confidential submissions by interested parties, the non-confidential versions of the Commission's verification visit reports and other publicly available documents.

¹⁸ On 19 July 2016, the Prime Minister appointed the Parliamentary Secretary to the Minister for Industry, Innovation and Science as the Assistant Minister for Industry, Innovation and Science. For the purposes of these reviews, the Minister is the Parliamentary Secretary to the Minister for Industry, Innovation and Science.

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Documents on the public record should be read in conjunction with this SEF.

2.4 Submissions received from interested parties

The Commission has received numerous submissions from interested parties during the course of the investigation. Each submission has been considered by the Commissioner in reaching the preliminary conclusions contained within this SEF. The submissions received are listed in **Non-Confidential Attachment 1** to this report.

3. THE GOODS AND LIKE GOODS

3.1 Finding

The Commissioner considers that locally produced galvanised steel is like to the goods under investigation.

3.2 Legislative framework

Subsection 269TC(1) of the Act requires that the Commissioner must reject an application for a dumping duty notice and countervailing duty notice if, inter alia, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

In making this assessment, the Commissioner must firstly determine that the goods produced by the Australian industry are 'like' to the imported goods. Subsection 269T(1) defines like goods as:

“Goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration”.

An Australian industry can apply for relief from material injury caused by dumped and subsidised imports even if the goods it produces are not identical to those imported. However, the Australian industry must produce goods that are 'like' to the imported goods.

The *Dumping and Subsidy Manual* (the Manual)¹⁹ outlines certain “likeness tests” which provide a framework for assessing whether the goods manufactured by BlueScope are like to the imported goods. Where the locally produced goods and the imported goods are not alike in all respects, the Commissioner assesses whether they have characteristics closely resembling each other against the following considerations:

- physical likeness;
- commercial likeness;
- functional likeness; and
- production likeness.

¹⁹ Copy available at www.adcommisison.gov.au

3.3 The goods

3.3.1 Description

The goods the subject of the application are:

'flat rolled iron or steel products (whether or not containing alloys) that are plated or coated with zinc exported to Australia from India, Malaysia and Vietnam'.

These goods are generically called 'galvanised steel'. Galvanised steel of any width is included in this application.

Exclusions

These goods do not include painted galvanised steel, pre-painted galvanised steel, electro-galvanised steel, corrugated galvanised steel or aluminium zinc alloy coated or plated steel.

3.3.2 Additional information

BlueScope's application also provided additional information to support its description of the goods, as follows:

The goods include the same categories of goods as identified in Trade Measures Report No. 190 and 193, however, this application also includes goods that are alloyed (i.e. with minor additions, e.g. boron, chromium, etc). The goods the subject of this application include all zinc coated product options, including all grades/models of zinc coated steel, all coating mass classes and all surface treatments.

Trade or further generic names often used to describe the goods the subject of the application include:

- "GALVABOND®" steel
- "ZINCFORM®" steel
- "GALVASPAN®" steel
- "ZINCHITEN®" steel
- "ZINCANNEAL" steel
- "ZINCSEAL" steel
- Galv
- GI
- Hot Dip Zinc coated steel
- Hot Dip Zinc/Iron alloy coated steel
- Galvanneal

The amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m²) with the prefix being Z (Zinc) or ZF (Zinc converted to a Zinc/Iron alloy coating). The common coating masses used for zinc coating are: Z350, Z275, Z200/Z180, Z100, and for zinc/iron alloy coatings are ZF100, ZF80 and ZF30 or equivalents based on international standards and naming conventions.

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Surface treatments can include but not be limited to; passivated or not passivated (often referred to as chromated or unchromated), oiled or not oiled, skin passed or not skin passed, phosphated or not phosphated (for zinc iron alloy coated steel only).

There are a number of relevant International Standards for zinc coated products that cover their own range of products via specific grade designations, including the recommended or guaranteed properties of each of these product grades.

These relevant standards are noted below in Table 3 “Relevant International Standards for zinc coated steel”.

International Standards	Product Grade Names
General and Commercial Grades	
AS/NZS 1397	G1, G2
ASTM A 653/A 653M	CS type A, B and C
EN10346	DX51D, DX52D
JIS 3302	SGCC, SGHC
Forming, Pressing & Drawing Grades	
AS/NZS 1397	G3
ASTM A 653/A 653M	FS, DS type A and B
EN10346	DX53D, DX54D
JIS 3302	SGCD, SGCD,
Structural Grades	
AS/NZS 1397	G250, G300, G350, G450, G500, G550
ASTM A 653/A 653M	33 (230), 37 (255), 40 (275), 50 (340), 55 (380), 80 (550)
EN10346	S220GD, S250GD, S280GD, S320GD, S350GD, S550GD
JIS 3302	SGC340, SGC400, SGC440, SGC490, SGC570 SGH340, SGH400, SGH440, SGH490, SGH570

Table 3 - Relevant International Standards for zinc coated steel

3.4 Tariff classification

BlueScope’s application states that galvanised steel is classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

- 7210.49.00 (statistical codes 55, 56, 57 and 58);
- 7212.30.00 (statistical code 61);
- 7225.92.00 (statistical code 38); and
- 7226.99.00 (statistical code 71).

The Trade Policy and Advice division of ABF has confirmed that galvanised steel is correctly classified to these tariff subheadings. The Commission notes that the goods are defined by the description, not the tariff classification.

The general rate of duty is currently 5% for goods imported under these tariff subheadings. However, imports from India, Malaysia and Vietnam are subject to a DCS²⁰

²⁰ ‘DCS’ is a code applied to classes of countries and places in relation to which special rates apply as specified in Part 4 of Schedule 1 to the *Customs Tariff Act 1995*.

duty rate which is 0% for non-alloy steel under 7210.49.00 and 7212.30.00 and is 4% for 'other alloy' steel under 7225.92.00 and 7226.99.00.

The Commission notes there are numerous tariff concession orders applicable to the relevant tariff subheadings.

3.5 Like goods assessment

BlueScope manufactures galvanised steel in a range of widths, grades, base metal thicknesses (BMTs),²¹ zinc coatings and finishes.

Based on the information currently before it, the Commissioner has assessed the following in relation to galvanised steel:

- (i) *Physical likeness*
 - products made locally by BlueScope have a physical likeness to the goods exported to Australia from India, Malaysia and Vietnam;
 - BlueScope's locally produced galvanised steel and the imported goods are both manufactured to Australian and International Standards;
- (ii) *Commercial likeness*
 - Australian industry galvanised steel competes directly with imported galvanised steel in the Australian market;
 - the locally produced goods and imported goods are offered for sale to the market via similar channels, and on similar commercial terms and conditions;
- (iii) *Functional likeness*
 - the locally produced and imported galvanised steel have comparable or identical end-uses;
- (iv) *Production likeness*
 - the locally produced and imported galvanised steel are manufactured in a similar manner and via similar production processes.

Having regard to the above, the Commissioner considers that BlueScope's locally produced galvanised steel is like to the imported goods, and possesses the same essential characteristics as the imported galvanised steel.

Although BlueScope does not manufacture galvanised steel containing alloys, in March 2017 an anti-circumvention inquiry found that alloy zinc coated products are substitutable with iron and non-alloy zinc coated steel products (ADN 2016/23 refers).

²¹ BMT refers to the thickness of the base steel (substrate). Total coated thickness refers to the steel base thickness plus the metallic coating thickness. References to thicknesses in this report are to the BMT.

3.6 Submissions

3.6.1 Aluminium zinc coated products

The Commissioner has received two submissions, namely from Hoa Sen Group and from Essar Steel, claiming that the aluminium zinc coated products ('Alzinc)/ 'Zincalume' should be included in the definition of the goods under consideration (i.e. zinc coated (galvanised) steel). Hoa Sen Group and Essar Steel claim that 'alzinc' products are similar to galvanised steel and are being increasingly substituted to galvanised steel products in Australia. These exporters also claim that '*alzinc*' products are promoted for 'dual use' by the applicant BlueScope and that BlueScope retails both of these products at the same prices. These exporters, also stated in their submissions that BlueScope has included in its application that '*alzinc*' are substitutes for the goods under consideration²². Hoa Sen Group and Essar Steel's public record version of their submissions are on the Commission's website.

3.6.2 Australian Industry's submission

BlueScope responded to the above submissions claiming that domestic sales volume of aluminium zinc coated products have been steady in the last three years, while galvanised steel volume has increased, indicating that each of the above goods have their own demand dynamics and are not 'entirely' substitutable. BlueScope's public record version of the submission is on the Commission's website.

3.6.3 The Commissioner's assessment

At the time of publishing this SEF, the Commissioner finds that there is no evidence available to suggest that aluminium zinc coated products are 'like goods' to the goods subject to this investigation.

²² Page. 20 of BlueScope's application refers

4. THE AUSTRALIAN INDUSTRY

4.1 Finding

The Commissioner has found that there is an Australian industry consisting of BlueScope that produces like goods in Australia and the like goods are wholly manufactured in Australia.

From the available information, the Commission has identified that BlueScope is the sole Australian producer of 'like goods', and is therefore referred to in this report as the Australian industry.

4.2 Legislative framework

The Commissioner must be satisfied that the like goods are produced in Australia. Subsection 269T(2) of the Act specifies that for goods to be regarded as being produced in Australia, they must be wholly or partly manufactured in Australia. Subsection 269T(3) provides that in order for the goods to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

4.3 Australian industry

The applicant, BlueScope, is a publicly listed company, limited by shares. It has a number of subsidiaries and joint ventures both in Australia and overseas. BlueScope's operations comprise a number of distinct operations or businesses viz. Australian Steel Products, BlueScope Building Products, New Zealand and Pacific Steel Products, North Star BlueScope (US Operation) and Building Products Group with operations in ASEAN, North America and India.

BlueScope's application stated that it is currently the sole manufacturer of galvanised steel in Australia. The Commission's enquiries have not identified any other manufacturers of galvanised steel in Australia.

4.4 Production processes

In November 2016, the Commission undertook a visit to BlueScope's manufacturing facilities in Port Kembla, New South Wales. The Commission observed BlueScope's production process of galvanised steel as detailed below.

4.5 Hot rolled coil

Hot rolled coils (HRC), form the primary input for a non-integrated galvanised steel manufacturer. For all producers of HRC and other steel in general, the main raw materials used in the production of such goods are iron ore, coking coal, coke and limestone. The raw materials are fed into the top of the blast furnace in predetermined proportions and sequences. Air that has been heated to around 1200°C is blown into the furnace through nozzles at the lower part of the furnace. This causes the coke to burn, producing carbon monoxide that creates the required chemical reaction. The iron ore is

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reduced to molten iron by removing the oxygen. Molten iron and slag is drained every two hours through the taphole of the furnace and the molten iron is transported in a torpedo ladle to the basic oxygen steelmaking (BOS) area.

The BOS process creates liquid steel from molten iron, scrap steel and alloying materials. Pure oxygen is blown onto the steel and iron, causing the temperature to rise and thereby melts the scrap, lowers the carbon content of the molten iron and removes unwanted impurities. The steel can be further refined by adding alloy materials that give the steel specific properties required by the customer. It is noted that structural steel properties can be achieved via alloy addition; however, BlueScope utilises its processing technology to achieve the required structural properties with low carbon steel.

The molten steel is cast into slabs of various dimensions so that it can be rolled. The rate of casting and speed is dependent on the grade and width being cast. Spray cooling of the slab aids solidification.

After entering the hot strip mill, the slab is reheated to around 1250°C, descaled and rough rolled to a thickness of 25mm. It is then coiled in a coil box to retain heat, before passing through a set of rolling mill stands to finish roll to customer order thickness. The product is control cooled before being finally wound up as a coil of steel (known as hot rolled coil (HRC)). The HRC is then transferred to the Springhill and Western Port coating mills.

4.6 Coated steel

Pickling

HRC is pickled to remove scale (iron oxide) that is formed during the hot rolling process. The HRC is unwound, side trimmed to the customers required width and passed through a bath of hydrochloric acid, washed, dried and recoiled. Oil is applied during rewinding to prevent rust.

Cold rolling

The pickled HRC is cold rolled to reduce the steel thickness. The cold rolling process (which involves passing the pickled HRC through a number of rolling mill stands) is conducted at ambient temperature and reduces the HRC to the required customer thickness (0.3mm to 3.5mm). As a result of this process, the steel strength increases and the surface finish becomes bright and smooth. This intermediate steel product is known as a 'cold rolled fully hard' product.

Metal coating

The cold rolled coil is uncoiled and annealed to restore the steel to a soft, usable, ductile form. The coil then passes from the furnace through a molten zinc metal bath where the molten metal chemically bonds to the steel surface. As the coil is vertically withdrawn from the bath, air jets control the resulting coating mass.

Finishes

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Those products to be skin-passed undergo light rolling through a skin conditioning mill. This increases the length by 0.25% to 1.25%, which improves the surface of the strip by suppressing (i.e. squashing) spangles and surface defects, to produce a smooth surface for painting, and to suppress or eliminate the yield point.

Galvanised steel is generally supplied with a surface passivation treatment (chromating) that provides a measure of protection for the steel against wet storage damage while in transit to the customer or whilst on-site.

Further processing

BlueScope's service centres are capable of undertaking further processing, such as sheeting, slitting and blanking. BlueScope advised that all orders for galvanised steel less than 600mm in width will be slit, rather than sending narrow coils through the production line individually.

4.7 The Commission's assessment

Following the Commission's verification of BlueScope's manufacturing processes in Port Kembla, New South Wales, as well as visits to importers of galvanised steel, the Commissioner is satisfied that galvanised steel is wholly manufactured by BlueScope in Australia.

Accordingly, the Commissioner is satisfied, in accordance with subsections 269T(2) and 269T(4), that there is an Australian industry producing galvanised steel in Australia and that this industry solely consists of BlueScope.

5. AUSTRALIAN MARKET

5.1 Finding

The Commissioner finds that the Australian market for galvanised steel is supplied by the Australian industry and imports, predominantly from China, India, Japan, Korea, Malaysia, Taiwan and Vietnam.²³ The Commission estimates that the size of the Australian market during the investigation period was approximately 700,000 tonnes.

5.2 Market structure

The Australian galvanised steel market is primarily served by the sole domestic producer, BlueScope. During the investigation period BlueScope's domestic sales accounted for approximately seventy five percent of the total estimated Australian galvanised steel market. The remainder of the market needs were met by imports from China, India, Japan, Korea, Malaysia, Taiwan, Vietnam and other countries. Anti-dumping measures currently apply to the goods exported from China, Korea and Taiwan.

5.2.1 Australian Industry

The Commission notes that Australian industry supplies galvanised steel into five different market sectors. These sectors are as follows:

- i. Building
- ii. Distribution
- iii. Manufacturing
- iv. Pipe and Tube
- v. Automobile

During the investigation period, the galvanised steel market in Australia was primarily driven by the building and distribution sectors (the largest sectors by volume).

Galvanised steel is supplied to these five different sectors directly from the mills either in Australia or oversea or can be supplied via a distributor or importer/wholesaler. Galvanised steel is an intermediate good and downstream industries typically undertake further processing on the good. Some distributors and importers, also perform further processing of the goods.²⁴

5.2.2 Importers

Following initiation of the investigation, the Commission examined the ABF's import database and identified around 23 potential importers of galvanised steel from India, Malaysia and Vietnam.

²³ Based on ABF's import data for the investigation period.

²⁴ Further processing includes slitting, cutting galvanised steel to specific lengths etc.

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The Commission sought the cooperation of the five largest importers (by volume) through the completion of an importer questionnaire. Four of those importers fully cooperated with the request, and verification activities were undertaken. These importers are as follows:

- Cedex Steel and Metals Pty Ltd;
- Commercial Metals Pty. Ltd.;
- Mitsubishi Australia Ltd; and
- Stencor Australia Pty Ltd.²⁵

The Commission estimates that the above importers collectively account for approximately 70% of total imports from Vietnam, 98% from Malaysia and 15% from India during the investigation period.

5.3 Market size

To estimate the size of the Australian galvanised steel market, the Commission has combined BlueScope's verified sales data²⁶ with information from the ABF import database.

Whilst the ABF import database cannot be filtered by product finish (i.e. whether the galvanised steel was painted or unpainted), the Commission has attempted to cleanse the ABF import data by reference to the description of the goods provided. The ability to distinguish the goods on the basis of finish is of significance as only the non-prepainted galvanised steels are 'the goods' for this investigation. The Commission has also cross checked this data during the verification of major importers. As a result, the Commission considers the cleansed ABF import data to be a reasonable estimate of import volumes.

The following graph depicts the Commission's estimate of the Australian market size for galvanised steel for the period 2013 to 2016 financial years. In particular, the Commission estimates that the size of the Australian market for galvanised steel is approximately 700,000 tonnes in the financial year 2016.

²⁵ Copies of these verification reports are available at EPR 370/025, 049, 052 and 057.

²⁶ As outlined in the relevant verification report, this sales data was found to be complete, relevant and accurate; EPR 370/055 refers.

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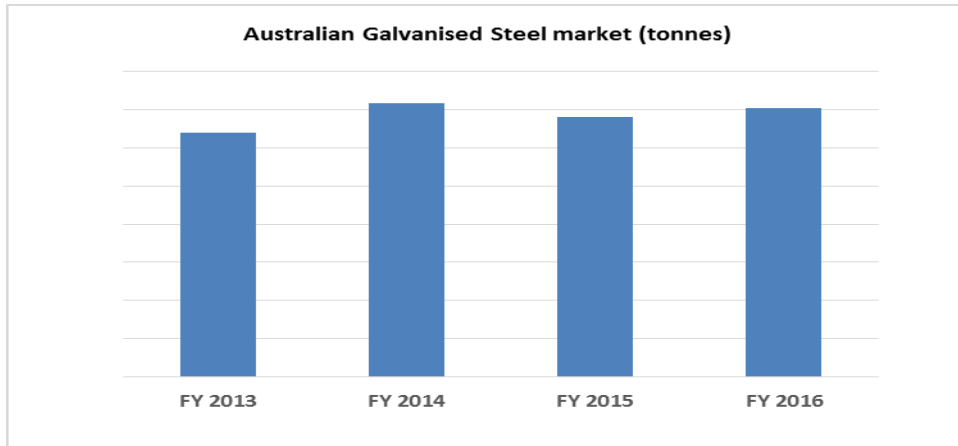


Figure 1 – Australian market for galvanised steel

Figure 1 above shows that the total Australian market size for galvanised steel during the investigation period has increased by around 10% since FY2013, although the total market size remained slightly below FY2014 market size levels.

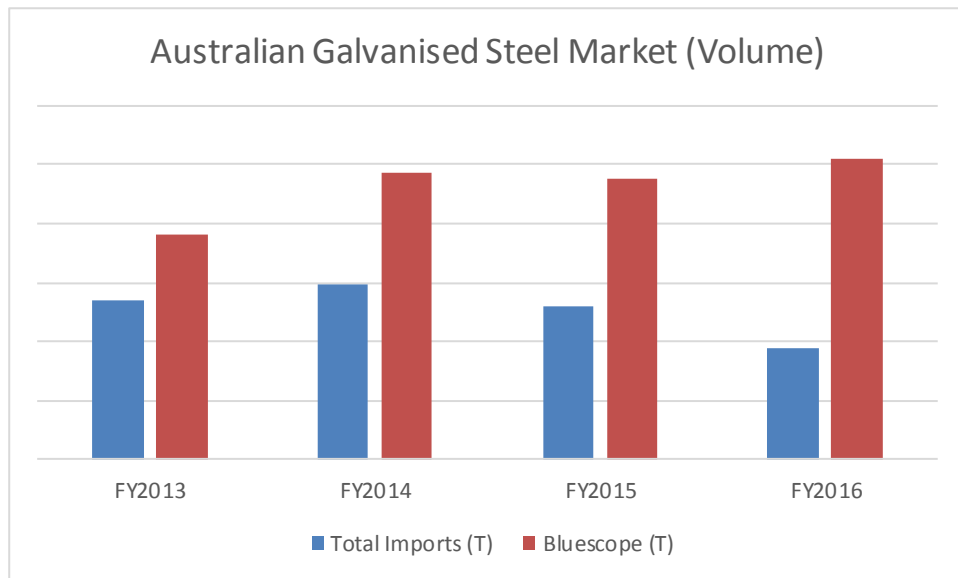


Figure 2 – Australian galvanised steel - volume trend

Figure 2 above compares Australian industry's volume of sales to total imports from FY2013 to FY2016. The graph illustrates that Australian industry's volume of sales has substantially increased in FY2014 from FY2013 and then remained fairly stable since FY2013 to FY2016, while the imports have been gradually declining from FY2013 to FY2016.

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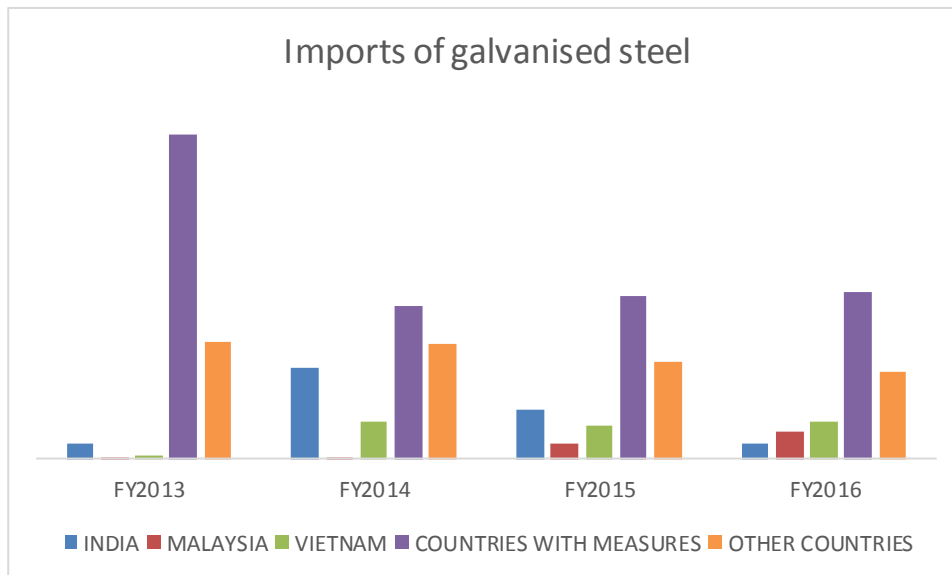


Figure 3 –Volume trend of imports

Figure 3 demonstrates that total imports of galvanised steel has declined from FY2013 to FY2016. Figure 3 also depicts that imports of galvanised steel from:

- Malaysia has increased from very small volumes in FY2013;
- India increased significantly in FY2014 but has been decreasing from FY2014 to FY2016;
- Vietnam increased significantly in FY2013 from FY2014, and has been steady since FY2014 to FY2016;
- Countries with anti-dumping measures has decline significantly in FY2014 from FY2013 (after imposition of measures), and have be steady from FY2014 to FY2016; and
- Other countries have been gradually declining from FY2013 to FY2016.

Data supporting the Commission's assessment of the Australian market size for galvanised steel is at **Confidential Appendix 1**.

6. DUMPING INVESTIGATION

6.1 Finding

The Commissioner has found that during the investigation period:

- galvanised steel exported to Australia from India, Malaysia and Vietnam (except by Hoa Sen Group and Nam Kim Steel Joint Stock Company) was dumped;
- the volume of dumped goods from these countries, and the dumping margins for all exporters (except Hoa Sen Group and Nam Kim Steel Joint Stock Company) were not negligible;
- a particular market situation does not exist in the domestic galvanised steel market in Vietnam, such that selling prices in that market are not suitable for normal value purposes; and
- the cost of HRC in the Vietnamese exporters' records reasonably reflect competitive market costs.

Dumping margins for galvanised steel are tabulated below:

Country	Exporter/Manufacturer	Preliminary dumping margin
India	JSW Group	9.0%
	Essar Steel India Limited ²⁷	7.6%
	Uncooperative and all other exporters	12.0%
Malaysia	CSC Steel Sdn.Bhd	14.5%
	FIW Steel Sdn Bhd	16.5%
	Uncooperative and all other exporters	16.5%
Vietnam	Hoa Sen Group	-0.7%
	China Steel Sumikin Vietnam Joint Stock Company	8.4%
	Nam Kim Steel Joint Stock Company	-8.4%
	Uncooperative and all other exporters	14.2%

Table 4 – Dumping margins – India, Malaysia and Vietnam

The Commission's calculations of export prices, normal values and dumping margins in respect of galvanised steel are at **Confidential Appendix 5**.

²⁷ Essar Steel only participated in the subsidy investigation, the Commission used Essar Steel Export price from that part of investigation to calculate its dumping margin

6.2 Legislative framework

In his report to the Parliamentary Secretary under subsection 269TEA(1), the Commissioner must recommend whether the Parliamentary Secretary ought to be satisfied as to the grounds for publishing a dumping duty notice under section 269TG.

Under section 269TG, one of the matters the Parliamentary Secretary must be satisfied of in order to publish a dumping duty notice is that the goods have been dumped.

Dumping occurs when a product from one country is exported to another country at a price less than its normal value. The export price and normal value of goods are determined under sections 269TAB and 269TAC respectively. Details of the export price and normal value calculations for each exporter are set out in this chapter.

Dumping margins are determined under section 269TACB. For the purposes of calculating dumping margins in table 4 above, the Commission compared quarterly weighted average export price to the corresponding quarterly weighted average normal value in the investigation for each exporter.

6.3 Exporters

6.3.1 Responses to the Exporter Questionnaire

Prior to the initiation of this investigation, a search of the ABF import database identified ten potential suppliers of the goods from India, four potential suppliers from Malaysia, and nine potential suppliers from Vietnam during the investigation period.

Following initiation of the investigation, the Commission contacted each identified supplier and invited it to complete the Commissions' Exporter Questionnaire. The Exporter Questionnaire sought information regarding the exporters' commercial operations and the goods exported to Australia, as well as information regarding the exporters' Australian, other third countries and domestic, sales and costing information.

The Commission received exporter questionnaire responses from seven parties.

6.3.2 Categorisation of exporters

The Commissioner has regarded any exporters that submitted a satisfactorily completed response to the Exporter Questionnaire, within a reasonable period, as cooperative exporters. For the purpose of this investigation, the cooperative exporters are:

Country	Cooperative exporter
India	JSW Steel Limited and JSW Steel Coated Products Limited (Collectively JSW Group)
Malaysia	CSC Steel Sdn.Bhd (CSCM)
	Hoa Sen Group

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Vietnam	China Steel Sumikin Vietnam Joint Stock Company (CSV)
	Nam Kim Steel Joint Stock Company

Table 5: Cooperating exporters

The Commissioner has regarded any exporters that did not submit a satisfactorily completed response to the Exporter Questionnaire, within a reasonable period, as uncooperative.

6.3.3 Approach to verification – cooperative exporters

Taking into account the number of exporters that submitted responses to the Exporter Questionnaire, the Commission undertook on-site verification for the following exporters:

- *India* - JSW Group²⁸ - which accounted for approximately 5% of galvanised steel exported to Australia from India during the investigation period;
- *Malaysia* - CSC Steel Sdn. Bhd - which accounted for approximately 98% of galvanised steel exported to Australia from Malaysia during the investigation period; and
- *Vietnam* - Hoa Sen Group, Nam Kim Steel Joint Stock Company and China Steel Sumikin Vietnam Joint Stock Company collectively accounted for approximately 96% of galvanised steel exported to Australia during the investigation period.

In taking a risk based approach and considering largest volume of exports to Australia from each of the above countries, the Commission conducted on-site verification activities on the above mentioned exporters of galvanised steel from India, Malaysia and Vietnam.

The Commission visited four of the above named exporters to verify the information submitted in their response to the Exporter Questionnaire, and to examine other information relevant to this investigation. Public record versions of the visit reports for these exporters are available on the Commission's website²⁹.

For Nam Kim Steel Joint Stock Company (Nam Kim), no on-site verification was conducted. However, the Commission has tested the data for relevance and reliability by comparing the export price to information contained in the ABFs import database and benchmarking key variables (such as costs, price and adjustments) to verified information provided by other cooperating exporters from Vietnam in the current case. The Commission was satisfied with data submitted by Nam Kim.

The dumping and countervailing calculation report has been prepared for Nam Kim and is available on the Commission's website³⁰.

²⁸ JSW Group is the only Indian exporter that completed the exporter questionnaire in relation to the dumping investigation.

²⁹ EPR 370/070, 076, 078, and 080 refers.

³⁰ EPR 370/081 refers.

6.3.4 Uncooperative and all other exporters

In relation to uncooperative and all other exporters from each of the three nominated countries, the Commissioner has had regard to all relevant information to calculate dumping margins. Details regarding the determination of dumping margins for uncooperative and all other exporters from India, Malaysia and Vietnam can be found at Section 6.11 of this report.

6.4 Dumping assessment – JSW Group (India)

6.4.1 Verification

The Commission conducted an in-country visit to JSW Group's facility in India to verify the information disclosed in its response to the exporter questionnaire. Two separate responses were received from the JSW Group - from JSW Steel Limited (JSWSL) and its fully owned subsidiary JSW Steel Coated (JSWC). Having considered and verified the nature of the relationship and the details of the transactions between the two related entities, the Commission finds that JSWSL has effective control of JSWC and accordingly has treated JSWL and JSWC as a single exporter of the goods.

A detailed assessment of their relationship and the reasons for treating JSWSL and JSWC as a single exporter of the goods is set out in **Confidential Attachment 1**.

Consequently, the Commission has calculated a single rate of dumping margin for the JSW Group.

6.4.2 Export price

The Commission considers, in respect of JSW Group's Australian export sales during the investigation period, that:

- the goods have been exported to Australia otherwise than by the importer; and
- the purchases of the goods by the importer were arms length transactions.

The Commission found that the goods have been purchased by the importer from the exporter and export price has therefore been calculated using subsection 269TAB(1)(a), as the price paid by the importer less transport and other costs arising after exportation.

6.4.3 Normal value

Normal values were established in accordance with subsection 269TAC(1) of the Act, using JSW Group's quarterly weighted average domestic invoice prices for like goods, by model, where those sales were in the ordinary course of trade (OCOT), and were sold in sufficient volumes.

For other models where there were insufficient sales made in the OCOT in the domestic market, the normal value has been 'constructed' in accordance with subsection

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269TAC(2)(c), using the CTM for Australian export sales; plus SG&A applicable to goods sold domestically; plus profit of domestic OCOT sales.³¹

To ensure the normal values were properly compared to export prices, in accordance with subsections 269TAC(8) and (9), it was necessary to make adjustments to the normal value for differences in:

- inland freight, handling and other expenses;
- duty drawback applicable on exports sales;
- credit terms adjustment; and
- bill discounting expenses.

6.4.4 Dumping margin

The dumping margin for JSW Group was established in accordance with paragraph 269TACB(2)(a) of the Act, by comparing quarterly weighted average export prices at free on board (FOB) terms to corresponding quarterly weighted average normal values for the investigation period.

The dumping margin for JSW Group is **9.0%**.

6.5 Dumping assessment – CSC Steel Sdn Bhd (Malaysia)

6.5.1 Verification

The Commission conducted an in-country visit to CSCM's facility in Malaysia to verify the information disclosed in the responses to the exporter questionnaire. A visit report prepared by the Commission for CSCM available on the Commissions website.³²

6.5.2 Export price

The Commission considers, in respect of Australian export sales during the investigation period, that:

- the goods have been exported to Australia otherwise than by the importer; and
- the purchases of the goods by the importer were arms length transactions.

The Commission found that the goods have not been purchased by the importer from the exporter and the export price has therefore been calculated using subsection 269TAB(1)(c), having regard to all the circumstances of the exportation. These calculations were based on the price paid by the importer less transport and other costs arising after exportation.

6.5.3 Normal value

Normal values were established in accordance with subsection 269TAC(1) of the Act, using CSCM's quarterly weighted average domestic invoice prices for like goods, by

³¹ Profit being measured as a percentage of the CTM.

³² EPR 370/070 refers.

model, where those sales were in the ordinary course of trade, and were sold in sufficient volumes.

For other models where there were insufficient sales made in the OCOT in the domestic market, the normal value has been 'constructed' in accordance with subsection 269TAC(2)(c), using the CTM for Australian export sales; plus SG&A applicable to goods sold domestically; plus profit of domestic OCOT sales.

To ensure the normal values were properly compared to export prices, it was necessary to make adjustments, in accordance with subsection 269TAC(8), for differences in:

- freight,
- handling and packaging expenses,
- credit terms, and
- raw material cost adjustment

6.5.4 Dumping Margin

The dumping margin for CSCM was established in accordance with paragraph 269TACB(2)(a), by comparing quarterly weighted average export prices (at FOB terms) to corresponding quarterly weighted average normal values for the investigation period.

The dumping margin for CSCM is **14.5%**.³³

6.5.5 Submissions

6.5.5.1 HRC supplies by related party

BlueScope submitted that CSCM has "related party suppliers of raw materials". In its submission BlueScope stated that it was apparent from the CSCM exporter visit report that the Commission had compared the purchase price of certain raw materials from the related supplier with the purchase price from unrelated suppliers.

BlueScope submitted that it was necessary for the Commission to have verified whether the raw material purchase price from the related party for HRC was at *full cost of production*, including allocation of overheads.

6.5.5.2 The Commissions response

The Commission has examined detailed shareholdings of CSCM's related entities. The related entities identified by the Commission include:

- CSC Steel Holdings Berhad (CSC) located in Taiwan
- China Steel Asia Pacific Holdings Pte Ltd (CSAP) located in Singapore

³³ Following the publication of the exporter visit report, the Commission has identified a minor calculation error and has adjusted the dumping margin in the SEF.

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The Commission noted that CSCM was part owned by CSC, as well as other private institutional investors. The Commission found no evidence that suggests that CSCM exercises an effective control over the HRC supplier (i.e. CSC Taiwan). Nor is there any evidence that the supplier of the HRC exercised any effective control over CSCM.

However, as noted by BlueScope in its submission, the Commission did compare the purchase price of the HRC from the related entity with various other HRC suppliers. This comparison identified that the purchase price of HRC from the related supplier was consistent with the purchase price of HRC from non-related suppliers.

The Commission noted the conditions set out at the Dumping and Subsidy manual (page 45 of the manual refers) which clarifies that in these circumstances, CSCM has no obligation to provide (and for the Commission to verify) full costs of production of HRC of an entity in Taiwan. As noted, this is due to the fact that the CSCM does not exercise effective control over the supplier of the HRC in Taiwan.

Considering the circumstances, the Commission is satisfied that the HRC purchase price from CSCM was comparable to other non-related suppliers; also that it was not necessary to verify the full costs of production of the HRC in Taiwan.

6.6 Claims of a particular market situation - Vietnam

In its application, BlueScope submitted that presently Vietnam does not manufacture the major raw material (i.e. HRC). All HRC used in the production of galvanised steel in Vietnam is imported. BlueScope claims that China is the major source country for HRC imported into Vietnam, therefore China is the most significant influencing factor in the Vietnamese domestic galvanised steel market.

BlueScope's application stated that in the Commission's previous dumping investigation of galvanised steel exported from China (INV 190), it was found that a particular market situation existed in the Chinese iron and steel industry that rendered domestic selling prices of galvanised steel unsuitable for the determination of normal value (Report 190 (REP 190) refers) in China.³⁴ In particular, BlueScope stated that the Commission found that the Chinese government influence distorted the selling prices of HRC, the main raw material used in the manufacture of galvanised steel.

In relation to this investigation, BlueScope submits that the prices of the galvanised steel in Vietnam are artificially low as a result of the importation of the HRC from China, and that, therefore, the domestic prices of galvanised steel in Vietnam are not suitable for the determination of normal values under s269TAC(1) as *a particular market situation* in relation to those goods renders those domestic selling prices unsuitable.

³⁴ A detailed assessment of the market situation in China for galvanised steel is contained in Appendix 1 to REP190.

6.7 The Commission's assessment

The Commission has noted that Vietnamese exporters cooperating in this investigation imported HRC from a number of countries, including China, to manufacture galvanised steel.

HRC is an input into the production of the goods under examination (galvanised steel). The Commission examined the HRC sales prices and volumes from China. It also verified the sales volumes and prices for HRC from the other countries supplying HRC to the cooperating exporters from Vietnam. This comparative analysis showed that the Chinese HRC costs which were imported from unrelated suppliers at arms length transactions were not the lowest. The Commission also noted that while China was one of the major suppliers of HRC in Vietnam, other countries such as Russia, Taiwan, Korea, Brazil, Japan and Australia also supplied HRC to the Vietnamese exporters of the goods.

The Commission found no evidence that the Government of Vietnam has influenced prices in the domestic galvanised steel market, such that the domestic selling prices of galvanised steel would be not be suitable for determining normal value.

In regards to the alleged influence of Chinese HRC prices on the galvanised steel market in Vietnam, the Commission noted that about fifty percent of HRC used in the production of galvanised steel in Vietnam was sourced from China.

This confirms that a significant quantity of HRC was sourced from countries other than China. The Commission examined the purchase price of HRC by each source of supply and found that there is a significant spread of prices (from the lowest priced source to the highest priced sources). Russian HRC prices are lower than those from China, while Japanese and Korean HRC prices were higher than Chinese HRC prices at a comparable level of trade.

The Commission has found no evidence that suggests that Chinese HRC prices have influenced HRC prices from other countries, which as a consequence could have distorted selling prices of galvanised steel in Vietnam. Furthermore, the Commission found no evidence that suggests that the costs of HRC used in the production of galvanised steel in Vietnam, were not competitive market costs.

A detailed discussion of the Commission's assessment in relation to claims of a particular market situation in Vietnamese galvanised steel industry is at **Non-Confidential Attachment 2**.

6.8 Dumping assessment – Hoa Sen Group (Vietnam)

6.8.1 Verification

The Commission conducted an in-country visit to Hoa Sen Group's facility in Vietnam to verify the information submitted in its response to the exporter questionnaire. A visit

report prepared by the Commission for Hoa Sen Group is available on the Commissions website.³⁵

6.8.2 Export price

The Commission considers, in respect of Australian export sales during the investigation period, that:

- the goods have been exported to Australia otherwise than by the importer; and
- the purchases of the goods by the importer were arms length transactions.

The Commission found that the goods have been purchased by the importer from the exporter, and therefore the export price has been calculated using subsection 269TAB(1)(a), as the price paid by the importer less transport and other costs arising after exportation.

6.8.3 Normal value

Normal values were established in accordance with subsection 269TAC(1) of the Act, using Hoa Sen Group's quarterly weighted average domestic invoice prices for like goods, by model, where those sales were in the ordinary course of trade, and were sold in sufficient volumes.

For other models where there were insufficient sales made in the OCOT in the domestic market, the normal value has been 'constructed' in accordance with subsection 269TAC(2)(c), using the CTM for Australian export sales; plus SG&A applicable to goods sold domestically; plus profit of domestic OCOT sales.

To ensure the normal values were properly compared to export prices, it was necessary to make adjustments, in accordance with subsection 269TAC(8), for differences in :

- inland freight, handling and packaging expenses;
- credit terms; and
- bank charges.

6.8.4 Dumping margin

The dumping margin for Hoa Sen Group was established in accordance with subsection 269TACB(2)(a), by comparing quarterly weighted average export prices (at FOB terms) to corresponding quarterly weighted average normal values for the investigation period.

The dumping margin for Hoa Sen Group is **negative 0.7%**.

³⁵ Refer EPR 370/80.

6.8.5 Submissions

6.8.5.1 Normal Value

(i) Use of section 269TAC(1)

In its submission, BlueScope claims that Hoa Sen Group's normal value assessment by the Commission should have included all domestic sales of all 'like goods', and that the correct ordinary course of trade test should involve all domestic sales of like goods. In particular:

- (i) use of domestic sales from Hoa Sen Group's 'Di An' Branch was not appropriate for determining normal values because paragraph 269TAC(1) of the Act requires the Parliamentary Secretary to consider all domestic sales of like goods sold in the ordinary course of trade for home consumption in the country of export. The limiting factors within the paragraph involves whether the like goods are sold in the ordinary course of trade – not the selection of certain domestic sales by a "branch" within the exporter's network of operations; and
- (ii) it was not open to the Commission to selectively request a listing of domestic sales by one branch. Subsection 269TAC(1) was said to require the Parliamentary Secretary to examine all domestic sales of like goods by Hoa Sen Group. In other words, all of Hoa Sen Group's domestic sales of like goods (including all 15 branches) must be considered by the Parliamentary Secretary as to whether the sales have been made in the ordinary course of trade prior to discounting relevant sales from normal value consideration.

Furthermore, concerning OCOT, BlueScope submitted that the verification team should have determined whether the cost of production associated with the sales of galvanised steel to subsidiaries was the same, prior to further value-adding, as that used for external sales.

(ii) *Adjustments to Normal value for exports via a sales intermediary*

BlueScope also submitted that because the export sales to Australia were via a customer "not based in Australia", with a third party consignee located in Australia, the transactions require an upwards adjustment to Hoa Sen Groups normal value.

(iii) Adjustment for credit

BlueScope also submitted that while the Commission has made a downward adjustment for domestic credit, there had not been an upward adjustment for export credit associated with Telegraphic Transfer (TT) terms.

6.8.5.2 The Commission's Assessment

(i) Use of section 269TAC(1)

The Commission does not disagree with BlueScope that all sales can be relevant to determining a normal value using section 269TAC(1). However, there are cases where

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the whole population of sales are not used. An example is where the common situation of having to determine a normal value for particular models. Here it becomes necessary to use particular sales that relate to the identical matching models on the exporters domestic market. Clearly, with model matching, the entire population of all sales of like goods is not being used under section 269TAC(1).

Another example where not all sales of like goods might be used is in a segmented market. For example the exporter sells into different market sectors in its home market, such as wholesale, retail, and original equipment. If export sales are only to a wholesale level a normal value will not be calculated using all sales and trying to make adjustments for different sales for different trade levels. Rather, it is open to the Commission to use those particular sales which are to the same trade level as the export sales, this approach has been adopted for many years in the dumping administration.

The exporter visit report for this investigation stated that “*Hoa Sen Group’s domestic sales listing identified sales to two levels of trade, subsidiaries (related parties) and end user.*”

In relation to subsidiary sales, Hoa Sen Group demonstrated that the subsidiaries purchasing the galvanised steel were further processing it for sale within the domestic market as building products that no longer met the goods description”.

In relation to domestic end user sales, Hoa Sen Group demonstrated that these fall into two categories – sales to end users through the branch network and sales directly to end users. The domestic sales listing did not however identify which category each transaction fell into.

As a result of the these issues, the verification team did not consider the data as presented by Hoa Sen Group in the original domestic sales listing appropriate for calculating normal values. To that end the verification team requested Hoa Sen Group to provide a line-by-line listing of all domestic sales of galvanised steel made by its 15 largest branches to unrelated customers in the domestic market.

From this revised listing the verification team determined that the *Di An* branch was by far the largest branch by volume of sales. Hoa Sen Group also confirmed that Di An was a warehouse facility and as such all galvanised steel sold from this branch would continue to meet the goods description as it entered the domestic market.

As such the verification team considered that domestic sales of galvanised steel by the Di An branch were appropriate for calculating normal values.

The current exporter verification report had followed a similar methodology to an earlier report concerning that exporter Hoa Sen Group in investigation number 249 (INV 249) concerning the same goods. As such, it is useful to also examine the findings of that report.

The earlier exporter visit report explained why all domestic sales were not relevant to the determination of normal value. Prior to the verification visit Hoa Sen Group had discussed the domestic sales listing with the Commission. Sales were identified to three types of customers, *a related party; related branches; and contractors/end users and traders.*

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In relation to sales by the third category these were found to be not like goods to the galvanised steel under investigation. Related party sales were not used. This left the 'sales' to branches (service centres) as the sales that may possibly be relevant to a normal value. However, 'sales' to branches were within the Hoa Sen Group and therefore sales to related parties.

Another issue identified prior to verification was that the branches largely on-sold, after a further process, product that was *not* the goods subject to the investigation. These sales of other goods were found to be a significantly high proportion of their total sales.

Sales of the galvanised steel to all unrelated customers from all branches were not able to be extracted. As such, at the verification sales to the top five customers were examined in more detail. The proportion the top five customers represented to total sales of galvanised steel was determined. It was found that most of the top five branches also on sold goods that were not under consideration; that is, they had purchased galvanised steel, and it had undergone a further value added process (such as roll forming or corrugating), and the product that was on-sold were not the 'like goods'. It was determined at verification that in these circumstances sales by the Di An Branch to unrelated customers were the most relevant because all of these sales were in relation to the like goods. The proportion of the sales by Di An Branch (as a wholesaler, not a processor) to total branch sales to unrelated domestic customers was determined and found to be a reasonable proportion. In testing this data, it was found that there was minimal variance between the weighted average price per kilogram for the Di An branch compared to the weighted average price per kilogram for the top five branches.

In INV 249, The Commission was satisfied, for these reasons, that the sales data for Di An Branch comprised a significant enough proportion of the company's domestic sales of like goods that it could be relied upon for the purposes of calculating normal values. At that time the Commission had also visited the Di An Branch in order to be satisfied that further processing was not undertaken prior to sale.

In the circumstances of Hoa Sen Group, the Commission had noted its reasons why it had not obtained information in relation to all sales. The very large number of related branches meant that obtaining all sales data would have also necessitated obtaining the expenses incurred by each branch, an unreasonably burdensome exercise, when a representative proportion could be obtained by focusing on the Di An Branch. Added to this, was the finding that most sales from the other related branches were not 'like goods' as there had been further processing.

The Commission considers that the circumstances of Hoa Sen Group provide sufficient reason why normal value under section 269TAC(1) could be based on the data set referred to, and it has not accepted BlueScope's submission in relation to this matter.

Concerning BlueScope's claims about ordinary course of trade, the Commission noted that the cost of production was indeed the same for all customers. For the sales that were used for normal value appropriate selling general and administrative expenses were added to determine the costs to make and sell.

- (ii) *Adjustments to Normal value for exports via a sales intermediary*

BlueScope stated that an upward adjustment to normal value was required because some export sales had been made where a third party was involved. The Commission did not make any such adjustment because the export price used was the price agreed between the import customer in Australia and the exporter Hoa Sen Group (not some other price). Furthermore, the Commission noted that during the investigation period such sales represented only a small proportion of all export sales to Australia by Hoa Sen Group.

(iii) *Adjustment for credit*

The Commission notes BlueScope's comments on this matter, however the Commission has not made the upward adjustment requested because it has treated the export sales as equivalent to cash terms and that there is no evidence that suggests that additional costs were incurred. Accordingly the only substantive adjustment for domestic credit terms (this was a downwards adjustment) was made.

6.9 Dumping Assessment - China Steel Sumikin Vietnam Joint Stock Company (Vietnam)

6.9.1 Verification

The Commission conducted an in-country visit to China Steel Sumikin Vietnam Joint Stock Company's (CSCV) facility in Vietnam to verify the information disclosed in the responses to the exporter questionnaires. A visit report prepared by the Commission for CSVC available on the Commissions website.³⁶

6.9.2 Export price

The Commission considers, in respect of Australian export sales during the investigation period, that:

- the goods have been exported to Australia otherwise than by the importer; and
- the purchases of the goods by the importer were arms length transactions.

The Commission has found that the goods have been purchased by the importer from the exporter, and therefore export price has been calculated using subsection 269TAB(1)(a), as the price paid by the importer less transport and other costs arising after exportation.

6.9.3 Normal value

Normal values were established in accordance with subsection 269TAC(1) of the Act, using CSCV's quarterly weighted average domestic invoice prices for like goods, by model, where those sales were in the ordinary course of trade, and were sold in sufficient volumes.

For other models where there were insufficient sales made in the OCOT in the domestic market, the normal value has been 'constructed' in accordance with subsection

³⁶ Refer EPR 370/76.

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269TAC(2)(c), using the CTM for Australian export sales; plus SG&A applicable to goods sold domestically; plus profit of domestic OCOT sales.

To ensure the normal values were properly compared to export prices, it was necessary to make adjustments, in accordance with subsection 269TAC(8), for differences in:

- inland freight, handling and packaging expenses;
- credit terms; and
- export related expenses.

6.9.4 Dumping margin

The dumping margin for CSVC was established in accordance with subsection 269TACB(2)(a), by comparing quarterly weighted average export prices (at FOB terms) to corresponding quarterly weighted average normal values for the investigation period.

The dumping margin for CSVC is **8.4%**.

6.10 Dumping Assessment - Nam Kim (Vietnam)

6.10.1 Verification

Nam Kim provided complete responses to the exporter questionnaire. For Nam Kim, exporter-specific export price, normal value and dumping margin, have been calculated using the information submitted in its Exporter Questionnaire response, where possible.

As there was no on-site verification done for Nam Kim, the Commission has tested the data for relevance and reliability by comparing the export price to information contained in the ABFs import database and benchmarking key variables (such as costs, price and adjustments) to verified information provided by other cooperating exporters from Vietnam in the current case.

Having regard to the tests for relevance and reliability, the Commission is satisfied that the information provided in the responses to the Exporter Questionnaire can be relied upon to determine Nam Kim's dumping margin.

Nam Kim's dumping and subsidy margin calculation report is available on the Commissions website.³⁷

6.10.2 Export price

The Commission considers, in respect of Australian export sales during the investigation period, that:

- the goods have been exported to Australia otherwise than by the importer; and
- the purchases of the goods by the importer were arms length transactions.

³⁷ Refer EPR 370/081

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The Commission found that the goods have been purchased by the importer from the exporter, and therefore the export price has been calculated using subsection 269TAB(1)(a), as the price paid by the importer less transport and other costs arising after exportation.

6.10.3 Normal value

The Commission determined that there was an absence of sales of like goods in the domestic market that would be relevant for the purpose of determining a price under subsection 269TAC(1).³⁸ As such, normal values were established in accordance with subsection 269TAC(2)(c), using Nam Kim's quarterly weighted average CTM for Australian export sales, plus its quarterly weighted average CTS for domestic sales, plus an amount for profit.³⁹

To ensure the normal values were properly compared to export prices, it was necessary to make adjustments, in accordance with subsection 269TAC(9), for differences in:

- inland freight, handling and packaging expenses; and
- Credit costs

6.10.4 Dumping margin

The dumping margin for Nam Kim was established in accordance with subsection 269TACB(2)(a), by comparing quarterly weighted average export prices (at FOB terms) to corresponding quarterly normal values for the investigation period.

The dumping margin for Nam Kim is **negative 8.4%**.

6.11 Dumping Assessment - Uncooperative and all other exporters

6.11.1 FIW Steel - Malaysia

FIW Steel provided responses to the exporter questionnaire, however after providing a number of opportunities to FIW Steel to provide a complete response, the Commission determined that final information provided by FIW Steel was still significantly deficient.

Therefore, after having regard to tests for relevance and reliability, the Commission is not satisfied that the information provided in the responses to the Exporter Questionnaire can

³⁸ Subparagraph 269TAC(2)(a)(i).

³⁹ Calculated by taking profit on (profitable) domestic sales, as a proportion of the CTMS.

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be relied upon to determine FIW Steel's dumping margin. Hence, Commission regarded FIW Steel as an uncooperative exporter.

The Commission's assessment of FIW Steel's response to the exporter questionnaire is at **Confidential Attachment 2**.

The export price, Normal value and dumping margin for FIW Steel was determined using the same methodology for all uncooperative and other exporters from Malaysia as outlined in section 6.11.3 below.

The dumping margin for FIW Steel is **16.5%**.

6.11.2 Essar Steel - India

6.11.2.1 Export price

The circumstances of Essar Steel warrant further explanation. Essar Steel cooperated with the subsidy investigation but not with the dumping investigation. As such, a question arises concerning export price. As part of the subsidy investigation an exporter is required to provide a detailed listing of all export sales in the investigation period and this data is subject to verification. In a subsidy case, export sales data is necessary because the subsidy must be expressed as a proportion of the export price.

The Commission has considered how to treat this export price data for the purposes of the dumping and subsidy parts of the investigation. One view is that dumping is a separate investigation and, because Essar Steel did not cooperate, export price should be assessed under section 269TAB(3) and in doing so ascribe to Essar Steel the lowest price weight averaged export price for the investigation period for exports from India.

An alternate view is that because Essar Steel had cooperated with the subsidy investigation, and as export sales data had been verified to the Commission's satisfaction in a desk top examination, that data remains relevant to the dumping investigation.

As Essar Steel did not cooperate in the dumping investigation the Commission considers that section 269TAB(3) to be the relevant. Alternate sources of export price data would include for example export prices by other exporters. Section 269TAB(3) requires, amongst other things, that '*.. the export price of those goods shall be such amount as is determined by the Parliamentary Secretary having regard to all relevant information*'.

Having regard to the 'all relevant information' available the Commission considers that the most relevant data available are the export sales provided by Essar Steel as part of the subsidy examination. Therefore, the Commission has established export price using Essar Steel's export data in accordance with s.269TAB(3), using the export sales data submitted in response to the subsidy questionnaire.

6.11.2.2 Normal Value

As noted above, Essar Steel has not cooperated in the dumping investigation. Therefore, after having regard to all relevant information, the normal values for Essar Steel was established in accordance with subsection 269TAC(6) of the Act, using the highest weighted average normal value for the entire investigation period from the cooperating exporter from India, excluding any favourable downward adjustments made to that figure.

6.11.2.3 Dumping margin

The dumping margins for Essar Steel has been was established in accordance with paragraph 269TACB(2)(a) of the Act, by comparing the weighted average export prices established under subsection 269TAB(3) with the weighted average normal values established under subsection 269TAC(6).

The dumping margin for Essar Steel **7.6%**.

6.11.3 All uncooperative and other exporters – India, Malaysia and Vietnam

6.11.3.1 Export price

After having regard to all relevant information, the export prices for the uncooperative exporters from India (other than Essar Steel), Malaysia, and Vietnam were established separately for each country in accordance with subsection 269TAB(3) and 269TAB(4) of the Act, using the lowest weighted average export price for the entire investigation period from the cooperating exporters of that country, excluding any part of that price that relates to post-exportation charges.

6.11.3.2 Normal values

After having regard to all relevant information, the normal values for the uncooperative exporters from India, Malaysia and Vietnam were established separately for each country in accordance with subsection 269TAC(6) of the Act, using the highest weighted average normal value for the entire investigation period from the cooperating exporters of that country, excluding any favourable downward adjustments made to that figure.

6.11.3.3 Dumping margin

The dumping margins for uncooperative exporters from India and Vietnam were established in accordance with paragraph 269TACB(2)(a) of the Act, by comparing the weighted average export prices established under subsection 269TAB(3) with the weighted average normal values established under subsection 269TAC(6).

As a result, the dumping margin for uncooperative exporters from India, other than Essar Steel, is **12.0%**.

The dumping margin for uncooperative exporters from Malaysia is **16.5%**.

The dumping margin for uncooperative exporters from Vietnam is **14.2%**.

For all other exporters the rate was set at the same level as the non-cooperative rate as explained above.

6.12 Volume of dumped exports

Pursuant to subsection 269TDA(3) of the Act, the Commissioner must terminate an investigation if satisfied that the total volume of goods that have been, or may be, dumped is negligible. Subsection 269TDA(4) defines a negligible volume as less than

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three per cent of the total volume of goods imported into Australia over the investigation period if subsection 269TDA(5)(c) does not apply. Pursuant to subsection 269TDA(6), the volume of goods at negligible dumping margins are not prevented from being taken into account for the purposes of subsection 269TDA(3).

Using the ABF import database and having regard to the information collected and verified from the importers and exporters, the Commission determined the volume of imports in the Australian market.

Based on this information, the Commission is satisfied that, when expressed as a percentage of the total imported volume of the goods during the investigation period, the volume of allegedly dumped goods from India, Malaysia and Vietnam were individually greater than 3% and therefore not negligible.

7. SUBSIDY INVESTIGATION – INDIA

This Chapter discusses the findings regarding the subsidies received for galvanised steel exported to Australia from India.

7.1 Finding

The Commissioner finds that countervailable subsidies have been received in respect of galvanised steel exported to Australia from India during the investigation period. The Commission finds that the volume of subsidised galvanised steel exported to Australia during the investigation period from India was not negligible.

If the country of export is a developing country but not a special developing country, a countervailable subsidy received is negligible if the subsidy is not more than 2 per cent when expressed as a percentage of the export price of the goods. India is a developing country as defined in subsection 3(1) of the Customs Tariff Act 1995 (the Tariff Act).

The Commissioner relies on this classification when applying section 269TDA. Accordingly, where exporters from India receive countervailable subsidies of not more than 2 per cent of their export price, subsection 269TDA(2) requires that the subsidy investigation be terminated insofar as it relates to those exporters.

7.2 Legislative requirement

Subsection 269T(1) defines a 'subsidy' as follows:

"subsidy", in respect of goods exported to Australia, means:

(a) a financial contribution:

(i) by a government of the country of export or country of origin of the goods; or

(ii) by a public body of that country or a public body of which that government is a member; or

(iii) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that involves:

(iv) a direct transfer of funds from that government or body; or

(v) the acceptance of liabilities, whether actual or potential, by that government or body; or

(vi) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body; or

(vii) the provision by that government or body of goods or services otherwise than in the course of providing normal infrastructure; or

(viii) the purchase by that government or body of goods or services; or

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(b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a government or body;

if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to Australia.

This reflects Article 1.1 of the Agreement on Subsidies.

Section 269TAAC defines a countervailable subsidy as follows:

(1) For the purposes of this Part, a subsidy is a countervailable subsidy if it is specific.

(2) Without limiting the generality of the circumstances in which a subsidy is specific, a subsidy is specific:

- (a) if, subject to subsection (3), access to the subsidy is explicitly limited to particular enterprises; or*
- (b) if, subject to subsection (3), access is limited to particular enterprises carrying on business within a designated geographical region that is within the jurisdiction of the subsidising authority; or*
- (c) if the subsidy is contingent, in fact or in law, and whether solely or as one of several conditions, on export performance; or*
- (d) if the subsidy is contingent, whether solely or as one of several conditions, on the use of domestically produced or manufactured goods in preference to imported goods.*

(3) Subject to subsection (4), a subsidy is not specific if:

- (a) eligibility for, and the amount of, the subsidy are established by objective criteria or conditions set out in primary or subordinate legislation or other official documents that are capable of verification; and*
- (b) eligibility for the subsidy is automatic; and*
- (c) those criteria or conditions are neutral, do not favour particular enterprises over others, are economic in nature and are horizontal in application; and*
- (d) those criteria or conditions are strictly adhered to in the administration of the subsidy.*

(4) The Parliamentary Secretary may, having regard to:

- (a) the fact that the subsidy program benefits a limited number of particular enterprises; or*
- (b) the fact that the subsidy program predominantly benefits particular enterprises; or*
- (c) the fact that particular enterprises have access to disproportionately large amounts of the subsidy; or*
- (d) the manner in which a discretion to grant access to the subsidy has been exercised;*

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determine that the subsidy is specific.

(5) In making a determination under subsection (4), the Parliamentary Secretary must take account of:

- (a) the extent of diversification of economic activities within the jurisdiction of the subsidising authority; and*
- (b) the length of time during which the subsidy program has been in operation.*

Sections 269TACC and 269TACD concern determinations by the Parliamentary Secretary whether a benefit has been conferred by a financial contribution or price support, and the amount of this benefit. Generally, the existence of a benefit is determined by comparison with a benchmarked market-place, or if it involves claims of a benefit received from revenue foregone from a comparison of the actual tax rate applied to the tax rates of the country in question.

7.3 Investigated programs

BlueScope's application alleges that Indian exporters of galvanised steel benefited from 55 countervailable subsidies. The alleged subsidies related to the following programs:

- the provision of goods at less than adequate remuneration;
- grants;
- tariff policies;
- electricity duty exemptions;
- preferential taxation schemes;
- mining rights; and
- preferential loan schemes.

During examination of the information provided in exporter questionnaire responses, and during verification of the cooperating Indian exporters, the Commission was provided with information that indicated that benefits were received, or were able to be received, by exporters of the goods under four additional subsidy programs. As a result of the identification of a further four programs the Commission has investigated a total of 59 programs.

To assess these programs in relation to galvanised steel exported to Australia, the Commission included questions relating to each program in a questionnaire sent to the Government of India (GOI) and exporter questionnaire to all known exports of galvanised steel from India, shortly after initiation of the investigation. A follow-up supplementary questionnaire sent following the exporter verification visits.

A public record version of the GOI's responses and responses received from cooperating exporters from India are on the Commission's website.

7.4 The Commission's assessment of Subsidy Programs

The Commission has found that 11 out of 59 alleged countervailable subsidies have been received in respect of galvanised steel exported to Australia from India because there was a financial contribution, conferring a benefit, and they were specific in nature. The more detailed finding in relation each program investigated are outlined in the table 6 below.

Program no.	Program Title	Program type	Countervailable in relation to galvanised steel
1	Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)	Tax Policy	No
2	Export Income Tax Exemptions in SEZs	Tax Policy	No
3	Exemption in SEZs from Minimum Alternate Tax	Tax Policy	No
4	Exemption in SEZs from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material	Tax Policy	No
5	Exemption in SEZs from Service Tax	Tax Policy	No
6	Discounted Land Fees and Leases in SEZs	Grant	No
7	Discounted Electricity Rates in SEZs	Electricity	No
8	Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments	Tax Policy	No
9	Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)	Tax Policy	No
10	Reimbursement to EOUs of Central Sales Tax	Tax Policy	No
11	Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies	Tax Policy	No
12	Credit for Service Tax paid by EOUs	Tax Policy	No
13	Exemptions from Income Tax for EOUs	Tax Policy	No
14	Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India	Tax Policy	No
15	Assistance to States for Developing Export Infrastructure and Allied Activities	Grant	No
16	Market Access Initiative	Grant	No
17	Market Development Assistance	Grant	No
18	Meeting Expenses for Statutory Compliances in Buyer Country for Trade Related Matters	Grant	No
19	Brand Promotion and Quality	Grant	No

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20	Test Houses	Grant	No
21	Focus Product Scheme	Grant	No
22	Rupee/Foreign Currency Export Credit & Customer Service to Exporters	Grant	No
23	Export Promotion Capital Goods Scheme	Tariff Policy	Yes
24	Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme	Tax Policy	No
25	Duty Exemption/Remission Schemes – Advance Authorization Scheme	Tariff Policy	Yes
26	Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme	Tariff Policy	Yes
27	Duty Exemption/Remission Schemes – Duty Drawback Scheme	Tariff Policy	Yes
28	Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal	Rights	No
29	Purchase of Iron Ore From State-owned Enterprises for Less Than Fair Market Value	LTAR	No
30	80-IB Income Deduction Program	Tax Policy	No
31	80-IA Income Tax Deduction Program	Tax Policy	Yes
32	Steel Development Fund Loans	Loan	No
33	Steel Development Fund R&D Grants	Grant	No
34	State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy	Grant	No
35	SGOM – Exemption from Electricity Duty	Electricity	Yes
36	SGOM – Waiver of Stamp Duty	Tax Policy	No
37	SGOM – Power Tariff Subsidy	Electricity	No
38	SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)	Grant	No
39	SGOM – Special Incentives of the SGOM for Mega Projects	Grant	Yes
40	State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy	Loan	No
41	SGOG – Assistance to MSMEs – Quality Certification	Grant	No
42	SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods	Tax Policy	No
43	SGOG – VAT Remission Scheme	Tax Policy	No
44	SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions	Grant	No
45	SGOG – Critical Infrastructure Projects	Grant	No

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46	State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed Capital Investment Subsidy	Grant	No
47	SGOC – Industrial Policy 2009-2014: Interest Subsidy	Loan	No
48	SGOC – Industrial Policy 2009-2014: Quality Certification	Grant	No
49	SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption	Electricity	No
50	SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption	Tax Policy	No
51	SGOC – Industrial Policy 2009-2014: Provision of Land for Less than Adequate Remuneration	LTAR	No
52	State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy	Grant	No
53	SGOJ – Stamp Duty and Registration	Tax Policy	No
54	SGOJ – Incentive for Quality Certification	Grant	No
55	SGOJ – VAT and Tax Incentives	Tax Policy	No
56	Merchandise Exports from India Scheme	Grant	Yes
57	Sales Tax Deferral Program	Tax Policy	Yes
58	Electricity Duty Exemption	Electricity	Yes
59	Interest free loan	Loan	Yes

Table 6: List of subsidy Programs investigated for India

7.5 Subsidy margins

7.5.1 Cooperative exporters

The Commission found that the cooperative exporters received countervailable subsidies under the programs noted in the table 6 above.

The Commission has noted concerns from some cooperating exporters regarding the countervail subsidies received from ‘upstream’ subsidies. The Commission’s assessment regarding the upstream subsidies is at **Confidential Attachment 5**.

7.5.2 Subsidy

The amount of benefit received has been attributed to each unit of galvanised steel (per tonne) using volume of sales of the goods by each cooperative exporter.

Exporter specific subsidy margins have been calculated – the amount of the benefit was expressed as a percentage of export price for each selected exporter, for each countervailable program.

7.5.3 Non Cooperative exporters

Table 7 below shows the subsidy margin calculations for Indian cooperative and uncooperative exporters of galvanised steel:

Exporter / manufacturer	Subsidy margin
JSW Group	5.0%
Essar Steel	3.6%
<i>Uncooperative and All Other Exporters</i>	5.9%

Table 7 – Indian exporter’s subsidy margins

The Commission’s finding in relation to each program investigated (including the method of calculation of subsidy margins) for India are outlined in **Non Confidential Attachment 3**.

7.6 Commission’s assessment

The Commission finds that during the investigation period all exporters of galvanised steel from India received countervailable subsidies and that the subsidy margin was not negligible. The Commission also finds that the volume of subsidised goods exported to Australia during the investigation period from India was not negligible

8. SUBSIDY INVESTIGATION – VIETNAM

This Chapter discusses the findings regarding the subsidies received for galvanised steel exported to Australia from Vietnam.

8.1 Finding

The Commissioner finds that during the investigation period countervailable subsidies have been received by some exporters of galvanised steel. However, the countervailable subsidisation was determined to be less than 2 per cent of the export price, and therefore negligible pursuant to paragraph 269TDA(16)(b) of the Act.

The Commissioner proposes to terminate the subsidy investigation in relation to all exports of galvanised steel from Vietnam in accordance with subparagraph 269TDA(2)(b)(ii).

If the country of export is a developing country but not a special developing country, a countervailable subsidy received is negligible if the subsidy is not more than 2 per cent when expressed as a percentage of the export price of the goods. Vietnam is a developing country as that term is defined in subsection 3(1) of the Customs Tariff Act 1995 (the Tariff Act).

The Commissioner relies on this classification when applying section 269TDA. Accordingly, where exporters Vietnam receive countervailable subsidies of not more than 2 per cent of their export price, subsection 269TDA(2) requires that the subsidy investigation be terminated insofar as it relates to those exporters.

8.2 Legislative requirement

The legislative requirements for assessing countervailing subsidy programs are outlined in section 7 of this report.

8.3 Investigated programs

BlueScope's application alleges that Vietnamese exporters of galvanised steel benefited from a total of 19 countervailable subsidies. The alleged subsidies related to:

- grants;
- preferential Import tariff policies; and
- income taxation incentives.

To assess these programs in relation to galvanised steel exported to Australia, the Commission included questions relating to each program in a questionnaire sent to the Government of Vietnam (GOV), and exporter questionnaire to all known exports of galvanised steel from Vietnam, shortly after initiation of the investigation.

A public record version of the GOV's response and responses received from cooperating exporters from Vietnam are on the Commission's website.

8.4 The Commission's assessment of subsidy programs

The Commission has found that 3 of the 19 alleged countervailable subsidies have been received in respect of galvanised steel exported to Australia from Vietnam. The finding in relation each program investigated are outlined in the table 8 below.

Program no.	Program Title	Program type	Countervailable in relation to galvanised steel
1	Preferential Import Tariff Rates contingent upon Localisation Ratios with respect to products and Parts of Mechanical-Electric-Electronic Industries (updating Program II of Notification of Subsidies period 2003-2004)	Tariff Policy	Yes
2	Support for the Implementation of Projects Manufacturing Priority Industrial Products (Updating Programme III of 2003-2004)	Grant	No
3	Investment Incentives Contingent upon Export Performance For Domestic Businesses (Updating Programme IV of 2003-2004)	Grant	No
4	Other Investment Incentives for Domestic Businesses (Updating Program V of Period 2003-2004)	Grant	No
5	Investment Incentives Contingent upon Export Performance for Foreign Invested Enterprises (Updating Programme VI of the Period 2003-2004)	Grant	No
6	Other Investment Incentives for Foreign Invested Enterprises (Updating Programme VII for Period 2003-2004)	Grant	No
7	Preferential Investment Credit for Development Contingent upon Export Criteria (Updating Programme VIII of Period 2003-2004)	Grant	No
8	Preferential Development Credit for Investment Contingent Upon Localisation Ratios (Updating Programme IX of Period 2003-2004)	Grant	No
9	Other Preferential Investment Credit for Development (Updating Program X of Period 2003-2004)	Grant	No
10	Export Promotion (Updating Program XII of Period 2003-2004)	Grant	No
11	Trade Promotion (Updating of Programme XIII of Period 2003-2004)	Grant	No
12	Support for Mechanical Products (Updating Program XV of Period 2003-2004)	Grant	No

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13	Support for Shipbuilding Industry (Updating of Programme XV of Period 2003-2004)	Grant	No
14	Assistance for Commercial Development in Mountainous, Island and Ethnic Minority Areas (Updating Programme XVI of Period 2003-2004)	Grant	No
15	Assistance to Enterprises Facing Difficulties Due to Objective Reasons (Updating of Programme XVII of Period 2003-2004)	Grant	No
16	Incentives for Investment Projects in Science and Technology (Updating Programme XVIII of Period 2003-2004)	Grant	Yes
	Program alleged to have benefited Hoa Sen Steel		
17	Preferential Import Tariff Rates for enterprises investing in regions or sectors entitled to investment incentives	Tariff Policy	No
18	Incentives on corporate income tax for enterprises operating in regions or sectors entitled to incentives	Tax Policy	Yes
19	Incentives on Non-Agricultural Land Use Tax to encourage enterprises to invest in sectors or regions which require investment	Tax Policy	No

Table 8: List of subsidy Programs investigated for Vietnam

8.5 Subsidy margins

8.5.1 Cooperative exporters

The Commission found that the cooperative exporters received countervailable subsidies under the programs noted in the tables above.

8.5.2 Subsidy

The amount of benefit received has been attributed to each unit of galvanised steel (per tonne) using volume of sales of the goods by each cooperative exporter.

Exporter specific subsidy margins have been calculated, the amount of the benefit was expressed as a percentage of export price for each selected exporter, for each countervailable program.

Table 9 below shows the subsidy margin calculations for Vietnamese cooperative and uncooperative exporters of galvanised steel:

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Exporter / manufacturer	Subsidy margin
Hoa Sen Group	0.0%
CSVN	0.0%
Nam Kim	0.7%
<i>Uncooperative and All Other Exporters</i>	0.7%

Table 9 – Vietnamese exporter’s subsidy margins

The Commission’s finding in relation to each program investigated (including the method of calculation of subsidy margins) for Vietnam are outlined in **Non-Confidential Attachment 4**.

8.5.3 Submissions

8.5.3.1 Unaccounted subsidy programs – Hoa Sen Group

BlueScope has submitted that the Government of Vietnam has provided a number of subsidy to promote capital investment by corporate entities. Hoa Sen Group had invested in a galvanising line due to come on-stream in May 2016, and BlueScope claimed it is inconceivable that Hoa Sen Group did not benefit from such subsidy program, as stated in the exporter visit report. Hence BlueScope contends that Hoa Sen Group’s data is unreliable.

8.5.3.2 The Commission’s Assessment

The Commission visited Hoa Sen Group’s premises in Vietnam to verify information provided by the company. During the verification, the Commission did not find any evidence which suggests that information provided by Hoa Sen Group in relation to the 19 alleged subsidy programs unreliable.

8.6 Commission’s assessment

The Commission finds that galvanised steel exported by some Vietnamese exporters during the investigation period was subsidised. However, the subsidisation was determined to be negligible. The Commissioner, therefore, proposes to terminate the subsidy investigation in relation to all exports of galvanised steel from Vietnam.

9. ECONOMIC CONDITION OF THE INDUSTRY

9.1 Finding

Having regard to the information contained in the application and the information obtained and verified during this investigation, the Commissioner considers that the Australian industry has experienced injury in the form of:

- price depression
- price suppression
- reduced profit and profitability
- reduced capital expenditure
- reduced employment

9.2 Introduction and legislative background

This chapter outlines the economic condition of the Australian industry and assesses whether the Australian industry has suffered injury.

Under sections 269TG, 269TJ and 269TJA, one of the matters that the Parliamentary Secretary must be satisfied of in order to publish a dumping duty and/or countervailing duty notice is that the Australian industry has experienced material injury.⁴⁰

The matters that may be considered in determining whether the industry has suffered material injury are set out in section 269TAE.

In assessing material injury, the Commission also has regard to the *Ministerial Direction on Material Injury 2012* (Material Injury Direction).⁴¹

9.3 Commencement of injury and analysis period

The Australian industry claims that injury from India, Malaysia and Vietnam commenced in the FY2014 following the imposition of anti-dumping measures on exports from China, Korea and Taiwan in August 2013. BlueScope further claims that material injury has continued in FY2016 as the dumped and subsidised imports of galvanised steel from India and dumped goods from Malaysia and Vietnam have prevented BlueScope from achieving adequate returns on sales.

The Commission has examined the Australian market and the economic condition of the Australian industry from 1 July 2012 for the purposes of its injury analysis. The Commission's assessment of injury caused by dumped and/or subsidised imported is discussed in Section 10 of this report.

⁴⁰ Section 269TJA relates to concurrent dumping and countervailable subsidisation. This provision is relevant to the Commissioner's assessment of whether, because of the combined effects of the dumping and the amount of countervailable subsidy received in respect of the goods exported from India, material injury to an Australian industry producing like goods has been or is being caused.

⁴¹ Ministerial Direction on Material Injury 2012, 27 April 2012, available at www.adcomission.gov.au

9.4 Approach to injury analysis

For the purpose of assessing whether there are reasonable grounds for establishing that injury has occurred, the Commission relied on information collected and verified from BlueScope, cooperating importers, end-users and exporters.

As discussed in section 5 of this report, BlueScope supplies galvanised steel into five different market sectors. During the investigation period, building and distribution sectors dominated the Australian market, accounting for majority of BlueScope's sales. The Commission also noted that almost all imports from the three nominated countries that were directly competing with BlueScope were in these above market sectors. Therefore, in addition to an industry wide assessment, the Commission has therefore also conducted a more detailed assessment by market sector as explained below, with a specific focus on the building and distribution sectors.

9.5 Price effects

The Commission's analysis of price effects was conducted using verified sales data from BlueScope. The Commission did not include BlueScope's export sales in this analysis. In its application, BlueScope alleged that galvanised steel exported from India, Malaysia and Vietnam at dumped and/or subsidised price has been sold at prices below other market participants and that these low prices caused price depression and price suppression.

9.5.1 Price depression and suppression

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between revenues and costs.

The following graph shows the trends in BlueScope's unit price and unit cost to make and sell (CTMS) for galvanised steel from FY2013 to FY2016.

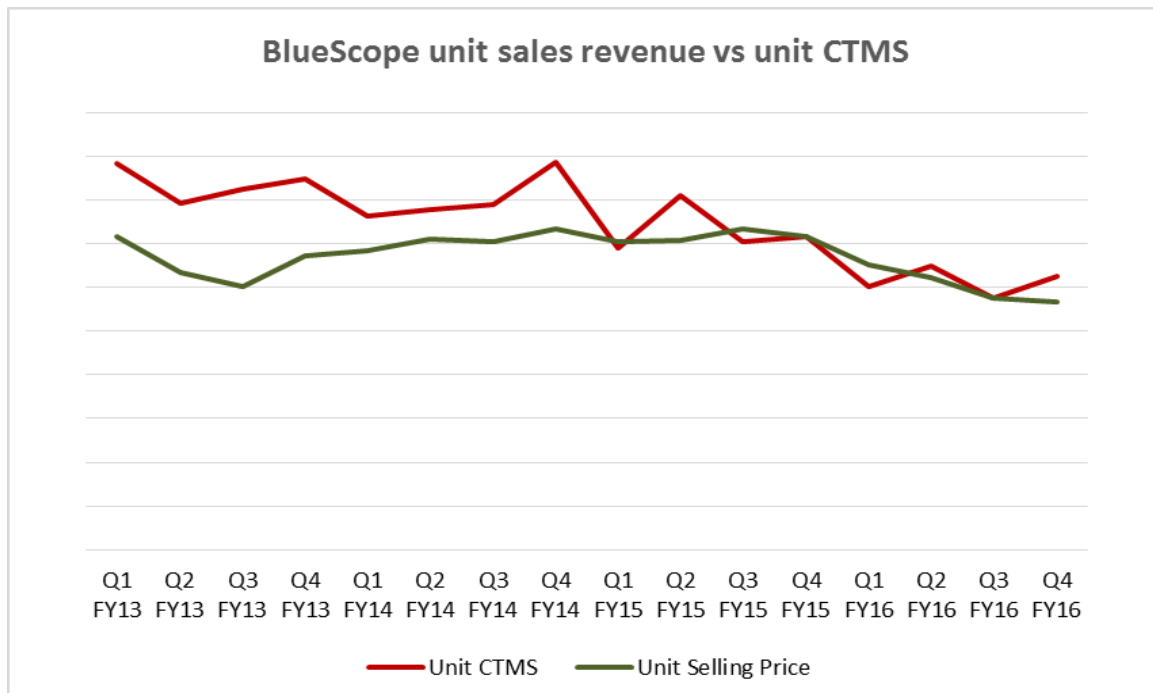


Figure 4: BlueScope’s galvanised steel unit price and unit cost

Figure 4 above shows that unit price trends from Quarter 1 FY2013 (Q1 FY13) to Q4 FY2016 (Q4 FY16).

Figure 4 depicts that between the FY2013 and FY2016, BlueScope’s unit price decreased relative to unit cost. Furthermore, by the end of the FY2016 the negative contribution per tonne of galvanised steel had narrowed. Although the unit CTMS has decreased at a higher rate than that of the unit price, unit price still remains below unit cost, indicating price suppression and loss of profit as discussed in section 9.6 of this report.

Over the injury analysis period, BlueScope’s galvanised steel unit selling prices are on average of 6.4% lower than the average unit cost to make and sell. During the 2016 financial year (the investigation period), BlueScope’s prices were still lower than cost to make and sell for its galvanised steel operation.

9.5.2 Analysis by BlueScope’s market sectors

The Commission has conducted a detailed analysis of BlueScope’s five major galvanised steel market sectors (i.e. automotive, building, distribution, manufacturing and pipe & tube) over the investigation period and found that:

- the weighted average selling price to the distribution, manufacturing, and pipe and tube sectors were below the weighted average cost, while the weighted average selling price to the building and automotive sectors were above the weighted average cost;
- the prices in each sector, with the exception of the pipe and tube sector, declined over the investigation period; and
- prices to the pipe and tube sector were the lowest, due to a particular pricing method adopted for this market sector.

9.5.3 Submissions

9.5.3.1 Post investigation period price

Essar Steel in its submission claimed that when analysing price trends, and the price suppression and depression claims by BlueScope, the Commission should have regard to the BlueScope price trend beyond the investigation period. Essar Steel claims that BlueScope's domestic prices have increased more than the international steel prices, reflecting BlueScope's alleged behaviour of increasing prices to take advantage of ongoing dumping investigations.

9.5.3.2 The Commission's Assessment

The Commission has relied on the information provided by the applicant and verified by the Commission during the investigation period. Due to the tight legislative time frames, it is beyond the scope of this investigation for the Commission to collect, verify and analyse information beyond the investigation period.

9.5.4 Conclusion – price effects

Based on above analysis, the Commission considers that the Australian industry has experienced price depression and price suppression during the investigation period.

9.6 Profit and profitability

9.6.1 Profit and profitability

In its application, BlueScope submitted that notwithstanding any improvement in its fixed unit costs, it could have further improved the profit and profitability of sales of the goods if not for price undercutting by dumped and subsidised goods exported from India, and dumped goods exported from Malaysia and Vietnam.

Figure 5 below shows BlueScope's profit and profitability⁴² trends from 2013 to 2016 financial years.

⁴² As a percentage of sales revenue.

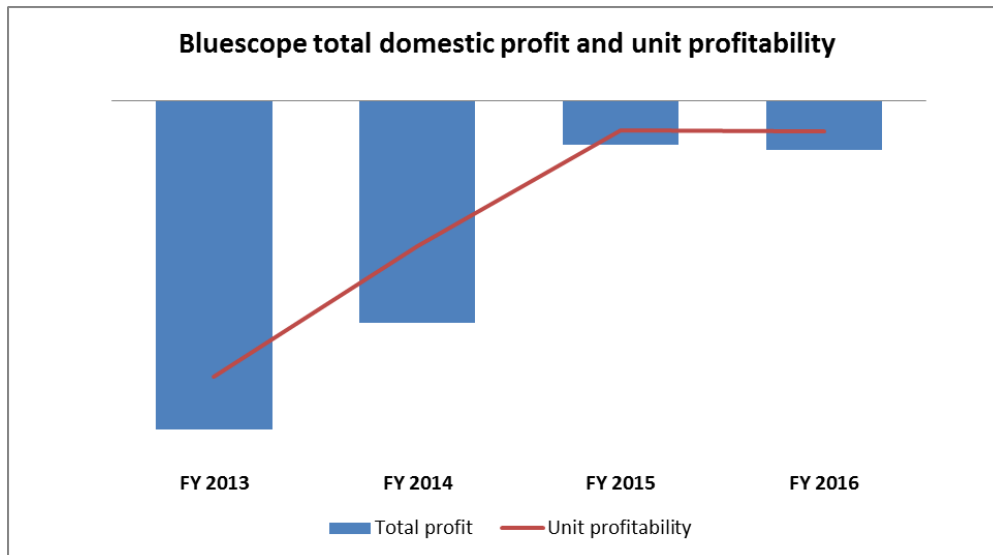


Figure 5 – BlueScope’s total profit and profitability for galvanised steel

Figure 5 above illustrates that BlueScope’s improved profitability since FY2013 to FY2015, with losses increasing slightly in FY2016. Despite the improved profitability over the injury analysis period, BlueScope continued to make a loss in the galvanised steel business during the investigation period.

BlueScope has indicated that improvements in per unit profits and overall profitability were due to the following reasons:

- decreases in costs as a result of falling input material prices, mainly iron ore and HRC, and cost cutting and efficiency programs; and
- reductions in import volumes of galvanised steel from countries nominated in investigations 190 and 193 (namely China, Korea and Taiwan) which led to a partial recovery of sales volumes.

The Commission verified BlueScope’s cost to make and sell galvanised steel and found that BlueScope has decreased its fixed costs such as Sales, General and Administration (SG&A) expenses over the injury analysis period. The Commission has also examined imports of galvanised steel using the ABF’s import database and, as detailed in the section 9.7 of this report, there has been a reduction in import volumes of galvanised steel from countries nominated in investigations 190 and 193 and an increase in domestic sales of galvanised steel by BlueScope.

All other Sectors

The Commission has noted that during the investigation period two of the five sectors were profitable while other three sectors incurred losses. Overall, the Australian industry was operating at a loss during the investigation period. The Commissions detailed assessment of each sector is at **Confidential Appendix 2**.

9.6.2 Conclusion – profit and profitability

Following on from the finding that BlueScope suffered injury in relation to price suppression and depression, the Commission has found that BlueScope also suffered injury in the form of lost profit and profitability.

9.7 Volume trends

In its application, BlueScope claims that it has suffered injury in the form of reduced sales volumes. In undertaking an assessment of volume trends, the Commission has relied on verified data provided by BlueScope and exporters, and information available in the ABF import database for the injury analysis period 1 July 2012 to 30 June 2016. The Commission cleansed data obtained from the ABF import database based on the following methodology:

- data was extracted from the ABF import database based on relevant tariff classifications and statistical codes;
- the data was then filtered based on the goods description to exclude import transactions that are not the goods under consideration; and
- the data was filtered to exclude those line items where the free on board (FOB) price per tonne was outside an identified range that was considered a reasonable price range for the goods. This identified range was based on observations from previous investigations, reviews and inquiries into galvanised steel, which also had to exclude 'outlying' data.

9.7.1 Sales volume

The following graph shows BlueScope's total sales volume for galvanised steel in the Australian market since July 2012.

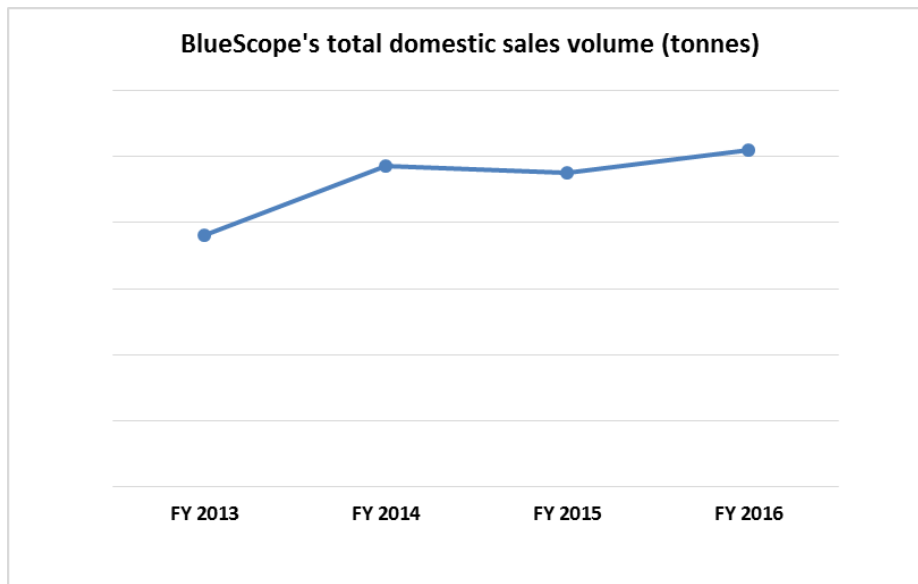


Figure 6: Domestic sales volume of galvanised steel

The figure 6 shows that BlueScope's domestic sales volumes of galvanised steel have noticeably increased in FY2014 after anti-dumping measures were imposed against

China, Korea and Taiwan and continued to gradually increase during the investigation period after decreasing in FY2015.

9.7.2 Volume trend

The following graph compares BlueScope’s sales volume galvanised steel with collective volume of imports from India, Malaysia and Vietnam in this application and with imports from all other countries.

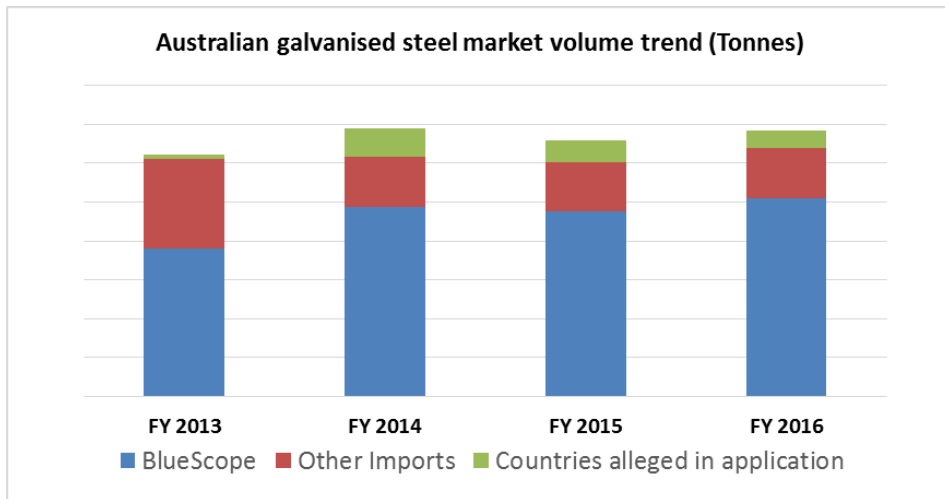


Figure 7 – Australian market volume

Figure7 demonstrates that total market volume has increased from FY 2013, even after a slight year-on-year drop in consumption in FY2015.

As evident in the Figure 7 graph above, the volume growth in the total market has been shared by BlueScope and imported goods. However, with the imposition of measures in August 2013 on galvanised steel exported from China, Korea and Taiwan (as noted in section 5 of this report, China, Korea and Taiwan make up the biggest share of volumes) as a result of investigations 190 and 190, there was a significant shift to exports from the countries under current investigation.

Despite increase in domestic sales volumes during the investigation period, BlueScope claims it has suffered volume injury. Specifically, BlueScope claimed that if it were not for the dumped and/or subsidised goods entering the Australian market from India, Malaysia and Vietnam, it would have achieved an even greater number of domestic sales during the investigation period.

9.8 Market share

The following graph shows changes in the domestic market share between BlueScope and importing countries using data from the ABF import database and BlueScope’s sales data for the period FY2013 to FY2016.

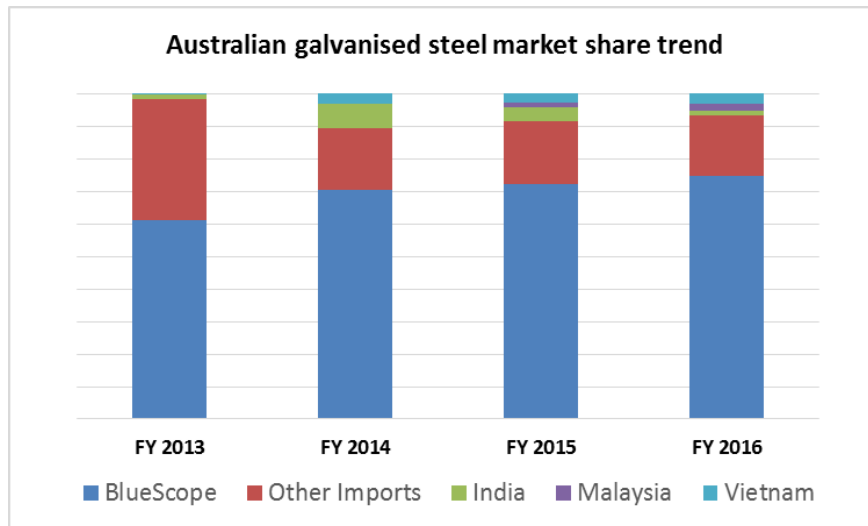


Figure 8 – Australian market share

Figure 8 above shows that BlueScope’s share in the Australian galvanised steel market increased in FY2016 and throughout the injury analysis period (i.e. FY2013-FY2016). Figure 8 also shows that there was a marked increase in the market share of imports from Malaysia and Vietnam from FY2013 to FY2016. The market share of exports of the goods from India has increased in FY2014 but then started to decline in FY 2015 and FY2016.

The Commission notes that:

- market shares of imports from Malaysia and Vietnam have been increasing from FY2014 to FY2016 compared to insignificant volume of imports from these countries in FY2013;
- market share of imports from India increased significantly in FY2014 compared to FY2013, but declined in FY2015 and FY2016; and
- BlueScope’s market share increased significantly in FY2014 compared to FY2013 and then continued to increase at a diminishing rate.

BlueScope claims that reductions in the market shares of the imports of galvanised steel from China, Korea and Taiwan were a result of investigations 190 and 193 where anti-dumping measures were imposed against China, Korea and Taiwan and countervailing measures was imposed against China.

9.9 Submissions

9.9.1 New Zealand imports

Essar Steel, in its submission, requested that the export of galvanised steel from New Zealand be included in the analysis of export volume trend analysis as these exports are said to be from BlueScope’s own subsidiary in New Zealand. Essar Steel claimed that inclusion of exports from New Zealand would provide a more accurate market share trend.

9.9.2 The Commission's assessment

The Commission has not included the imports of galvanised steel from New Zealand with other imports but notes that they account for a very small proportion of the market. Therefore, the Commission has decided not to include those imports from New Zealand.

9.9.3 Conclusion - volume trends

The Commission notes that BlueScope increased the volume of galvanised steel sold during the investigation period and that BlueScope was able to capture a greater market share after anti-dumping measures were imposed against China, Korea and Taiwan in August 2013.

The Commission has also noted that BlueScope has gained market share in a growing market and that there is no evidence of a volume injury.

9.10 Other economic factors

BlueScope has also claimed that the Australian industry experienced injury in respect of other economic factors, including the following:

- reduced capital expenditure;
- reduced return on investment;
- reduced employment; and
- reduced revenues

In support of its claim of injury, BlueScope provided information pertaining to other economic factors from FY2013 to FY2016. These factors were assessed as part of the Australian industry verification visit.⁴³

9.10.1 Reduced capital expenditure

Figure 9 below shows the capital expenditure trend from FY2013 to FY2016.

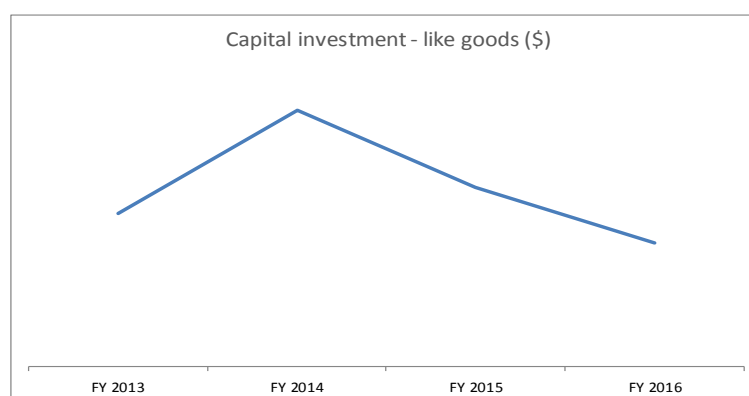


Figure 9– BlueScope's Capital expenditure trend

⁴³ Refer to Australian industry visit report on the Commissions website - EPR 370/55.

Figure 9 illustrates that after a sharp increase in capital expenditure in FY2014, capital expenditure has been declining and was below the FY2013 level during the investigation period, indicating injury in relation to this factor.

9.10.2 Reduced return on investment

BlueScope’s return on investment has overall improved between FY2013 and FY2016. Although there was a steady improvement in the return on investment during throughout the injury analysis period, it remained negative by FY2016

Based on above observations, the Commission considers that the Australian industry has experienced a reduced rate of loss.

Furthermore, while the return on investment improved during the investigation period, the Commission does not believe this, of itself, precludes a finding that negative return on investment has been experienced by the Australian industry.

9.10.3 Reduced employment numbers

Figure 10 below illustrates number of employees and average wages since FY2013, relating to galvanised steel production has decreased overall, although there was an increase in FY2014.

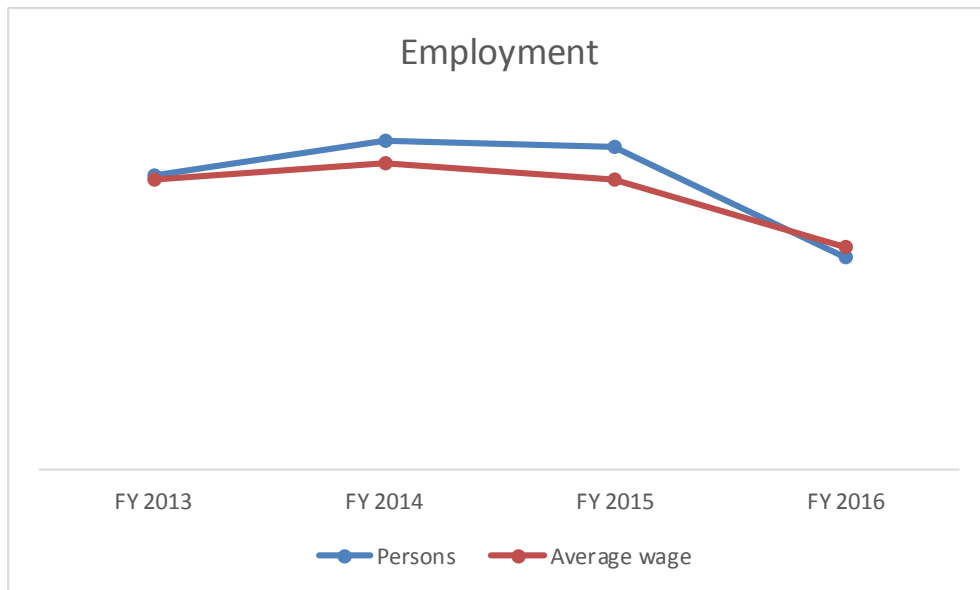


Figure 10– BlueScope’s employment trend

Figure 10 illustrates that by the end of the period it remained substantially lower, by about 28%, than the reported level in FY2013.

9.10.4 Additional observations

In addition to the observations outlined above, the Commission has noted that the following injury indicators had mixed trends across the period FY2013 to FY2016:

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- *capacity utilisation* - BlueScope's capacity fluctuated slightly but generally remained at the same level throughout the injury analysis period. Overall BlueScope was able to increase capacity utilisation:
- *Productivity* - productivity (measured as tonnes per shift), has improved from FY2013 to FY2016:
- *capital investment* - Capital invested for galvanised steel decreased from FY2013 to FY2016: and
- *wages* - wages paid to employees involved in the production of galvanised steel declined during FY2013-FY2016

9.10.5 Conclusion – other factors

Based on the above analysis, the Commission considers that the lost profit and profitability suffered by BlueScope has impacted on its employment and capital expenditure.

10. HAS DUMPING AND SUBSIDISATION CAUSED MATERIAL INJURY?

10.1 Finding

The Commissioner has found that injury to Australian industry has been caused by:

- dumped goods exported to Australia from Malaysia and Vietnam; and
- dumped and subsidised goods exported to Australia from India.

The Commissioner has found that this injury to Australian industry is not negligible.

10.2 Introduction

This section examines whether galvanised steel exported to Australia from Malaysia and Vietnam at dumped prices, and galvanised steel exported from India at dumped and subsidised prices, have caused material injury to the Australian industry producing like goods.

Section 269TAE outlines the factors that the Parliamentary Secretary may take into account in determining whether material injury to an Australian industry has been, or is being, caused or threatened.

The Commission has found that, during the investigation period, galvanised steel exported to Australia from;

- India was at dumped and subsidised prices;
- Malaysia was at dumped prices;
- Vietnam was at dumped prices;⁴⁴ and
- Vietnam was not at subsidised prices.

The Commission has also found that the Australian industry experienced price depression, price suppression, reduced profit and profitability, reduced capital expenditure and reduced employment.

10.3 Approach to assessing material injury

The Commission has assessed material injury at macro and micro levels and considered cumulatively the injurious effects of dumping and/or subsidisation from the nominated countries. The Commission considers that imported galvanised steel are like goods to the goods produced by the Australian industry. Both the imported goods and goods produced by the Australian industry have similar end-uses and compete in the same markets. The conditions of competition are such that it is appropriate to consider the cumulative

⁴⁴ Two cooperating exporters were found not dumping

injurious effect of the dumped imports from Malaysia and Vietnam together with dumped and subsidised imports from India.

10.3.1 Macro analysis

In assessing whether material injury has been caused by dumping and/or subsidisation, the Commission conducted macro-analysis examining imports, market share, prices and industry performance across the Australian industry. In conducting this assessment, price undercutting has been assessed by comparing the price of imported and locally produced galvanised steel on the basis of pricing for the total grades of the goods and pricing by product categories. The Commission has also considered in its macro-analysis the effects of undumped imports, including imports from countries outside of the scope of the investigation.

10.3.2 Micro analysis

Due to complexities in the galvanised steel market, including the range of products and different market sectors, the Commission has conducted a micro analysis. Micro analysis examines the injury and effects of dumping and/or subsidisation at a model-specific (grade) product level and within particular market sectors. Where possible, price undercutting has been undertaken by comparing the price of imported and locally produced galvanised steel by direct comparison of particular locally produced and imported models or grades and by market segment for major markets at a comparable level of trade where that information was available.

10.4 Size of the dumping and subsidy margins

Paragraph 269TAE(1)(aa) and (ab) states that in determining whether material injury has been caused by dumping and subsidisation, the Parliamentary Secretary may have regard to the size of each of the dumping and subsidy margins, worked out in respect of goods of that kind that have been exported to Australia at dumped and subsidised prices.

10.4.1 India

As outlined in Section 6.4 of this report JSW Group was found to have exported galvanised steel to Australia from India during the investigation period at a combined dumping and subsidy margin of 10.0%, Essar Steel was found to have exported galvanised steel at a combined dumping and subsidy margin of 7.6%.

The uncooperative exporters and all other exporters were found to have exported the goods at a combined dumping and subsidy margin of 14.3%.

10.4.2 Malaysia

As outlined in Section 6.5, CSCM was found to have exported galvanised steel to Australia from Malaysia during the investigation period at a dumping margin of 14.5%.

The uncooperative exporters and all other exporters were found to have exported the goods at a dumping margin of 16.5%.

10.4.3 Vietnam

As outlined in Section 6.9 CSCV was found to have exported galvanised steel to Australia from Vietnam during the investigation period at a dumping margin of 8.4%, the subsidy margin was *de-minimus*.

Hoa Sen Group and Nam Kim Steel were found to be not dumping and their subsidy margins were *de-minimus*.

The uncooperative exporters and all other exporters were found to have exported the goods at dumping margin of 14.2%, and subsidy margin for all exporters was found to be *de minimus*.

10.5 Quantity of the dumped goods

Paragraph 269TAE(1)(a) states that in determining whether material injury has been caused by dumping and by subsidisation the Parliamentary Secretary may have regard to the quantity of goods of that kind that, during a particular period, have been or are likely to be exported to Australia from the country of export.

The Commission found that, during the investigation period the volume of dumped goods exported to Australia from Malaysia and Vietnam individually exceeded 3% of the total Australian import volume, and the volume of dumped and subsidised goods from India exceeded 4%. Therefore these imports are not negligible under s269TDA(4) and s269TDA(8).

The Commission also noted that the dumped and subsidised exports collectively from India, Malaysia and Vietnam represent approximately 5% of the total Australian market. As outlined below, the Commission has found that this volume was sufficient to affected pricing by BlueScope.

10.6 Cumulation of injury

Subsection 269TAE(2C) sets out the requirements for assessing the cumulative effects of exports of goods to Australia from different countries. Where exports from more than one country are simultaneously the subject of anti-dumping investigations, the Parliamentary Secretary may cumulatively assess the effects of such imports if:

- the investigations of those exports resulted from applications under section 269TB lodged with the Commissioner on the same day, or they resulted from applications under section 269TB lodged with the Commissioner on different days but the investigation periods for all the investigations overlap significantly;
- the margin of dumping or the amount of countervailable subsidy established for each country is not negligible;
- the volume of imports from each country is not negligible; and
- cumulative assessment is appropriate in light of the conditions of competition between the imported goods and the conditions of competition between the imported goods and the like domestic goods.

Section 2 of this report outlines the background of this case and discusses that the alleged dumping and/or subsidy investigations were initiated on the same date, the investigation period was same and the investigations were simultaneously investigated against India, Malaysia and Vietnam.

As discussed in through this report, the margin of dumping for India, Malaysia and Vietnam and the amount of countervailable subsidy for India, is not negligible. The volume of imports from each of the three countries subject to the investigation is also not negligible. The goods imported from India, Malaysia and Vietnam directly compete with the like domestic goods.

As discussed at chapter 5, the Commission has found that galvanised steel produced by the Australian industry and the respective imported goods are alike, have similar specifications, have similar end-uses, and compete in the same primary market sectors.

Based on the above assessment, the Commission considers that it is appropriate to consider the cumulative effect of the dumped and/or the subsidised imports.

10.7 Macro analysis

10.7.1 Pricing

During the investigation period, the Commission found that the Australian industry experienced price depression, price suppression, reduced profit and profitability, reduced capital expenditure and reduced employment.

Paragraph 269TAE(1)(e) of the Act states that the Parliamentary Secretary may have regard to the difference between:

- (i) the price that has been, or is likely to be, paid for goods of that kind, or like goods, produced or manufactured in the Australian industry and sold in Australia; and
- (ii) the price that has been, or is likely to be, paid for goods of that kind exported to Australia from the country of export and sold in Australia.

In addition, paragraph 269TAE(1)(f) states that the Parliamentary Secretary may have regard to the effect that the exportation of goods of that kind to Australia from the country of export in those circumstances has had, or is likely to have, on the price paid for goods of that kind, or like goods, produced or manufactured in the Australian industry and sold in Australia.

The Australian industry has provided details of its price setting model. It uses import parity pricing (IPP) data as one of its key source of information to establish its base price. The Australian industry provided the Commission with detailed information describing its price setting process for different grades of galvanised steel in different market sectors for each month during the investigation period, as discussed below.

10.7.2 Import Parity Pricing

The Australian industry claims import price offers are a key determinant of its prices and that it competes directly with the imported goods in the two major sectors (building and distribution) and two major grades as discussed in section 5 of this report.

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BlueScope provided the Commission with detailed IPP data (including its sources) and explained in detail the methodology it followed to determine prices for each sector during each month in the investigation period, and provided its monthly pricing decisions. These monthly pricing decisions related to 8 months of the investigation period. A pricing decision shows how the monthly import prices, together with other reference data such as volumes, are used to set a base price for particular base models BlueScope has to compete with.

BlueScope stated that it collects import offers and other relevant data to determine its base galvanised steel price in advance based on what prices it expects to be competing with in the market. This timeframe allows BlueScope the opportunity to make offers, counter-offers and to negotiate the final price with its customers, before an order is placed, with delivery to customers at an expected date. The same time lag applies if the goods are imported, therefore, purchasers of galvanised steel make their decisions a number of weeks in advance and determine sourcing decisions at that time.

BlueScope also provided the monthly proposed price that it publishes (price list), and the actual price it achieved for the base model and for the selected grade. BlueScope stated that it considers a particular monthly import price offer to be an 'effective threat' price offer by having regard to the supplier's volume, quality, and the price of the product. That is, an 'effective threat' price offer is one that is judged to have a capability to supply and is a price point they must seek to meet. BlueScope sets its own pricing accordingly.

The Commission has noted that as a starting point, BlueScope generally based its initial prices on its IPP pricing strategy for the base model for a particular grade. BlueScope then negotiates individually with its customers to achieve final prices which may include 'extras' for a particular grade of galvanised steel for that month.

10.7.3 The Commissions assessment

The Commission noted how import offers influenced the benchmark IPP in each month of the investigation period. The Commission observed that the lowest IPP is not always the price that must be matched because, as noted, what becomes important is a judgement concerning the most 'effective threat' price offer. The Commission noted the months in which BlueScope followed price offers from countries other than the three nominated countries, which include Korea and Taiwan. However, from the information provided, the Commission was able to identify that BlueScope's prices were similar to dumped and/or subsidised prices from some selected mills from the three nominated countries (i.e. India, Malaysia and Vietnam).

The Commission considers that during the investigation period, while BlueScope did not closely follow a particular mill and/or country, the IPP information and pricing strategy suggests that BlueScope's final price realised in each month during the investigation period closely correlates with the 'effective threat' import offer. The Commission noted the particular months in which the nominated countries set an "effective threat" import offer, thereby influencing BlueScope's price.

The Commission has therefore found that import prices drive BlueScope's prices, including dumped and subsidised imports.

Detailed IPP data, summary of management decision for each month at **Confidential Appendix 3**.

Confidential file note regarding the visit to BlueScope to discuss and verify IPP data, pricing methodology is at **Confidential Attachment 3**.

10.7.4 Price undercutting

Price undercutting occurs when imported product is sold at a price below that of the Australian manufactured product at a comparable level of trade.

As discussed section 8.5 of this report, the Commission found that BlueScope experienced injury in the form of price depression and suppression during the investigation period. The Commission has therefore examined claims by BlueScope that dumped and/or subsidised imports from India, Malaysia and Vietnam have undercut its prices causing this injury.

In conducting this analysis, the Commission has compared weighted average free-into-store (FIS) prices in Australian dollars per tonne (AUD/T) of imported galvanised steel sold by importers, to BlueScope's delivered (FIS) net selling price (AUD/T), at a comparable level of trade. The Commission used verified data and other information provided by the Australian industry and data collected and verified by the Commission from the cooperating importers and end-users.

The Commission also analysed data sourced from ABFs import database to compare the prices of imports from other countries including countries with current measures⁴⁵.

10.7.5 Distributors and End-users

During the investigation, the Commission collected and verified import and sales data from 4 cooperating importers (distributors) and 5 cooperating end-users. The Commission compared the Australian industry's selling prices in the investigation period with three of the four⁴⁶ importers, and 5 end-users, examining the goods exported from;

- India at dumped and subsidised price;
- Malaysia at dumped price; and
- Vietnam at dumped and undumped prices.

The Commission compared the weighted average FIS prices of galvanised steel with the importers (distributors) and end-users who sourced the goods from one or all three countries subject to this investigation during the investigation period. This comparison showed that during the investigation period Australian industry's price of galvanised steel were undercut by:

- Indian exporters between 3% and 7%;

⁴⁵ In August 2013 anti-dumping measures were imposed against the goods exported by China, Korea and Taiwan

⁴⁶ One of the four cooperating importers did not provide source countries of its imports, therefore the Commission excluded that importer's information from this analysis.

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- Malaysian exporters between 2% and 13%; and
- Vietnamese exporters⁴⁷ between 6% and 24%;

A detailed undercutting analysis is at **Confidential Appendix 4**

As discussed in section 10.7.2, the IPP forms the basis for Australian industry's pricing strategy, it is not unexpected to find that the price of imports undercut Australian industry's prices, as Australian industry applies a premium on the price of imports for the benefits (such as production and delivery time, quality of goods, credit terms etc.) associated with local production of the goods.

The price of these imports can, however, apply downwards pressure on the Australian industry so that it is unable to raise its prices, leading to injury through price suppression and depression. The Commission has found this to be the case for the Australian industry in the investigation period.

10.8 Micro analysis

The Commission noted that a number of BlueScope's customers sourced the goods from more than one source, including a combination of imported (including India, Malaysia and Vietnam), buying the same grades from import sources as were also sold by BlueScope. This suggests that the purchasers of galvanised steel in the Australian market are well informed about the sources from where they can import galvanised steel at competitive prices. It also suggests that the purchasers of galvanised steel have the ability to gather intelligence and compare prices of domestically produced product with imported like product. BlueScope provided evidence in relation to specific customers that showed the price of imports being used in negotiations.

The IPP data used for price setting and price negotiation details with its customers provided by BlueScope, further demonstrates that the prices of imported galvanised steel are regularly used as leverage in price negotiations with Australian industry producing like goods and cause the industry to reduce its selling price in order to achieve sales.

The following graph compares BlueScope's galvanised steel prices for one of the major grades to import prices sourced from India, Malaysia and Vietnam.

⁴⁷ Both undumped prices and dumped prices undercut BlueScope's prices

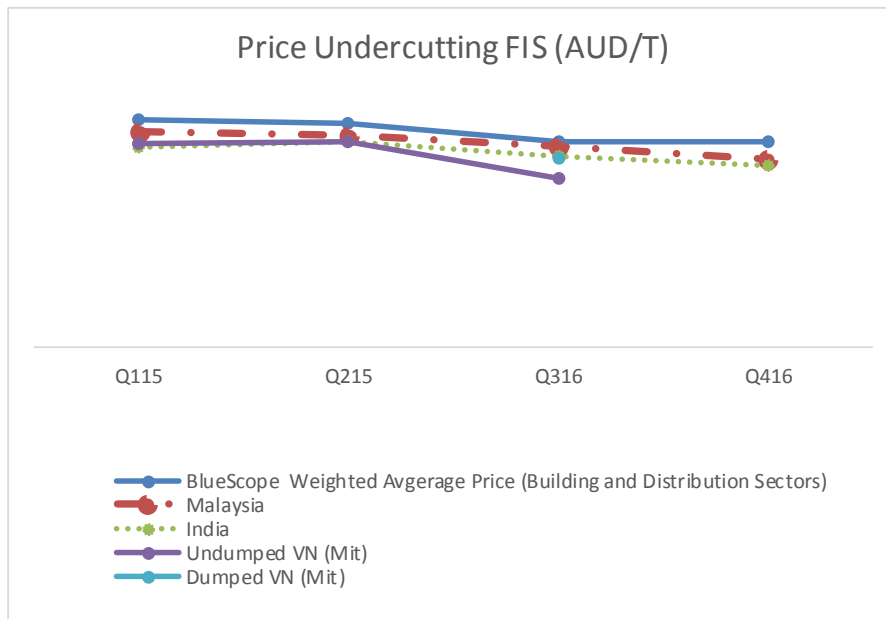


Figure 11: BlueScope's prices compared to import prices

Figure 11 demonstrates that during the investigation period imports from all three countries India, Malaysia and Vietnam undercut BlueScope's prices. Assessment by customer and grade demonstrates a similar result.

A detailed price undercutting analysis by different market sectors and grades is at **Confidential Appendix 5**. A detailed assessment is at **Confidential Attachment 4**.

10.9 Conclusion – Price

Based on the above, the Commission has found that the Australian galvanised steel market is price sensitive, with BlueScope needing to take into account import prices in order to maintain sales. Given this price sensitivity, evidence of price undercutting, together with the IPP pricing strategy used by BlueScope and the evidence which shows that in some months in the investigation period dumped and/or subsidised import offers have influenced BlueScope's prices, the Commission is of the view that injury suffered by the Australian industry was in part caused by dumped and/or subsidised low priced imports from India, Malaysia and Vietnam. The injury suffered from these imports, targeting particularly the distribution and building sectors was material when assessed against the Australian industry's production as a whole.

The Commission has also examined other causes of injury as discussed below.

10.10 Injury caused by factors other than dumping

Subsection 269TAE(2A) of the Act states that the Parliamentary Secretary must consider whether any injury to an industry, or hindrance to the establishment of an industry, is being caused or threatened by a factor other than the exportation of those goods and any such injury or hindrance must not be attributed to the exportation of those goods.

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The Commission has considered all factors outlined in subsection 269TAE(2A), and has also examined other potential causes of injury to BlueScope, other than dumped and/or subsidised goods exported from India, Malaysia and Vietnam.

During the course of the investigation the Commission has identified certain matters and a number of interest parties have made submissions about other factors that could have caused injury to the Australian industry as discussed below.

10.10.1 Undumped Imports

The Commission notes that other imports also played a role in the Australian market and has examined what impact these goods had on BlueScope, looking at both the IPP model and price undercutting.

10.10.2 Import Parity Pricing

As discussed above, the Commission noted that during the investigation period, BlueScope's IPP pricing model closely followed price offers from a number of sources, including Korea, Taiwan and undumped exports from Vietnam. An assessment of the data provided showed that in some months, these prices appear to have formed the basis of BlueScope's prices, contributing to BlueScope's price suppression and depression.

10.10.3 Price undercutting

The Commission also conducted a price undercutting assessment of these goods and imports from other sources. Specifically, the Commission compared Australian industry prices of galvanised steel with undumped galvanised steel imports as follows:

- from countries already subject to anti-dumping measures (being China, Korea and Taiwan);
- undumped galvanised steel exported to Australia from all other countries; and
- undumped galvanised steel from Vietnam.

An assessment of the export price of goods from China and Korea indicates that galvanised steel were priced at a similar level to those of the Australian industry.

Imports from Taiwan accounted for majority of the exports from these three countries (Taiwan has been the single largest exporter of the goods during the investigation period), however only 50%⁴⁸ of total imports from Taiwan were directly competing with BlueScope as other imports were exempt from import duties due to tariff concession orders (TCO's) being in place. The Commission noted that the FIS price of the goods exported from Taiwan which were in direct competition with Australian industry were like goods to those produced by the Australian industry.

⁴⁸ The Commission is aware that a number of exporters from Taiwan, accounting for the majority of exports, are currently subject to review to determine whether the dumping duties on these goods are appropriate (Rev 265 et.al refers).

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From the above analysis, the Commission found that galvanised steel exported from countries subject to current anti-dumping measures were not undercutting Australian industry's prices, although this analysis is less detailed than could be performed for the countries under investigation due to data limitations and the scope of the investigation.

Concerning Vietnam, the Commission noted that undumped galvanised steel from some exporters from Vietnam were undercutting Australian industry's prices. The Commission assessed each market sector, comparing these undumped FIS prices during the investigation with Australian industry's prices.

10.10.4 Conclusion

Based on the IPP model and the undercutting assessment, the Commission has found that undumped imports from Vietnam and imports from countries not subject to the investigation are also a cause of injury to the Australian industry. However, the Commission does not consider that this detracts from a finding that injury caused by dumped and subsidised imports are not negligible. The Commission is of the view that due to the number of months in the investigation period in which dumped and subsidised imports influenced BlueScope's pricing, injury suffered by BlueScope from these imports is material.

10.10.5 The pipe and tube sector

The Commission has noted that pricing pipe and tube sector is not based on the same IPP model used by BlueScope for the building and distribution sectors, therefore the Commission is unable to attribute any injury from this injury to the dumped and subsidised imports under investigation.

The Commission has found that injury in relation to pipe and tube sector was caused by factors other than dumping and subsidisation. However, this again does not detract from the finding that the injury caused by the dumped and subsidised imports was material.

10.10.6 Other factors

A number of interested parties made submissions to the Commission regarding the following other factors alleged to be affecting Australian industry's performance:

- As BlueScope is the sole domestic producer and supplier of galvanised steel, it has the majority of the market share for the goods and is attempting to monopolise the Australian galvanised steel market by using anti-dumping measures;
- BlueScope's market share of domestic galvanised steel consumption has steadily increased since the initiation of this investigation, however due to its limited production capacity, BlueScope is unable to fulfil its supply orders on time. Therefore, BlueScope has itself imported galvanised steel from India post the investigation period to fulfil its supply orders;
- BlueScope did not respond to the decline in HRC prices, therefore BlueScope may have lost some market share to its competitors who are sourcing the goods from one or more of the three countries subject to this investigation;

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- if dumping measures are put in place by the Commission, some interested parties stated that they will not be able to survive and will have to close their businesses leading to a loss of employment in Australia;
- BlueScope is using old machines and technology, this, together with the high cost of labour, is making BlueScope uncompetitive, hence causing injury to the Australian industry; and
- Some interested parties import small quantities of galvanised steel from various countries (including India, Malaysia and Vietnam) and also purchase from BlueScope, as this in their view keeps BlueScope 'honest' and 'competitive'. Another stated reason to purchase from other countries is to check the prevailing international prices of the galvanised steel.

BlueScope has responded to the above concerns where public record version of submissions were received and were published on the Commissions website.

The Commission noted that the above factors could have caused some injury to the Australian industry, however evidence is not available to the Commission to support a number of these claims.

10.11 Submissions

10.11.1 Export price

JSW group and Essar Steel from India and Hoa Sen Group from Vietnam, have claimed in separate submissions that the FOB export price by the respective exporter was not the lowest.

JSW group, Essar Steel and Hoa Sen Group claimed that since FOB export unit prices of some of the 'undumped' exports, especially that from Taiwan, was lower than that from their own export prices and given that BlueScope's follow's IPP pricing strategy, which they claim was based on undumped sources from Taiwan, was responsible for Australian industry's price undercutting, hence causing Injury.

10.11.2 The Commission's assessment

The Commission's detailed price undercutting analysis is at sections 10.7.4 of this report. Based on this analysis, the Commission is satisfied that dumped and subsidised imports have caused injury to the Australian industry despite the presence of other imports into the Australian market.

10.11.3 BlueScope's profits

Number of submissions from interest parties stated that the Australian industry is improving its financial performance and profitability. These submissions stated that BlueScope's unit profitability from galvanised steel business has substantially improved from the beginning of injury analysis period to the end of the investigation period. They also stated that BlueScope's unit selling prices are only marginally lower than the unit cost to make and sell, hence the Australian industry has not suffered material injury during the investigation period.

Furthermore, the interested parties claim that BlueScope has managed to improve its profitability through cost cutting measures and rationalisation. Therefore BlueScope's ability to improve its profitability even if the goods were dumped and/or subsidised, any injury suffered by the Australian industry was due to its own inefficiencies.

10.11.4 The Commission's assessment

The Commission has noted that the Australian industry's galvanised steel's operations has improved during the injury analysis period, as evidenced by the reduced rate of loss in the galvanised steel. However, despite this improvement, the Australian industry's galvanised steel business continued to operate at a loss in the investigation period.

10.11.5 BlueScope's Distribution strategy

The Commission received a number of submissions from various interest parties stating that the availability of galvanised steel products from BlueScope has been 'unreliable'. These interested parties have provided evidences of instances where BlueScope has not been able to meet its supply commitments.

Furthermore, some interested parties also claim that imposition of anti-dumping measures on imported galvanised steel from India, Malaysia and Vietnam will likely lead to further worsening of timely availability of galvanised steel in the Australian market.

10.11.6 The Commission's Assessment

BlueScope's distribution strategy is discussed in section 5.2.1 of this report. From the evidence provided, the Commission has noted that in some rare circumstances BlueScope was not able deliver the goods on time.

10.11.7 Cubulation of injury

JSW Group submitted that any injury from exports of galvanised steel from the three nominated countries should not be cumulated. JSW Group claims that Indian export (FOB) prices are higher than Malaysian and Vietnamese export prices.

10.11.8 The Commission's assessment

The Commissions assessment of cumulating injury from the three nominated countries is at section 10.6 of this report.

10.11.9 Automobile sector

Hoa Sen Group in its submission has claimed that BlueScope's 'poor financial performance' may be related to decline and shutdown of Auto manufacturers in Australia. This is because '*Galvanneal*' and '*Zincanneal*', generic names for a sub categories of the goods are used primarily in Automobile industry which has been declining over the recent years.

10.11.10 The Commission's assessment

The Commission's assessment of different sectors that the Australian industry sells the goods is at section 10.7.4 of this report. From the information provided by the Australian

industry, the Commission has noted that automobile sector is relatively small compared to other sectors.

10.11.11 Export from Taiwan

BlueScope has submitted that the conclusion of Anti-circumvention investigation against certain Taiwanese exporters, has confirmed that not all exports from Taiwan during the investigation period of can be deemed as *undumped* and hence while comparing the FIS price of goods imported from countries subject of current investigation with that of Taiwan, suitable adjustment should be made to reflect the dumping by certain Taiwanese exporter despite the prevailing measures in place against imports from that country.

10.11.12 The Commission assessment

The Commission assessment of the Taiwanese exports is set out in section 10.10.3 of this report.

10.12 The Commissions assessment - has dumping and subsidisation caused material injury?

The Commission finds that, during the investigation period, BlueScope experienced price competition from dumped and subsidised goods from India, dumped goods from Malaysia and dumped/undumped goods from Vietnam.

After having regard to the relative prices and volumes of these goods, the Commissioner considers that the Australian selling prices of dumped and subsidised goods from India, dumped goods from Malaysia and Vietnam have influenced BlueScope's selling prices, and the prevailing market prices in Australia.

The Commission also took into account the specific evidence provided by BlueScope to substantiate examples where it faced pressure to lower its prices to compete with imported goods. This evidence demonstrates that while the Australian industry was able to increase its sales volume and market share, it faced aggressive price competition with dumped and/or subsidised goods from all three nominated countries subject to this investigation.

As discussed in section 10.7.2 of this report, there is evidence to show that BlueScope generally sets its prices according to import parity pricing. Therefore, while HRC prices have been depressed globally, the presence of dumped and/or subsidised imports in the market has further suppressed BlueScope's prices so that it is unable to increase its prices to the extent it would have if competing with undumped prices. This has particularly impacted BlueScope due to the increases in raw material prices globally.

Accordingly, the Commissioner is satisfied that the goods exported from India at dumped and subsidised prices and those exported from Malaysia and Vietnam at dumped prices caused BlueScope to experience injury by means of an inability to increase prices and adverse profit effects.

10.13 Conclusion – has dumping and subsidisation caused material injury?

The Commission is satisfied that, based on the information submitted in the application and verified data collected during its investigation, the dumping and subsidisation of galvanised steel exported to Australia from India and the dumping of galvanised steel exported to Australia from Malaysia and Vietnam, has caused material injury to the Australian industry producing like goods.

11. WILL DUMPING, SUBSIDISATION AND MATERIAL INJURY CONTINUE?

11.1 Finding

The Commission finds that exports of galvanised steel from Malaysia and Vietnam in the future may be at dumped prices and from India at dumped and subsidised prices and that continued dumping and subsidisation may cause further material injury to the Australian industry.

11.2 Introduction

When the Parliamentary Secretary is satisfied that material injury to an Australian industry has been caused by dumping and subsidisation, anti-dumping measures and countervailing measures may be imposed on future exports of like goods if the Parliamentary Secretary is satisfied that the dumping and subsidisation and material injury may continue.

11.3 Will dumping continue?

The Commission's analysis shows that galvanised steel exported to Australia from India, Malaysia and Vietnam during the investigation period were at dumped prices with dumping margins ranging from 7.6% and 16.5%.

The Commission also notes that, even at its full capacity, the Australian industry is not able to fully supply the entire volume of the Australian galvanised steel market, and hence importations of the goods from India, Malaysia and Vietnam are likely to continue.

Considering the above factors existing in the Australian galvanised steel market, the Commission considers that dumping will continue if anti-dumping measures are not imposed.

11.4 Will subsidisation continue?

The Commission found that galvanised steel exported to Australia from India during the investigation period were subsidised, with subsidy margins ranging from 3.6% to 5.9%.

The Commission considers that no evidence exists to show that countervailable subsidisation of Indian galvanised steel products will be ceased in its entirety in the future and it is therefore considered that galvanised steel exporters will likely continue to receive financial contributions under at least some of the identified countervailable subsidy programs. It is therefore considered that subsidisation will continue in the future.

Considering the above factors, the Commission considers that goods exported from India will continue to be subsidised if countervailing measures are not imposed.

11.5 Will material injury continue?

The Commission has reviewed the Australian industry's performance over the injury analysis period and has made a finding that galvanised steel exported at dumped and subsidised prices have caused material injury to the Australian industry.

The Commission considers that a continuation of price competition from dumped imports from India, Malaysia and Vietnam and subsidised imports from India are likely to have a continuing adverse impact on the Australian industry. The Commission considers that this impact may be particularly evident in price undercutting, reduced profits and profitability, reduced capital expenditure and reduced employment.

Based on the available evidence, the Commission finds that exports of galvanised steel from India, Malaysia and Vietnam at dumped and/or subsidised prices and that continued dumping and subsidisation may cause further material injury to the Australian industry.

12. NON-INJURIOUS PRICE

12.1 Preliminary assessment of NIP

Noting the operation of section 8(5BAAA) of the Dumping Duty Act and the Commission's findings that:

- the normal value of the goods should not be ascertained under subsection 269TAC(1) of the Act due to the existence of a market situation; and
- the goods have been in receipt of subsidies and the country in relation to which they were provided has not complied with Article 25 of the SCM Agreement for the compliance period,

the Commission recommends that regard should not be had to the desirability of fixing a lesser rate of duty and the full preliminarily assessed dumping and subsidy margins be applied to any interim dumping duty and interim countervailing duty taken in relation to galvanised steel that the Commission proposes in this report to recommend to the Parliamentary Secretary.

12.2 Relevant legislation

Duties may be applied where it is established that dumped and subsidised imports have caused or threatened to cause material injury to the Australian industry producing like goods. The level of dumping duty and countervailing duty imposed by the Parliamentary Secretary cannot exceed the margin of dumping and subsidisation, but the Parliamentary Secretary must have regard to the desirability of fixing a lesser amount of duty if it is sufficient to remove the injury.⁴⁹

However, pursuant to Section 8(5BAAA) of the Dumping Duty Act, the Parliamentary Secretary is not required to have regard to the desirability of fixing a lesser amount of duty in certain circumstances. These are where the normal value of the goods has not been established in accordance with section 269TAC(1) where countervailable subsidies have been received in respect of the goods, the country in relation to which the subsidy has been provided has not complied with Article 25 of the Subsidies and Countervailing Measures (SCM) Agreement for the compliance period.⁵⁰

12.3 Finding

At the time of publishing this SEF, the Commission has not received any submissions from interested parties that address either the desirability of the Parliamentary Secretary fixing a lesser amount of duty, or, if such an approach was to be taken, how this lesser amount of duty should be determined.

⁴⁹ SECTION 269TG(5)

⁵⁰ Article 25 of the SCM Agreement requires that WTO members are to notify the WTO of any specific subsidies (as defined in Articles 1 and 2) that are granted or maintained within their territories

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In light of the above, the Commission considers that regard should not be had to the desirability of fixing a lesser rate of duty, and the full margin of the assessed dumping and countervailable subsidisation should be applied to the collection of interim dumping duty and interim countervailing duty that the Commissioner proposes to recommend to the Parliamentary Secretary in the final report for this investigation.

The Commission is of the view that market unaffected by dumping and/or subsidisation, it is reasonable to expect that BlueScope would be able to achieve as a minimum, selling prices that reflected undumped and unsubsidised import parity pricing. Accordingly, the Commission considers that the FOB non-injurious price for each exporter is a price equal to the respective normal value.

The Commission's USP and NIP assessments is at **Confidential Appendix 7**.

13. PROPOSED FORM OF MEASURES

13.1 Form of measures

The forms of duty available when implementing measures are prescribed in the *Customs Tariff (Anti-Dumping) Regulation 2013* and include:

- combination of fixed and variable duty method (combination method);
- floor price duty method;
- fixed duty method (\$X per tonne); or
- ad valorem duty method (i.e. a percentage of the export price).

The Commissioner proposes to recommend to the Parliamentary Secretary that a dumping duty notice be published in respect of galvanised steel exported to Australia by all exporters from India, Malaysia and Vietnam except for Hoa Sen Group and Nam Kim Joint Stock Company. The Commissioner also proposes to recommend that a countervailing duty notice be published in respect of galvanised steel exported to Australia by all exporters from India.

The Commission proposes to recommend that the interim dumping duty and interim countervailing duty imposed as a result of these notices be calculated:

- using combination of fixed and variable duty method for subsidy; plus
- combination of fixed and variable duty method for dumping, minus an amount for the subsidy rate applying to export subsidy programs (where this has been received by the exporter or group of exporters).

An amount of duty is to be calculated accordance with the combination duty method as a percentage of the export price.

13.2 Combined measures

Noting the above proposed recommendation that the lesser duty rule not be applied, the Commissioner proposes to recommend that the level of interim countervailing duties proposed for galvanised steel exported from India be the full margin of countervailable subsidisation in the case of all exporters.

In relation to interim dumping duties, the Commission notes that in the case of galvanised steel from India, the calculation of combined dumping and countervailing duties is not simply a matter of adding the reported dumping and subsidy margins together for any given exporter, or group of exporters. This is due to the fact that the Commissioner proposes to recommend that:

- the subsidy rate calculated for all countervailable programs; and
- the dumping rates calculated, less an amount for the subsidy rate applying to export subsidy programs (where this has been received by the exporter or group of exporters).

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This approach avoids any overlap or double-counting that may arise from the circumstances of this case where there are export subsidies and a normal value that includes a component that is based on that data.

14. PRELIMINARY AFFIRMATIVE DETERMINATION

14.1 Introduction

Under section 269TD of the Act, at any time not earlier than 60 days after the date of initiation of an investigation into whether there are sufficient grounds for the publication of a dumping duty notice and/or a countervailing duty notice, in respect of goods the subject of an application, the Commissioner may, if he is satisfied that:

- there appears to be sufficient grounds for the publication of such a notice; or
- it appears that there will be sufficient grounds for the publication of such a notice subsequent to the importation into Australia of such goods;

make a preliminary affirmative determination (PAD) to that effect.

The ABF may, at the time of the Commissioner making a PAD or at any later time during the investigation, require and take securities under s.42 of the Act in respect of interim duty that may become payable if the officer of the ABF taking the securities is satisfied that it is necessary to do so to prevent material injury to an Australian industry occurring while the investigation continues.

14.2 Finding

The Commissioner, having made the finding that galvanised steel exported from India, was exported at dumped and subsidised prices and from Malaysia and Vietnam was at dumped prices and that those exports have caused material injury, is satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice and a countervailing duty notice. Accordingly, the Commissioner considers it necessary to make a PAD under section 269TD(1).

Under section 42 of the Act, a PAD allows the ABF to require and take securities in respect of interim duty that may become payable if the Commissioner is satisfied that it is necessary to do so to prevent material injury to the Australian industry occurring while the investigation continues.

The Commissioner is satisfied that dumped and subsidised galvanised steel exported to Australia from India and dumped galvanised steel exported to Australia from Malaysia and Vietnam in the investigation period has caused material injury to the Australian industry and that it is likely that importations of galvanised steel from the nominated countries will occur in the future.

The Commissioner is of the view that it is necessary to make a PAD under section 269TD and impose securities under section 42 of the Act to prevent material injury to the Australian industry occurring while this investigation continues.

14.3 Securities

The PAD, including the level of securities, will be publicly notified by way of an Anti-Dumping Notice. Securities will be collected from 1 June 2017. This report sets out the

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reasons for the determination, including all the material findings of fact and law on which the determination is based.

The ABF will calculate the amount of securities payable on a combination basis (calculated as a proportion of export price). Securities will be at the level of dumping and subsidy margins calculated, as tabulated below:

Country	Exporter / Manufacturer	Countervailing securities	Dumping securities	Combined securities
India	JSW Steel Limited and JSW Steel Coated Products Limited	5.0%	5.0%	10.0%
	Essar Steel India Limited	3.6%	4.0%	7.6%
	Uncooperative and all other exporters	5.9%	8.4%	14.3%
Malaysia	CSC Steel Sdn Bhd	NA	14.5%	14.5%
	FIW Steel Sdn Bhd	NA	16.5%	16.5%
	Uncooperative and all other exporters	NA	16.5%	16.5%
Vietnam	China Steel Sumikin Vietnam Joint Stock Company	NA	8.4%	8.4%
	Uncooperative and all other exporters	NA	14.2%	14.2%

Table 10: Rate of Securities for various exporters

Note: that the level of securities imposed for the Indian exporters is different from the combined dumping and subsidy margin totals found in the preliminary analysis of dumping and subsidisation, due to the removal of any double count relating to export subsidy programs.

APPENDICES AND ATTACHMENTS

Confidential Appendix 1	Assessment of Australian market size
Confidential Appendix 2	Assessment of galvanised steel sales by different market sectors
Confidential Appendix 3	Assessment of IPP data
Confidential Appendix 4	Price undercutting analysis
Confidential Appendix 5	Export price, normal value and dumping margin calculations
Confidential Appendix 6	Price undercutting analysis by different market sectors
Confidential Appendix 7	USP and NIP Assessments
Confidential Attachment 1	Assessment of JSWSL and JSWC as a single exporter
Confidential Attachment 2	Assessment of FIW Steel's response to the exporter questionnaire
Confidential Attachment 3	File Note - Assessment of IPP strategy
Confidential Attachment 4	Assessment by different market sectors
Confidential Attachment 5	Assessment of upstream subsidies - India
Non-Confidential Attachment 1	List of submissions received from interested parties
Non-Confidential Attachment 2	Assessment of a particular market situation in Vietnam
Non-Confidential Attachment 3	Assessment of subsidy programs - India
Non-Confidential Attachment 4	Assessment of subsidy programs – Vietnam

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NON-CONFIDENTIAL ATTACHMENT 1 – SUBMISSIONS

Date Submission Received	Interest Party	Subject	EPR No.
12 October 2016	BlueScope Steel	BlueScope claimed in this submission that United States of America, Department of Commerce has initiated anti-circumvention against certain Chinese exporters exporting certain steel products through Vietnam after minor processing.	18
28 November 2016	Moulis Legal on behalf of Essar Steel	Essar claimed that BlueScope's application for reinvestigation is frivolous given 'no injury' findings of previous investigation and BlueScope's improved financials since then. Essar also sought extension to deadline to submit the response.	38
29 November 2016	BlueScope Steel	BlueScope made submissions with regard to basis for deriving unsuppressed selling price and forms of measures.	39
02 December 2016	BlueScope Steel	Malaysia verification visit briefing.	47
02 December 2016	BlueScope Steel	Product Control Number classification.	48
21 January 2017	TWM Global on behalf of Cedex Steel	<p>Cedex in its submission claimed that,</p> <ul style="list-style-type: none"> • BlueScope's financials have improved significantly undermining the injury claim • BlueScope's unable to meet the timely delivery commitment to its buyers. • BlueScope's imported galvanised steel through New Zealand arm owing to not being able to meet supply commitments. • The quoted price from Exporters under investigation is not the lowest, undermining the price undercutting argument. • BlueScope's distribution network puts additional 	62

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		cost/margin burden on SME buyers.	
30 January 2017	BlueScope Steel	BlueScope made submission that, <ul style="list-style-type: none"> • Gave instances of price undercutting by imports. • Quantified the injury by imports from countries under consideration. • Additional capacity of galvanised steel is being implemented by BlueScope's 	60
13 February 2017	Moulis Legal on behalf of Essar Steel	Essar Steel in its submission stated that, <ul style="list-style-type: none"> • Investigation No. 249 showed that Taiwan import prices undercut that from India and other countries under investigation. • Financial position of BlueScope has improved significantly. • Injury analysis should factor in effect of imports from undumped sources v/s that from India, Malaysia and Vietnam • New Zealand export to Australia should be considered for analysis as they are from BlueScope's New Zealand operation. • No cumulating of injury. • Declining volume trend of imports from India. • Evidence of BlueScope's import of galvanised steel from Indian cooperative exporter post investigation period. 	63
10 February 2017	Hoa Sen Group	Hoa Sen Group in its submission stated that, <ul style="list-style-type: none"> • Financial position of BlueScope's has improved significantly • In response to BlueScope's submission, claimed that United States of America, Department of Commerce anti-circumvention investigation has no relevance, as hot rolled coil to galvanised steel conversion is not 'minor modification'. • Market situation allegation against Vietnam is not valid. 	64

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		<ul style="list-style-type: none"> • ‘Zincvalume’ should be considered as the goods to determine injury to BlueScope’s • BlueScope’s market share in domestic galvanised steel market is even higher after factoring in exports from New Zealand. • BlueScope’s’ export of HRC to Vietnam and other countries should be considered for analysis of economic condition. 	
10 February 2017	BlueScope Steel	<p>BlueScope’s made submission on following issues,</p> <ul style="list-style-type: none"> • ‘Market situation’ in galvanised steel market in Vietnam owing to the same finding in Chinese steel market, which is source of most of HRC to Vietnamese galvanised steel exporter, by Report No 190. • Impact of Government of Vietnam policies on Vietnamese steel prices. • Role of Government of Vietnam 	65
14 February 2017	BlueScope Steel	Presentation on Chinese / Vietnamese Steel market	66-69
10 March 2017	BlueScope Steel	BlueScope submitted that the Commission ensure that related party purchase by CSC is at full cost recovery basis.	71
10 March 2017	BlueScope Steel	<p>BlueScope Steel responded to Hoa Sen Group’s submission on the following issues,</p> <ul style="list-style-type: none"> • Improved financials of BlueScope’s is mainly due to overseas operation and not Australian steel business. • Cumulating of injury from investigated countries • Material injury • Non-injurious price 	72

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3 April 2017	Moulis Legal on behalf of Essar Steel	Essar Steel made submissions on following points, <ul style="list-style-type: none"> • BlueScope’s improving financials • ‘Import Parity’ pricing may be responsible for injury • Price trend post investigation period should be considered • ‘Zincalume’ should be considered in the goods definition as while calculating injury. 	74
28 March 2017	L&S Attorneys on behalf of JSW Group	JSW Group made submissions on following issues, <ul style="list-style-type: none"> • Treatment of subsidy programs • Export volume of goods from India to Australia is small and the price is higher than that of Malaysia and Vietnam. • No cumulating the injury as the volume trend and price range differs for the three countries. • BlueScope’s stated position that it has improved profitability through restructure, pointing to internal causes for injury. • Material injury could have been due to circumvented goods from China Korea and/or Taiwan investigated in anti-circumvention investigation. • Free-on-Board price from India is higher than that of Malaysia and Vietnam. 	75
11 April 2017	BlueScope Steel	BlueScope responded to Essar’s submission by providing statement on, <ul style="list-style-type: none"> • its financials improvement is not owing to domestic steel business. • Injury claim • Zincvalume goods have no perceptible ‘replacement’ trend to galvanised steel. 	77

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28 April 2017	BlueScope Steel	BlueScope responded to JSW Group's submission with its response highlighting, <ul style="list-style-type: none"> • JSW Group's dumping and subsidy margin • JSW Group's subsidy program list 	83
28 April 2017	BlueScope Steel	BlueScope made number of observations from Hoa Sen Group's verification report. They related to, <ul style="list-style-type: none"> • Normal value • Ordinary course of trade • Role of intermediary in export sales and upward adjustment to normal value to be considered by the Commission. 	84
1 May 2017	BlueScope	Injury claims	87
30 May 2017	BlueScope	Price Impact	90

NON-CONFIDENTIAL ATTACHMENT 2 – ASSESSMENT OF A PARTICULAR MARKET SITUATION – VIETNAM

1. Introduction

This attachment sets out the Commission's assessment of Australian Industry's claim that there was a situation in the Vietnamese galvanised steel market during the investigation period such that domestic sales in this market were not suitable for determining normal values under subsection 269TAC(1) of the Act.

Australia's Anti-Dumping provisions, and the World Trade Organization (WTO) Anti-Dumping Agreement (ADA), both allow for the rejection of domestic selling prices where it can be established that a *situation* in the market for the goods in the exporting country renders domestic selling prices unsuitable for normal value purposes.

Generally, the Commission calculates the normal value of the goods as the price for like goods sold for home consumption in the country of export (s.269TAC(1) of the Act refers).⁵¹ One of the exceptions to using domestic selling prices for determining normal values is set out in s. 269TAC(2)(a)(ii) of the Act, which broadly provides that the domestic selling prices are not an appropriate basis for normal value if the Parliament Secretary is satisfied that:

"...the situation in the market of the country of export is such that sales in that market are not suitable for use in determining a price under [s.269TAC(1)]" (i.e. a 'particular market situation' exists).

One of these situations may be where the domestic selling prices in the country of export have been materially affected by government influence, rendering those prices unsuitable for use in establishing normal values.

The existence of a particular market situation potentially affects the approach that the Commission takes to calculating normal values under the Act when determining whether goods have been exported to Australia at dumped prices.

In line with its legislative requirements, the Commission's market situation assessments concern the goods being investigated. When making this assessment, the Commission has also given consideration to conditions within the hot rolled coil (HRC) market in Vietnam. This is because the HRC is the major raw material used in the production of galvanised steel, accounting for more than 60 per cent of total raw material costs. As such, the Commission considers HRC to be a key determinant of the domestic price of galvanised steel in Vietnam.

Section 1.2 of this attachment outlines further details regarding the allegations made by BlueScope in relation to a particular market situation in Vietnam caused by imported HRC from China.

⁵¹ This price is subject to adjustments under s.269TAC(8) of the Act to ensure any differences do not affect the comparison with the export price.

2. BlueScope's Claims

In its application and subsequent submissions, BlueScope claims that there is a particular market situation in relation to galvanised steel sold in Vietnam caused by the importation of HRC from China at '*artificially low prices*', in other words at less than adequate remuneration.

As a result of the imports of HRC from China, BlueScope claims that the sales of galvanised steel in the Vietnamese market are not indicative of *competitive* market prices and therefore are not suitable for determining a normal value pursuant to subsection 269TAC(1) of the Act.

Vietnam does not currently manufacture the HRC used in the production of galvanised steel. Therefore, HRC used in the production of galvanised steel in Vietnam is imported. BlueScope claims that the major source country for HRC imported into Vietnam is China, and that China is the most significant influencing source of HRC for value-adding product in Vietnam.

In its application BlueScope stated that in its previous dumping investigation of galvanised steel exported from China, the Commission found that a particular market situation exists in the Chinese iron and steel industry that rendered domestic selling prices of galvanised steel unsuitable for the determination of normal value (Report 190 refers)⁵². In particular, the Commission found that the Chinese government influences distorted the selling prices of HRC, the main raw material used in the manufacture of galvanised steel.

BlueScope alleges that the export of the Vietnamese galvanised steel to Australia at artificially low prices represents a 'transfer' of the artificially low input prices for HRC into galvanised steel produced in Vietnam. Furthermore, BlueScope states that the transfer of the artificially low input prices into finished goods in another country (in this instance, Vietnam) is nothing more than the exportation of the GOC's policies and plans into manufacturing galvanised steel in Vietnam. The Commission understands that the claim made by BlueScope is that the GOC steel industry is 'circumventing' the anti-dumping measures in Australia by exporting the significant raw material input 'HRC' to another country for value-adding prior to exportation to Australia.

To substantiate its claim, BlueScope provided HRC import data for Vietnam, including data for Hoa Sen Group which is the largest exporter of galvanised steel to Australia from Vietnam during the investigation period. The data showed that Hoa Sen Group imported the majority of HRC from China and used for the manufacture of galvanised steel.

BlueScope claims that Vietnam's Ministry of Industry and Trade ("MOIT") has recently initiated a safeguard investigation against imports of pre-painted galvanised steel products (specially from China) in response to a petition filed by local producers and this is said to highlight the increasing concern within Vietnamese steel industry of the impact of Chinese exports on local Vietnamese prices for galvanised steel flat products.

⁵² A detailed assessment of the market situation in China for galvanised steel is contained in Appendix 1 to Report No.190 (REP190) which is located on the electronic public record for Investigation No.190.

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BlueScope therefore claims that the Chinese steel exports to Vietnam (including specifically, HRC) have contributed to suppressed selling prices for further value-added products. The affected goods include galvanised steel that is manufactured from imported Chinese HRC.

BlueScope alleges that Vietnam's capacity to melt steel from iron ore and coking coal raw material inputs is significantly constrained due to a lack of historical commercial investment in blast furnace and steel making infrastructure. This requires the domestic Vietnamese steel industry to seek offshore supply sources for HRC. BlueScope submits that the Government of Vietnam, in the absence of a domestic coil supply source, encourages the importation of HRC as feed supply for domestic value-adding and upstream steel manufacturing.

BlueScope claims that the complexities around Vietnamese import trade flow is clearly evidenced by the Vietnamese Government's imposition of safeguard measures on both steel billet and steel long products, on semi-finished steel products and bars & rods (imposed August 2016), and the July 2016 announcement of a safeguard investigation into pre-painted flat steel. In May 2016, the Vietnamese Ministry of Industry and Trade also raised the anti-dumping tariffs for stainless steel imports from China and Indonesia.

BlueScope stated that the import trade in HRC cannot attract safeguard and/or anti-dumping type measures due to the absence of domestic industry producing like goods. BlueScope claims that most other countries in the region (such as Malaysia and Indonesia) are active in safeguard investigations, asserting material injury from excess Chinese steel supply. In the absence of a domestic HRC supply chain, the Vietnamese government encourages imports. BlueScope therefore alleges that it is likely that this position will change when a planned HRC production facility commences in Vietnam in the near future.

Based on above, BlueScope claims that domestic prices of galvanised steel in Vietnam are not suitable for the determination of normal values under s269TAC(1), as a particular market situation in relation to those goods renders those domestic selling prices unsuitable.

Following the application, BlueScope has provided various submissions and additional evidence to support its claim in relation to the existence of a particular market situation in Vietnam. A public record version of all submissions are on the Commissions website www.adcommission.gov.au.

In its submission made to the Commission on 12 October 2016, BlueScope provided the Commission with the United States steel producer's anti-circumvention petition (dated September 2016) to support its market situation claim in Vietnam. The Commission identified the following key issues that are relevant to BlueScope's claims: ⁵³

- China has rapidly increased its exports of hot-rolled coil ("HRC") steel to Vietnam (p.14);

⁵³ USDOC *Certain Corrosion Resistant Steel Products from China: Request for Circumvention Ruling* (2016). A copy of this report is on the electronic public record at submission No. 018 pp1-31

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- as a result of China's exports of HRC, coated steel producers in Vietnam have an excess capacity problem (p.16);
- the recent imposition of AD measures on coated steel products has given Chinese producers further incentive to sell HRC to Vietnamese coated steel producers for export (p.16); and
- the Vietnamese steel industry is importing capital equipment and technology (primarily from Europe) (p.20). This supports our preferential tariff Rates countervailing claim.

Additionally, BlueScope provided the Commission with a copy of *Tohoku University Economic Research Group's discussion paper No. 349*. The Commission identified the following key issues from that paper⁵⁴:

- Vietnam is questioned by other economies on whether its current expansion is resulting from continued government intervention;⁵⁵
- China's massive excess capacity is the driving force for low priced steel exports to Vietnam;⁵⁶
- Vietnam's production expansion in the flat steel and pipe & tube sector has led to a significant increase in imports of hot-rolled sheets;⁵⁷ and
- Vietnam is affected by overproduction in China in the form of import penetration.⁵⁸

In its submission dated 10 February 2017, BlueScope further alleges that the particular market situation in Vietnam is supported by the Government of Vietnam (GOV) actively encouraging the importation of HRC in the absence of domestic production.

BlueScope provided evidence in the form of the *Vietnamese Steel Association's* presentation on the review of the first half of 2016 and outlook for 2017. BlueScope claims that this presentation demonstrates that Chinese imports to the Vietnamese market are increasing as a result of zero per cent import tax.

Furthermore, BlueScope claims that Chinese HRC prices are the lowest FOB price of the major Vietnamese suppliers. Domestic HRC manufacturer is expected to start operating in Vietnam in 2017, BlueScope alleges that GOV itself is preparing to take action in the form of investigations into 'unfair' trading prices of Chinese steel.

3. The Government of Vietnam's response to government questionnaire

Following the initiation of the investigation, the Commission provided the GOV a questionnaire in relation to the particular market situation allegation. The GOV provided a

⁵⁴ Kawabata, N "The Vietnamese Iron and Steel Industry in Transition to a Market Economy —Attainments and Challenges" (2016). A copy of this report is on the electronic public record at submission No. 018 pp33-84

⁵⁵ Ibid. p.40

⁵⁶ Ibid. (See Note 6) p.69.

⁵⁷ Ibid. (See note 6) p.70

⁵⁸ Ibid. (See Note 6) p.71

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response on 28 November 2016. A copy GOV's public record version response is on the Commissions website.

In its response to the government questionnaire (GQ), the GOV expressed its concerns and disagreement with the applicant's market situation claims and the Commission's consideration of such claims in determining normal values for Vietnamese exporters of galvanised steel.

The GOV stated that there is no legal or policy basis upon which the Commission can find that distortions and subsidies affecting domestic raw material prices in one country, can indirectly lead to distortions of domestic selling prices of further processed goods in another country. The GOV cited the Commissions stated policy and practice outlined in its Dumping and Subsidy Manual to support its position.

Furthermore, in its submission, the GOV claims that there is no involvement or influence by the GOV on the domestic market for galvanised steel or the upstream materials used in the production of galvanised steel. The GOV states that only a small proportion of the galvanised steel producers in Vietnam are state-invested enterprises and that there are no producers of HRC in Vietnam.

The GOV also claim that it has not introduced or implemented any policies which could be interpreted as impacting on domestic market conditions for galvanised steel market in Vietnam. The GOV stated that it has no controls or policies which impact on the supply of raw materials given that there is no local industry in Vietnam which produces or supplies the relevant raw materials to the galvanised steel industry. Additionally, the GOV has minimal investment in the local galvanised steel industry and plays no part in the supply and demand conditions in the domestic market.

The GOV claims that the galvanised steel industry in Vietnam is dependent on the supply of imported HRC for processing into galvanised steel. In these circumstances, it said, each Vietnamese galvanised steel producer is aiming to procure their HRC feed material at the most competitive global market price. The Vietnamese domestic market is therefore a prime example of true market where there are no constraints on purchases, no barriers to entry and no factors affecting sales on either domestic or export markets.

4. The Commission's assessment

In assessing BlueScope's claims the Commission has considered information provided by BlueScope in its initial application and subsequent submissions; the GOV's response to its Government Questionnaire; information collected from cooperating Vietnamese exporters and the Commission's own research and analysis.

In its application, BlueScope claims that transfer of the artificially low input prices from China into finished goods in Vietnam (galvanised steel) is, in essence, akin to the exportation of the GOC's policies and plans. BlueScope alleges that this government influence in China is resulting in artificially low purchase prices of HRC by Vietnamese galvanised steel manufacturers, thus reducing the production costs associated with galvanised steel in the Vietnamese market. As HRC is the major raw material used in galvanised steel production, BlueScope alleges that this lower cost is creating an artificially low price for galvanised steel in the Vietnamese market.

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As such, BlueScope is claiming that the domestic sales in the Vietnamese galvanised steel market are unsuitable for use in determining normal values because of the situation in the market, being artificially low costs of production and selling prices of the galvanised steel.

In order to assess BlueScope's claims concerning Chinese HRC being purchased in Vietnam at an artificially low price the Commission undertook a comparative analysis of the importation costs of HRC in Vietnam supplied by various countries.

Three cooperating Vietnamese exporters provided line by line import data for HRC during the investigation period. The Commission noted that two cooperating exporters imported some HRC from China during the investigation, while the third did not import any HRC from China. The Commission verified that the HRC supplied to these two exporters from China were from unrelated suppliers. The Commission found no evidence that the HRC supplied from China were at non-arms length transactions.

The Commission compared the HRC import prices from China with other countries for the two cooperating exporters. The Commission noted in both cases that the unit import price of HRC from China was not the lowest.

Furthermore, the Commission compared weighted average Chinese HRC unit price with the weighted average unit price of imports of all other countries. The Commission found that for one exporter the weighted average HRC price from China was slightly higher than the weighted average purchase price while for the other exporter the HRC unit price was approximately slighter lower than the weighted average purchase price.

As an additional test, the Commission compared the quarterly Chinese import prices of two Cooperating exporters with weighted average HRC Korean and Taiwanese⁵⁹ unit prices. The Commission noted that the Chinese HRC unit import prices were generally lower than the weighted average HRC Korean and Taiwanese unit prices in the investigation period. The Commission also noted that these average benchmark prices for Korea and Taiwan used in this comparison were delivered *domestic* prices. The Chinese prices, on the other hand, were delivered prices to Vietnam. The Commission noted the disparity is not significant, and does not cause it to alter its view that there is no evidence that the import prices of HRC from China to Vietnam are 'artificially low'.

Vietnam's import data⁶⁰ for HRC over the 2015 shows that approximately 52% of HRC by volume (tonnes) was sourced from China and the remaining from other countries. The Commission also noted that during the investigation period, while China was one of the major suppliers of HRC to Vietnam, other countries such as Russia, Taiwan, Korea, Brazil, Japan and Australia also supplied HRC to the Vietnamese manufacturers of galvanised steel.

In response to the GQ, while the GOV provided the value and volume of imports of HRC from 2011 to June 2016, however, the GOV did not identify the country (ies) from which

⁵⁹ Weighted average Korean and Taiwanese HRC was used as benchmark price in a recent review of measures for certain exporters from China and Taiwan - EPR 365 refers.

⁶⁰ Due to the sensitivity issues the source is confidential

the HRC was imported. Therefore, the Commission was not able to determine the country of HRC suppliers.

Based on the above assessments, the Commission did not find any evidence to support a finding that the GOV policies created a 'particular market situation' such that the domestic selling prices of the galvanised steel in Vietnam would not be suitable for normal value. In its assessment of market situation, the Commission considered the following factors:

- Whether the prices in the country of export of the galvanised steel (Vietnam) were artificially low; or
- Whether there are other conditions in the market which render sales in that market not suitable for use in determining prices under subsection 269TAC(1).

5. Impact of Chinese imports on Vietnamese HRC prices

The Commission considers that while Chinese producers are a major source of HRC used in the Vietnamese galvanised steel industry and the HRC markets within China have previously been subjected to market situation findings, this does not automatically support a market situation finding within the Vietnamese galvanised steel market as outlined in the Commission's Dumping and Subsidy Manual and outlined below:⁶¹

"The concept of a competitive market price is not taken to prevent an exporter buying inputs from arms length suppliers at the prevailing price even if that input had been sold at below cost or dumped. This is because a company should not be penalised for making commercial decisions to buy inputs at the best price, and a dumping authority would not be able to verify input costs from uncooperative and unrelated companies".⁶²

In regard to the application of this policy to the circumstances in this investigation, the Commission notes that information collected during the course of its verification visits indicates that transactions between Chinese suppliers and Vietnamese galvanised steel producers were both at arms length and on comparable terms to non-Chinese suppliers of HRC.⁶³ The Commission also notes that while Chinese exporters are the major suppliers into the Vietnamese HRC market, non-Chinese producers account for close to fifty percent of the entire domestic market.

Based on the relative market shares and alignment in pricing between Chinese and non-Chinese suppliers of HRC to Vietnam, along with the Commission's existing policy position concerning what constitutes a competitive market price, it is the Commission's

⁶¹ Dumping and Subsidy Manual (page 45 refers).

⁶² This is because a company should not be penalised for making a sensible commercial decision to buy inputs at the best possible price; or a dumping authority would not be able to verify the cost of producing an input from a company not associated with the importer as such companies would not normally cooperate with a dumping inquiry; and finally there is recognition that dumping inquiries have to be conducted against a timetable that imposes limits on how much time can be spent on verification visits.

⁶³ Pricing comparisons were undertaken for Chinese and non-Chinese suppliers to Vietnamese galvanised steel producers verified as part of this investigation and with other HRC pricing information collected by the Commission as part of recent investigations and reviews undertaken by the Commission.

view that market conditions within the HRC market do not support a market situation finding within the Vietnamese galvanised steel market.

6. Conclusion – A Particular Market Situation

At the time of publishing this SEF, the Commission has determined that the link between HRC prices in China and the domestic galvanised steel market in Vietnam is insufficient to warrant a finding of a particular market situation in Vietnam. In particular, in assessing whether the conditions to warrant a finding of a particular market situation have been met, the Commission has considered:⁶⁴

- whether the price in the country of export reflects a fair price in normal market conditions;
- whether the government in the country of export has influenced or distorted the prices or costs of the goods in the market; and
- other conditions in the market of export such as differing patterns of demand, barter trade or large single sales.

The Commission has found that the price of HRC imported from China as a raw material input used in production of galvanised steel was a cost that was competitive with other countries such as Taiwan and Korea. Therefore the Commission is of the view that the price of HRC imported from China reflects a market price in normal market conditions.

Additionally, the Commission did not find any evidence to support a finding that the GOV influenced or distorted the prices or costs of the goods in the market, or any other conditions in the market that would support a finding of a particular market situation in Vietnam.

Based on the above assessment, the Commission found no evidence that a particular market situation exists with regards to the galvanised steel market in Vietnam.

⁶⁴ Anti-Dumping Commission, *Dumping and Subsidies Manual (April 2017)* pages 35-37

NON CONFIDENTIAL ATTACHMENT 3 - ASSESSMENT OF SUBSIDY PROGRAMS - INDIA

1. Finding

This attachment details the Commission’s assessment of the 59 subsidy programs investigated in relation to galvanised steel exported to Australia from India.

The Commission’s assessment and findings of whether each subsidy program is countervailable in relation to galvanised steel exported from India is outlined in the table below.

Program no.	Program Title	Program type	Countervailable in relation to galvanised steel
1	Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)	Tax Policy	No
2	Export Income Tax Exemptions in SEZs	Tax Policy	No
3	Exemption in SEZs from Minimum Alternate Tax	Tax Policy	No
4	Exemption in SEZs from Payment of Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material	Tax Policy	No
5	Exemption in SEZs from Service Tax	Tax Policy	No
6	Discounted Land Fees and Leases in SEZs	Grant	No
7	Discounted Electricity Rates in SEZs	Electricity	No
8	Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments	Tax Policy	No
9	Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)	Tax Policy	No
10	Reimbursement to EOUs of Central Sales Tax	Tax Policy	No
11	Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies	Tax Policy	No
12	Credit for Service Tax paid by EOUs	Tax Policy	No
13	Exemptions from Income Tax for EOUs	Tax Policy	No

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14	Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India	Tax Policy	No
15	Assistance to States for Developing Export Infrastructure and Allied Activities	Grant	No
16	Market Access Initiative	Grant	No
17	Market Development Assistance	Grant	No
18	Meeting Expenses for Statutory Compliances in Buyer Country for Trade Related Matters	Grant	No
19	Brand Promotion and Quality	Grant	No
20	Test Houses	Grant	No
21	Focus Product Scheme	Grant	No
22	Rupee/Foreign Currency Export Credit & Customer Service to Exporters	Grant	No
23	Export Promotion Capital Goods Scheme	Tariff Policy	Yes
24	Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme	Tax Policy	No
25	Duty Exemption/Remission Schemes – Advance Authorization Scheme	Tariff Policy	Yes
26	Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme	Tariff Policy	Yes
27	Duty Exemption/Remission Schemes – Duty Drawback Scheme	Tariff Policy	Yes
28	Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal	Rights	No
29	Purchase of Iron Ore From State-owned Enterprises for Less Than Fair Market Value	LTAR	No
30	80-IB Income Deduction Program	Tax Policy	No
31	80-IA Income Tax Deduction Program	Tax Policy	Yes
32	Steel Development Fund Loans	Loan	No
33	Steel Development Fund R&D Grants	Grant	No

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34	State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy	Grant	No
35	SGOM – Exemption from Electricity Duty	Electricity	Yes
36	SGOM – Waiver of Stamp Duty	Tax Policy	No
37	SGOM – Power Tariff Subsidy	Electricity	No
38	SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)	Grant	No
39	SGOM – Special Incentives of the SGOM for Mega Projects	Grant	Yes
40	State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy	Loan	No
41	SGOG – Assistance to MSMEs – Quality Certification	Grant	No
42	SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods	Tax Policy	No
43	SGOG – VAT Remission Scheme	Tax Policy	No
44	SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions	Grant	No
45	SGOG – Critical Infrastructure Projects	Grant	No
46	State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed Capital Investment Subsidy	Grant	No
47	SGOC – Industrial Policy 2009-2014: Interest Subsidy	Loan	No
48	SGOC – Industrial Policy 2009-2014: Quality Certification	Grant	No
49	SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption	Electricity	No
50	SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption	Tax Policy	No
51	SGOC – Industrial Policy 2009-2014: Provision of Land for Less than Adequate Remuneration	LTAR	No
52	State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy	Grant	No
53	SGOJ – Stamp Duty and Registration	Tax Policy	No

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54	SGOJ – Incentive for Quality Certification	Grant	No
55	SGOJ – VAT and Tax Incentives	Tax Policy	No
56	Merchandise Exports from India Scheme	Grant	No
57	Sales Tax Deferral Program	Tax Policy	Yes
58	Electricity Duty Exemption	Electricity	Yes
59	Interest free loan	Loan	Yes

Table 1: Subsidy programs investigated for India

2. Relevant Legislation

Section 269T defines a 'subsidy' as follows:

"subsidy" , in respect of goods exported to [Australia](#), means:

(a) a financial contribution:

(i) by a government of the [country of export](#) or [country of origin](#) of the goods; or

(ii) by a public body of that [country](#) or a public body of which that government is a member; or

(iii) by a private body entrusted or directed by that government or public body to [carry](#) out a governmental function; that involves:

(iv) a direct transfer of funds from that government or body; or

(v) the acceptance of liabilities, whether actual or potential, by that government or body; or

(vi) the forgoing, or non-collection, of revenue (other than an [allowable exemption or remission](#)) due to that government or body; or

(vii) the provision by that government or body of goods or services otherwise than in the course of providing normal infrastructure; or

(viii) the purchase by that government or body of goods or services; or

(b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a government or body;

if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to [Australia](#).

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This reflects Article 1.1 of the WTO SCM Agreement.

S.269TAAC defines a countervailable subsidy as follows:

- (1) For the purposes of this Part, a subsidy is a countervailable subsidy if it is specific.
- (2) Without limiting the generality of the circumstances in which a subsidy is specific, a subsidy is specific:
 - (a) if, subject to subsection (3), access to the subsidy is explicitly limited to particular enterprises; or
 - (b) if, subject to subsection (3), access is limited to particular enterprises carrying on business within a designated geographical region that is within the jurisdiction of the subsidising authority; or
 - (c) if the subsidy is contingent, in fact or in law, and whether solely or as one of several conditions, on export performance; or
 - (d) if the subsidy is contingent, whether solely or as one of several conditions, on the use of domestically produced or manufactured goods in preference to imported goods.
- (3) Subject to subsection (4), a subsidy is not specific if:
 - (a) eligibility for, and the amount of, the subsidy are established by objective criteria or conditions set out in primary or subordinate legislation or other official documents that are capable of verification; and
 - (b) eligibility for the subsidy is automatic; and
 - (c) those criteria or conditions are neutral, do not favour particular enterprises over others, are economic in nature and are horizontal in application; and
 - (d) those criteria or conditions are strictly adhered to in the administration of the subsidy.
- (4) The Minister may, having regard to:
 - (a) the fact that the subsidy program benefits a limited number of particular enterprises; or
 - (b) the fact that the subsidy program predominantly benefits particular enterprises; or
 - (c) the fact that particular enterprises have access to disproportionately large amounts of the subsidy; or
 - (d) the manner in which a discretion to grant access to the subsidy has been exercised;

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determine that the subsidy is specific.

(5) *In making a determination under subsection (4), the Minister must take account of:*

(a) the extent of diversification of economic activities within the jurisdiction of the subsidising authority; and

(b) the length of time during which the subsidy program has been in operation.

Section 269TACC directs how the Parliamentary Secretary is to determine whether benefits have been conferred by a financial contribution or income or price support and the amount of this benefit.

Under section 269TJ, one of the matters of which the Parliamentary Secretary must be satisfied to publish a countervailing duty notice is that a countervailable subsidy has been received in respect of the goods.

2.1 Information considered by the Commission

The Commission has relied upon information submitted by the applicant, information provided by the Government of India (GOI) and information provided by the cooperating exporters with respect to its investigation of the countervailable subsidy programs that were allegedly received by Indian exporters of galvanised steel exported to Australia.

2.2 Information provided by exporters

The Commission has relied upon information provided by exporters and verified by the Commission in assessing the alleged subsidy programs.

This includes information provided by exporters in response to exporter questionnaire, and information gathered by the Commission during verification visits.

2.3 Information provided by the Government of India

The Commission incorporated questions relating to each program in the Government questionnaires that were sent to the GOI after initiation of the investigation.

In response to the exporter questionnaire and at the onsite visit, one cooperating exporter provided information regarding four additional subsidy programs which were not part of the application. The Commission sent a supplementary government questionnaire in relation to these additional programs.

A public version of the GOI's responses in relation to the government questionnaire and supplementary government questionnaire are at the Commission's website www.adcommission.gov.au

2.4 Other information considered as part of this assessment

The Commission also considered as part of this assessment:

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- information submitted by interested parties in various general submissions to the investigation
- information submitted to various previous investigations into the alleged subsidisation of various goods exported from India; and
- other relevant information obtained by the Commission during independent research into matters relevant to determining subsidisation of the goods in India.

CATEGORY 3: ASSESSMENT OF SUBSIDY PROGRAMS

3.1 PROGRAM 23: Export Promotion Capital Goods Scheme (EPCG)

3.1.1 BACKGROUND

The application alleges that during the investigation period, Indian exporters of galvanised steel benefited from the export promotion of capital goods (EPCG) program.

The definition of a subsidy under subsection 269T(1) includes reference to a financial contribution by a government or any public body.

The application alleges that the EPCG program allows for the importation of capital goods for pre-production, production and post production at zero rate or 3 per cent customs duty, subject to an export obligation equivalent to 6 times of the duty saved on the imported capital goods. The program involves a financial contribution for amounts that would otherwise be owing and due to the government and which are reduced and/or exempted, and confers a benefit to the recipient equal to the amount of the reduction/exemption.

The Commission requested information from Indian exporters in relation to their imports of capital goods under this program. The exporter questionnaire responses received by the Commission indicate that the Cooperative exporters of galvanised steel had imported capital goods under EPCG and benefited from this program during the investigation period.

3.1.2 LEGAL BASIS

The Commission has noted that this program operates under the Foreign Trade (Development and Regulation) Act which is administered by the Ministry of Commerce and Industry, Department of Commerce, India.

3.1.3 WTO NOTIFICATION

The Commission is not aware of any WTO notification of this program.

3.1.4 ELIGIBILITY CIRTERIA

In order to obtain the benefit under the EPCG Scheme, a company must export 6 times of the duty saved amount in the period of 6 years from the date of issue of license. The benefit of an EPCG license is for two types of supplies:

- For import of capital goods from overseas suppliers where the benefit is in the form of exemption from basic customs duty, additional customs duty under section 3(1) of the Indian Customs Tariff Act, customs education cess, customs secondary and higher education cess and additional customs duty under section 3(5) of the Customs Tariff Act. However, the actual benefit is only to the extent of basic customs duty, customs education cess and customs secondary and higher education cess as credit of other duties is otherwise available.

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- For procurement of capital goods from indigenous suppliers where the benefit is in the form of exemption from the central excise duty. However, the actual benefit is only in the form of cash flow management because credit of central excise duty is otherwise available.

3.1.5 IS THERE A SUBSIDY?

Based on the above information, the Commission considers that this program involves a financial contribution. The benefit amount is equal to the amount of customs duty and central excise duty saved on capital goods.

Having regard to all relevant information about this program, as required by subsection 269TACC(1), the program is considered to confer a benefit to eligible enterprises because of the import customs duty and central excise duty savings realised on capital items used in the production of galvanised steel. It would therefore confer a benefit in relation to galvanised steel, and the financial contribution would meet the definition of a subsidy under section 269T of the Act.

3.1.6 IS THE SUBSIDY A COUNTERAVAILABLE SUBSIDY (SPECIFIC OR PROHIBITED)?

As provided for in section 269TAAC(4)(a), the Minister may determine that a subsidy is specific, having regard to the fact that the subsidy program benefits a limited number of particular enterprises (exporters). The criteria or conditions providing access to the subsidy favours particular enterprises. Therefore, the Commission finds that the EPCG scheme is specific and is a countervailable subsidy in respect of galvanised steel.

3.1.7 THE AMOUNT OF SUBSIDY IN RESPECT OF THE GOOD

3.1.7.1 Cooperative exporters

To calculate the amount of benefit, each capital item was amortised⁶⁵ over its useful life (AUL). The licenses that were redeemed were segregated from those on which the discharge certificate had not been received indicating that the export obligation was still remaining as detailed below:

- a. Licenses for which the export obligation has been fulfilled and the licenses have been redeemed, the Commission regarded the total benefit received by the cooperating exporter.

⁶⁵ the following formula has been used to amortise the average useful life of the asset:

$$AK = \frac{y/n + [y - (y/n)(k-1)]d}{(1 + d)}$$

Where: Ak = the amount of the benefit allocated to year k,
y = the face value of the subsidy,
n = the AUL of assets in the industry being investigated,
d = the discount rate, and
k = the year of allocation where the year of receipt = 1 and 1 < k < n.

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- b. Licenses for which the government has not provided a discharge certificate, implying that the export obligation is not fulfilled, those licenses have been regarded as a contingent liability loan and only interest on the duty exemption has been considered as the benefit.

In accordance with section 269TACD), the amount of subsidy received in respect of galvanised steel has been attributed to each unit of galvanised steel (per tonne). The unit benefit was then divided by the weighted average unit export price to calculate the subsidy margin

3.1.7.2 Uncooperative exporters

For the uncooperative exporters of galvanised steel, no information was provided by either the GOI or the individual exporters themselves to identify whether a financial contribution has been received under this program.

In the absence of information that demonstrates the value of benefit and the volume of exports by uncooperative exporters, the Commission considers that:

- sections 269TACC(2) and (3) are not available for determining whether a benefit has been conferred to uncooperative exporters under this program; and
- section 269TACD is not available for determining the total amount of subsidy attributable to that benefit.

In the absence of any reliable information and in accordance with section 269TACC, the Commission determines that uncooperative exporters of galvanised steel would have received benefits under this program by this financial contribution, and has calculated the amount of subsidy attributable to that benefit by reference to the highest individual subsidy rate of the cooperative exporters of galvanised steel.

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GATEGORY 1: ASSESSMENT OF SUBSIDY PROGRAMS - PROVISION OF GOODS

Program numbers 29 and 51 - In this category the provision of goods at less than fair market value are investigated by the Commission. The Commission's assessment as to whether these programs are countervailable subsidies in respect of galvanised steel, and the method of subsidy Calculated under these programs, is contained in the table below.

Program Number	Program description	Background	WTO notification	Legal basis	Eligibility Criteria	Is there a subsidy?	Is the subsidy countervailable?	Method used to calculate subsidy margin
29	Purchase of Iron Ore From State-owned Enterprises for Less Than Fair Market Value	The applicant alleged that the exporters of the goods had benefited by purchasing Iron Ore from SIE's at less than fair market value.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOI document has been identified that provides for its establishment)	There are no articulated eligibility criteria to receive funding pursuant to this program. In its response to the Government Questionnaire (GQ), the GOI stated that allocation of mines are based on commercial auctions and this was the case during the entire IP. The process of auction is stated to have been incorporated to bring in transparency in the process and	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.

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					the resource is availed at commercially competitive rates to users.	goods in previous investigations.		
51	SGOC – Industrial Policy 2009-2014: Provision of Land for Less than Adequate Remuneration	The applicant alleged that the exporters of the goods had benefited by the program Provision of Land for Less than Adequate Remuneration run by the State Government of Chhattisgarh.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOI document has been identified that provides for its establishment)	There are no articulated eligibility criteria to receive funding pursuant to this program. In its response to the GQ, the GOI stated that the Industrial Policy of SGOC 2014-2019 do not provide for any scheme called Provision of Land for Less than Adequate Remuneration.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.

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GATEWAY 2: ASSESSMENT OF SUBSIDY PROGRAMS – GRANTS

Program numbers 6, 15-22, 33, 34, 38, 39, 41, 44-46, 48, 52 & 54 - In this category, twenty grant programs were investigated by the Commission. The Commission's assessment as to whether these programs are countervailable subsidies in respect of galvanised steel, and the method of subsidy calculation under these programs, is contained in the below table.

Program Number	Program description	Background	WTO notification	Legal basis	Eligibility Criteria	Is there a subsidy?	Is the subsidy countervailable?	Method used to calculate subsidy margin
6	Discounted Land Fees and Leases in SEZs	The applicant alleged that the exporters of the goods had benefited from discounted Land Fees and Leases in SEZs.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOI document has been identified that provides for its establishment)	There are no articulated eligibility criteria to receive funding pursuant to this program. In its response to the GQ, the GOI stated that the SEZ Division, Department of Commerce, Govt. of India has not issued any Letter of Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export the subject goods.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.

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						previous investigations.		
15	Assistance to States for Developing Export Infrastructure and Allied Activities	The applicant alleged that the exporters of the goods had benefited from assistance to States for Developing Export Infrastructure and Allied Activities	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOI document has been identified that provides for its establishment)	There are no articulated eligibility criteria to receive funding pursuant to this program. In its response to the GQ, the GOI stated that the Assistance to States for Infrastructure Development of Exports scheme aims for development of export infrastructure through Government Agencies. The scheme has been restricted to providing grant to Central Agencies for the creation of infrastructure in the country from 2015-16. There is no benefit provided to any individual companies under the scheme.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program
16	Market Access Initiative	The applicant alleged that the exporters of the goods had benefited from Market	The Commission is not aware of any WTO	The Commission has not identified any	There are no articulated eligibility criteria to receive	The Commission has determined that the Cooperative	The Commission is not satisfied that exporters of galvanised steel	No evidence was found to indicate that any Cooperative

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		<p>Access Initiative programs.</p>	<p>notification of this program.</p>	<p>specific legal basis for this program (i.e. no specific law, regulation, or other GOI document has been identified that provides for its establishment)</p>	<p>funding pursuant to this program.</p> <p>In its response to the GQ, the GOI stated that the Market Access Initiative (MAI) Scheme is formulated on a product-focus country approach to evolve specific markets and specific products through market studies/surveys.</p> <p>Assistance would be provided to Export Promotion Organizations/Trade Promotion Organizations/National Level Institutions/ Research Institutions/Universities/Laboratories, Exporters etc., for enhancement of exports through accessing new markets or through increasing the share in the existing markets. Under the Scheme the level of assistance for each</p>	<p>exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>	<p>received any financial contribution in respect of these goods under these programs during the investigation period.</p>	<p>exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>
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					eligible activity has been fixed.			
17	Market Development Assistance	The applicant alleged that the exporters of the goods had benefited from Market Development Assistance programs.	The Commission is not aware of any WTO notification of this program.	<p>The Commission has not identified any specific legal basis for this program.</p> <p>The GOI provided the following link that refers to 'guidelines on the MDA Program dated 1 June, 2013'</p> <p><u>URL:http://commerce.nic.in/DOC/writereaddata/trade/mda-guidelines01-06-2013.pdf</u></p>	<p>There are no articulated eligibility criteria to receive funding pursuant to this program.</p> <p>In its response to the GQ, the GOI stated that this program was established to facilitate various measures aimed to stimulate and diversify India's export trade through marketing activities of the eligible agencies.</p>	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>
18	Meeting Expenses for Statutory Compliances in Buyer Country for Trade	The applicant alleged that the exporters of the goods had benefited by the program Meeting Expenses for Statutory Compliances in Buyer	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal	There are no articulated eligibility criteria to receive funding pursuant to this program.	The Commission has determined that the Cooperative exporters did not receive any financial	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited

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	Related Matters	Country for Trade Related Matters.		<p>basis for this program.</p> <p>The GOI provided the following link referring to Foreign Trade Policy</p> <p>http://commerce.nic.in/DOC/writereaddata/trade/Revised_MAI_Guidelines_W_E_F_04_08_2014.pdf</p>	<p>In its response to the GQ, the GOI stated that via the Market Access Initiative scheme assistance is provided on a reimbursement basis to individual exporters for charges/fees paid by an Indian exporter for fulfilling the statutory requirements in the buyer country.</p> <p>For statutory charges/expenses on statutory compliances of the products allowed by the Empowered Committee, assistance under the Scheme would be 50% of the charges/expenses and the total ceiling for each exporter shall be Rs.50 lakhs per annum.</p>	<p>contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>	<p>respect of these goods under these programs during the investigation period.</p>	<p>under this program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program\</p>
19	Brand Promotion and Quality	The applicant alleged that the exporters of the goods had benefited from the 'Brand Promotion and Quality' program.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e.	There are no articulated eligibility criteria to receive funding pursuant to this program.	The Commission has determined that the Cooperative exporters did not receive any financial	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited

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				no specific law, regulation, or other GOI document has been identified that provides for its establishment)	In its response to the GQ, the GOI stated that no such program was in operation during the period of investigation.	contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	respect of these goods under these programs during the investigation period.	under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.
20	Test Houses	The applicant alleged that the exporters of the goods had benefited from benefits pursuant to the test houses program.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOI document has been identified that provides for its establishment)	There are no articulated eligibility criteria to receive funding pursuant to this program. In its response to the GQ, the GOI stated that there is no such scheme called Test Houses. However, there is an organisation called "National Test House" under the	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all

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					<p>Ministry of Consumer Affairs .</p> <p>The GOI stated that customers who require getting sample/samples tested in the NTH will enquire at the Reception Counter/Facilitation Center for the concerned Scientist of the relevant area of technology under which the category of the sample falls.</p>	<p>exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>		<p>exporters under this program.</p>
21	Focus Product Scheme	<p>The applicant alleged that the exporters of the goods had benefited to the Focus Product Scheme.</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOI document has been identified that provides for its establishment)</p>	<p>There are no articulated eligibility criteria to receive funding pursuant to this program.</p> <p>In its response to the GQ, the GOI stated that no such program was in operation during the period of investigation.</p>	<p>The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial</p>	<p>The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.</p>	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>

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						contribution under this program in respect of other goods in previous investigations.		
22	Rupee/Foreign Currency Export Credit & Customer Service to Exporters	The applicant alleged that the exporters of the goods had benefited from the Rupee/Foreign Currency Export Credit & Customer Service to Exporters.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOI document has been identified that provides for its establishment)	<p>There are no articulated eligibility criteria to receive funding pursuant to this program.</p> <p>In its response to the GQ, the GOI stated that the GOI was in the process of collecting and collating relevant for this program and will provide that to the Commission soon.</p> <p>At the time of publishing this SEF, the GOI has not provided any information pertaining to this program.</p>	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>

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<p>33</p>	<p>Steel Development Fund R&D Grants</p>	<p>The applicant alleged that the exporters of the goods had benefited from Steel Development Fund R&D Grants.</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOI document has been identified that provides for its establishment)</p>	<p>There are no articulated eligibility criteria to receive funding pursuant to this program.</p> <p>In its response to the GQ, the GOI stated that with regard to this alleged program that Steel Development Fund R&D Grants are part of Steel Development Fund Loans and such assistance, if any, are provided for R&D purposes and these are not any separate scheme.</p>	<p>The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>	<p>The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.</p>	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>
<p>34</p>	<p>State Government of Maharashtra (SGOM) – Industrial Promotion Subsidy</p>	<p>The applicant alleged that the exporters of the goods had benefited from the SGOM – Industrial Promotion Subsidy.</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>In its response to the GQ, the GOI stated that in order to encourage the dispersal of industries to lesser developed areas of the</p>	<p>There are no articulated eligibility criteria to receive funding pursuant to this program.</p> <p>In its response to the GQ, the GOI stated that the Package Scheme of</p>	<p>The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel</p>	<p>The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during</p>	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the</p>

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				<p>State, the Government has been giving packages of incentives to New Industrial Units / Expansion Units set up in the developing regions of the State since 1964 under a Scheme popularly known as the "Package Scheme of Incentives."</p>	<p>Incentives, introduced in 1964, has been amended from time to time.</p> <p>The State has recently declared the new Industrial Policy -2013 to ensure sustained industrial growth. The Package Scheme of Incentives-2007 was amended in light of the Industrial Policy-2013 and "Package Scheme of Incentives 2013" was introduced containing details of eligibility criteria, quantum of incentives and monitoring mechanism for administering the incentives during the period up to the 31st March, 2018.</p>	<p>under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>	<p>the investigation period.</p>	<p>investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>
38	<p>SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises (MSME)</p>	<p>The applicant alleged that the exporters of the goods had benefited from SGOM – Incentives to Strengthen Micro, Small and Medium Enterprises</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>The GOI stated that this program in part of 'Package Scheme of Incentives of SGOM'</p>	<p>There are no articulated eligibility criteria to receive funding pursuant to this program.</p> <p>In its response to the GQ, the GOI stated that Incentives to</p>	<p>The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of</p>	<p>The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these</p>	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the</p>

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					<p>Strengthen Micro, Small and Medium Enterprises and LSIs is a part of the Package Scheme of Incentives of SGOM.</p> <p>This program provides incentives MSMEs and LSIs promoting Quality Competitiveness, Research & Development, Technology Upgradation, Water & Energy Conservation, Cleaner Production Measures and Credit Rating.</p>	galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	programs during the investigation period.	<p>investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>
39	SGOM – Special Incentives of the SGOM for Mega Projects	The applicant alleged that the exporters of the goods had benefited from the test houses program.	The Commission is not aware of any WTO notification of this program.	The GOI stated that this program in part of ' <i>Package Scheme of Incentives of SGOM</i> '	In its response to the GQ, the GOI stated that the quantum of incentives for Mega Projects and Ultra Mega Projects shall be decided by the High Power Committee under the chairmanship of the Chief Secretary, Government of Maharashtra on a case to case basis. However the Cabinet Sub Committee for	The Commission has determined that some Cooperative exporters received financial contribution in respect of galvanised steel under this program during the investigation period.	As the criteria or conditions providing access to the subsidy favors particular state over other enterprises in India, the program is considered to be specific. The specificity of the subsidy does not meet any of the exceptions set out	<p><u>Cooperative exporters</u></p> <p>One Cooperative exporter benefited under this program during the investigation period. Therefore, a subsidy rate was calculated for that exporter.</p> <p>Zero subsidy rate will be applicable to all other</p>

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					Industry, under the chairmanship of the Chief Minister of Maharashtra will have the powers to sanction customized package of incentives and even offer special / extra incentives for prestigious Mega Projects / Ultra Mega Projects, on a case to case basis.		subsection 269TAAC(3). For these reasons the subsidy is specific.	Cooperative exporters as no evidence was found to indicate that other Cooperative exporters benefited under this program during the investigation period. <u>Uncooperative exporters</u> The maximum benefit amount available under this program was from the one Cooperative exporter who benefited from this program. The Commission has therefore applied that Cooperative exporter's subsidy under this program for uncooperative exporters.
41	SGOG – Assistance to MSMEs –	The applicant alleged that the exporters of the goods had benefited from to the program SGOG –	The Commission is not aware of any WTO	In its response to the GQ, the GOI stated that a Government	There are no articulated eligibility criteria to receive	The Commission has determined that the Cooperative exporters did	The Commission is not satisfied that exporters of galvanised steel received any	No evidence was found to indicate that any Cooperative exporters of

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	Quality Certification	Assistance to MSMEs – Quality Certification	notification of this program.	resolution dated 19/1/2015 specifically mentions that the scheme is “Scheme for assistance to Micro, Small and Medium Enterprises (MSMEs)”. The GOI provided a copy of Government resolution.	funding pursuant to this program. In its response to the GQ, the GOI stated that the Government of Gujarat is providing assistance to MSMEs for interest on Term Loans provided by financial Institutions. As the title says, the scheme is aimed at Medium, Small and Micro Enterprises and no assistance under this scheme can be availed by large industrial units.	not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	financial contribution in respect of these goods under these programs during the investigation period.	galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.
44	SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions	The applicant alleged that the exporters of the goods had benefited from the program SGOG – Scheme for Assistance to Industrial Parks/Industrial Estates Set Up By Private Institutions .	The Commission is not aware of any WTO notification of this program.	In its response to the GQ, the GOI stated that the Government of Gujarat has observed the setting up of Industrial Parks as one of the important infrastructure components for Industrial	In its response to the GQ, the GOI stated that any Industries Association/ enterprise registered under the Societies Act, Partnership Act or the Companies Act constituted for setting up of an Industrial Park will be eligible for assistance under the scheme. In the case of an Industrial Park	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is

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				<p>developments of the state and with this intent a scheme for assistance to Industrial parks had been introduced.</p> <p>The GOI provided a copy the Scheme.</p>	<p>having more than 100 hectares in area, the Institution will be allowed to develop the park with a co-developer.</p>	<p>found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>		<p>applicable to all exporters under this program.</p>
45	SGOG – Critical Infrastructure Projects	The applicant alleged that the exporters of the goods had benefited from the program SGOG – Critical Infrastructure Projects	The Commission is not aware of any WTO notification of this program.	<p>The government resolution dated 19/1/2015 pertaining to scheme has been provided to the Commission.</p>	<p>In its response to the GQ, the GOI stated the <u>Eligible Institution as per the scheme</u> includes:</p> <p>(i)Any Industries Association, Chamber of Commerce, Federation of Industries or group of industrial units which are registered under the Societies Act, Trust Act or the Companies Act, will be eligible to apply for assistance. Any large project/Industry House will also be eligible if the project</p>	<p>The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this</p>	<p>The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.</p>	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>

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					<p>is approved by the Implementation Committee.</p> <p>(ii)Any Department of Govt., Govt. Agency or Authority, Board, Corporation, Municipal Corporations will be eligible to seek assistance.</p> <p>The GOI also provided a list of Eligible Activities as per the Scheme.</p> <p>The scheme is not applicable to an individual company and applies to infrastructure development of the industrial cluster/ area</p>	<p>program in respect of other goods in previous investigations.</p>		
46	<p>State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed Capital</p>	<p>The applicant alleged that the exporters of the goods had benefited from the program State Government of Chhattisgarh (SGOC) – Industrial Policy 2009-2014: Fixed</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>“Industrial Policy 2001-06”, “Industrial Policy 2004-09” and “Industrial Policy 2009-14” have been implemented. Policy 2014-19 can be</p>	<p>In its response to the GQ, the GOI provided Industrial Policy 2014-2019 which contains details of available industrial incentives.</p>	<p>The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this</p>	<p>The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during</p>	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the</p>

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	Investment Subsidy	Capital Investment Subsidy		accessed at the following URL: https://industries.cg.gov.in/pdf/policy2014-19/Industrial%20Policy%202014-19%20Translated%2012Feb2016.pdf)		program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	the investigation period.	investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.
48	SGOC – Industrial Policy 2009-2014: Quality Certification	The applicant alleged that the exporters of the goods had benefited pursuant to the SGOC – Industrial Policy 2009-2014: Quality Certification	The Commission is not aware of any WTO notification of this program.	Quality Certification is also a part of Industrial Policy of SGOC 2014-2019)	In its response to the GQ, the GOI stated that Quality Certification is also a part of Industrial Policy of SGOC 2014. The policy states that the new and existing Micro, Small and Medium category industries established by the entrepreneurs of general category in the State shall be reimbursed 50% of the amount spent, to a maximum Rs. 1.00 Lakh, for obtaining ISO– 9000, ISO - 14000, ISO - 18000,	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.

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					ISO -22000 category, BIS certification, Bureau of Energy Efficiency (BEE) certification, LEBP certification in the field of new and renewable energy, AGMARK, Euro Standard or other equal national/international certification .	under this program in respect of other goods in previous investigations.		
52	State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy	The applicant alleged that the exporters of the goods had benefited pursuant to the State Government of Jharkhand (SGOJ) – Comprehensive Project Investment Subsidy.	The Commission is not aware of any WTO notification of this program.	The packages provided in this policy are intended to attract more industry and investment to the state. The details of the policy can be accessed at the following URL: http://jharkhandindustry.gov.in/JIIPP2016.pdf .	In its response to the GQ, the GOI stated that to meet the larger objectives of the policy, SGOJ proposed to provide incentives, exemptions and concessions for industrial units to be established in the state. The GOI stated that it is relevant to point out that the scheme is open to the entire State and not restricted to any region or industry or enterprises.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.

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						goods in previous investigations.		
54	SGOJ – Incentive for Quality Certification	The applicant alleged that the exporters of the goods had benefited from benefits pursuant to the SGOJ – Incentive for Quality Certification	The Commission is not aware of any WTO notification of this program.	The packages provided in this policy are intended to attract more industry and investment to the state. The details of the policy can be accessed at the following URL: http://jharkhandindustry.gov.in/JIIPP2016.pdf .	In its response to the GQ, the GOI stated that high priority is being accorded by the State government for improvement of quality of the industrial units and obtaining quality certification from B.I.S. and other internationally recognised institutions. Benefits received are @ 50% of the expenditure incurred up to maximum of Rs. 10.00 lakh.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.

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GATEWAY 3: ASSESSMENT OF SUBSIDY PROGRAMS – TARIFF POLICY

Program numbers 1, 9,11,14,23,24,25,26, 27 and 56 – In this category, ten tariff policy programs were investigated by the Commission. The Commission’s assessment as to whether these programs are countervailable subsidies in respect of galvanised steel, and the method of subsidy calculation under these programs, is contained in the below table.

Program Number	Program description	Background	WTO notification	Legal basis	Eligibility Criteria	Is there a subsidy?	Is the subsidy countervailable?	Method used to calculate subsidy margin
1	Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in Special Economic Zones (SEZs)	The applicant alleged that the exporters of the goods had benefited pursuant to Duty-Free Importation of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material in SEZs.	The Commission is not aware of any WTO notification of this program.	SEZs in India are governed by the SEZ Act 2005: http://sezindia.nic.in/writereaddata/pdf/SEZ%20Act.%202005.pdf . The GOI have also enacted SEZ Rules to govern the provisions of the SEZ Act and they are called Special Economic Zones	In its response to the GQ, the GOI stated that the Department of Commerce, Govt. of India has not issued any Letter of Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export of Zinc Coated (Galvanised) Steel (the subject goods). This precludes any possibility of benefits which have been allegedly given to exporters of the subject goods under the above mentioned program.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.

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				<p>Rules 2006:</p> <p>http://sezindia.nic.in/writereaddata/rules/SEZ_Rules_July_2010.pdf.</p>				
9	Duty-Free Importations for Companies Designated as Export Oriented Units (EOUs)	The applicant alleged that the exporters of the goods had benefited pursuant to Duty-Free Importations for Companies Designated as Export Oriented Units	The Commission is not aware of any WTO notification of this program.	<p>Foreign Trade Policy 2015-2020 of India (Chapter 6):</p> <p>http://dgft.gov.in/exim/2000/Updated_FTP_2015-2020.pdf</p> <p>http://dgft.gov.in/exim/2000/Updated</p>	In its response to the GQ, the GOI stated that the EOU Division, Department of Commerce, Govt. of India has not issued any letter of Permission to the respondents as well as identified exporters for any EOUs in India for the export of subject goods. This precludes even any possibility of benefits which may have been allegedly given to exporters of the subject goods under the above mentioned program.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>
11	Duty Drawback for EOUs on Fuel Procured from	The applicant alleged that the exporters of the goods had	The Commission is not aware of any WTO	Foreign Trade Policy 2015-2020	In its response to the GQ, the GOI stated that the EOU Division, Department of	The Commission has determined that the Cooperative exporters did not	The Commission is not satisfied that exporters of galvanised steel	No evidence was found to indicate that any Cooperative

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	Domestic Oil Companies	benefited pursuant to Duty Drawback for EOUs on Fuel Procured from Domestic Oil Companies	notification of this program.	<p>of India (Chapter 6):</p> <p>http://dgft.gov.in/exim/2000/Updated_FTP_2015-2020.pdf</p> <p>http://dgft.gov.in/exim/2000/Updated</p>	<p>Commerce, Govt. of India has not issued any letter of Permission to the mandatory respondents as well as identified exporters for any EOUs in India for the export of subject goods. This precludes even any possibility of benefits which may have been allegedly given to exporters of the subject goods under the above mentioned program.</p>	<p>receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>	<p>received any financial contribution in respect of these goods under these programs during the investigation period.</p>	<p>exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>
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14	Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India	The applicant alleged that the exporters of the goods had benefited pursuant to Exemption from Central Excise Duty on Goods Procured from Domestic Tariff Areas and On Goods Manufactured in India	The Commission is not aware of any WTO notification of this program.	Foreign Trade Policy 2015-2020 of India (Chapter 6): http://dgft.gov.in/exim/2000/Updated FTP 2015-2020.pdf http://dgft.gov.in/exim/2000/Updated	In its response to the GQ, the GOI stated that the EOU Division, Department of Commerce, Govt. of India has not issued any letter of Permission to the respondents as well as identified exporters for any EOUs in India for the export of subject goods. This precludes even any possibility of benefits which may have been allegedly given to exporters of the subject goods under the above mentioned program.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.
24	Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme	The applicant alleged that the exporters of the goods had benefited pursuant to Duty Exemption/Remission Schemes – Duty-Free Import Authorization Scheme	The Commission is not aware of any WTO notification of this program.	Foreign Trade Policy 2015-2020 of India (Chapter 4): http://dgft.gov.in/exim/2000/Updated FTP 2015-2020.pdf	In its response to the GQ, the GOI stated that both indirect tax rebate schemes and substitution drawback schemes can constitute an export subsidy only to the extent that they result in exemption, remission, deferral or refund of indirect taxes or import charges in excess of the amount	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore

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				http://dgft.gov.in/exim/2000/Updated	<p>of such taxes or charges actually levied on inputs that are consumed in the production of the exported product. However, normal allowance for waste must be made in findings regarding consumption of inputs in the production of the exported product.</p>	<p>Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>		<p>considers zero subsidy rate is applicable to all exporters under this program.</p>
25	Duty Exemption/Remission Schemes – Advance Authorization	The applicant alleged that the exporters of the goods had benefited pursuant to Duty Exemption/Remission Schemes – Advance Authorization.	The Commission is not aware of any WTO notification of this program.	<p>Foreign Trade Policy 2015-2020 of India (Chapter 4):</p> <p>http://dgft.gov.in/exim/2000/Updated_FTP_2015-2020.pdf</p> <p>http://dgft.gov.in/exim/2000/Updated</p>	<p>In its response to the GQ, the GOI stated that the Advance Authorisation is issued to allow duty free import of inputs, which are physically incorporated in export product (making normal allowance for wastage). In addition, fuel, oil, catalysts which are consumed / utilised to obtain export product, may also be allowed. DGFT, by means of Public Notice, may exclude any product(s) from the purview of Advance Authorisation.</p>	<p>The Commission has determined that some Cooperative exporters received a financial contribution in respect of galvanised steel under this program during the investigation period.</p>	<p>As the criteria or conditions providing access to the subsidy favours particular states over other enterprises in India, the program is considered to be specific.</p> <p>The specificity of the subsidy is not exempted by reference to s.269TAAC(3).</p>	<p><u>Cooperative exporters</u></p> <p>One Cooperative exporter benefited under this program during the investigation period. The unit benefit was calculated and divided by the unit exports to calculate the subsidy rate.</p> <p>Zero subsidy rate will be applicable to all other Cooperative exporters as no evidence was found to indicate that other</p>

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							For these reasons the subsidy is specific.	Cooperative exporters benefited under this program during the investigation period. <u>Uncooperative exporters</u> The maximum benefit amount available under this program was from the one Cooperative exporter who benefited from this program. The Commission has therefore applied that Cooperative exporters subsidy under this program for uncooperative exporters.
26	Duty Exemption/Remission Schemes – Duty	The applicant alleged that the exporters of the goods had benefited pursuant	The Commission is not aware of any WTO	Foreign Trade Policy 2015-2020	In its response to the GQ, the GOI stated that DEPBS scheme had been on pre export and post export	The Commission has determined that some Cooperative exporters received financial	As the criteria or conditions providing access to the subsidy favours particular	<u>Cooperative exporters</u> One Cooperative exporter benefited

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	Entitlement Passbook Scheme	to Duty Exemption/Remission Schemes – Duty Entitlement Passbook Scheme	notification of this program.	of India (Chapter 4) http://dgft.gov.in/exim/2000/Updated_FTP_2015-2020.pdf http://dgft.gov.in/exim/2000/Updated	basis. The pre-export DEPBS was abolished with effect from (w.e.f.) 1 April 2000. Hence, during the IP i.e 1 st July 2015 to 30 th June 2016, the said scheme was not availed. Similarly, Duty Entitlement Passbook Scheme (post export) has been discontinued for exports made on or after 1 October 2011 [Chapter 4, FTP 2009-2014].	contribution in respect of galvanised steel under this program during the investigation period.	state over other enterprises in India, the program is considered to be specific. The specificity of the subsidy is not exempted by reference to s. 269TAAC(3). For these reasons the subsidy is specific.	under this program during the investigation period. The unit benefit was calculated and divided by the unit export to calculate the subsidy rate. Zero subsidy rate will be applicable to all other Cooperative exporters as no evidence was found to indicate that other Cooperative exporters benefited under this program during the investigation period. <u>Uncooperative exporters</u> The maximum benefit amount available under this program was from the one Cooperative exporter who
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								benefited from this program. The Commission has therefore applied that Cooperative exporter's subsidy under this program for uncooperative exporters.
27	Duty Exemption/Remission Schemes – Duty Drawback Scheme	The applicant alleged that the exporters of the goods had benefited pursuant to Duty Exemption/Remission Schemes – Duty Drawback Scheme	The Commission is not aware of any WTO notification of this program.	-Customs Act, 1962 -Customs and Central Excise Duties and Service Tax Drawback Rules, 1995 (Drawback Rules, 1995) -Central Excise Act, 1944	In its response to the GQ, the GOI stated that scheme design is such that use of alternative mechanisms of rebating these particular duties/tax make the AIR Duty Drawback inapplicable or it gets reduced to the appropriate extent. An exporter who avails benefit from this scheme cannot avail benefits from the Advance Authorisation Scheme.	The Commission has determined that some Cooperative exporters received financial contribution in respect of galvanised steel under this program during the investigation period.	As the criteria or conditions providing access to the subsidy favours particular state over other enterprises in India, the program is considered to be specific. The specificity of the subsidy is not exempted by reference to s. 269TAAC(3). For these reasons the subsidy is specific.	<u>Cooperative exporters</u> Two Cooperative exporters benefited under this program during the investigation period. For each of these exporters the unit benefit was calculated and divided by the unit export to calculate the subsidy rate. Zero subsidy rate will be applicable to all other Cooperative exporters as no evidence was found to indicate

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				<p>-Finance Act, 1994</p> <p>http://www.cbec.gov.in/resources/htdocs-cbec/deptt_offcr/cs-manual2015.pdf which is self-explanatory</p> <p>http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/cs-act-ch10</p>				<p>that other Cooperative exporters benefited under this program during the investigation period.</p> <p><u>Uncooperative exporters</u></p> <p>The maximum benefit amount available under this program was from the one of the two Cooperative exporters who benefited from this program.</p> <p>The Commission has therefore applied the highest Cooperative exporters' subsidy under this program for uncooperative exporters.</p>
56	Merchandise Exports from	The applicant alleged that the exporters of the goods had	The Commission is not aware of any WTO	Foreign Trade Policy, which	In its response to the Supplementary GQ, the GOI stated that this scheme is	The Commission has determined that some Cooperative exporters received	The Commission is not satisfied that exporters of galvanised steel	<u>Cooperative exporters</u>

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	<p>India Scheme (MEIS)</p>	<p>benefited pursuant to the Merchandise Exports from India Scheme</p>	<p>notification of this program.</p>	<p>derives its power under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992.</p> <p>Policy for Merchandise Exports from India Scheme (MEIS) is given in Chapter 3 of FTP 2015-20</p>	<p>available for all exporters for exports of notified goods/products with ITC[HS] code, to notified markets as listed in Appendix 3B subject to ineligible categories as listed in para 3.06 of FTP 2015-20.</p>	<p>financial contribution in respect of galvanised steel under this program during the investigation period.</p>	<p>received any financial contribution in respect of these goods under these programs during the investigation period.</p>	<p>One Cooperative exporters benefited under this program during the investigation period. This exporter provided the information in relation to this program under program 26. Therefore the subsidy rate for this exporter was calculated under program 26.</p> <p>Zero subsidy rate will be applicable to all other Cooperative exporters as no evidence was found to indicate that other Cooperative exporters benefited under this program during the investigation period.</p> <p><u>Uncooperative exporters</u></p>
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								<p>The maximum benefit amount available under this program was from the one Cooperative exporter who benefited from this program.</p> <p>The Commission has therefore applied that Cooperative exporter's subsidy under this program for uncooperative exporters.</p>
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GATEGORY 4: ASSESSMENT OF SUBSIDY PROGRAMS – TAX POILCY & STAMP DUTY

Program numbers 2-5,8,10,12,13, 30, 31, 36, 42, 43,50, 53, 55 & 57 - In this category seventeen taxation and stamp duty policy programs were investigated by the Commission. The Commission’s assessment as to whether these programs are countervailable subsidies in respect of galvanised steel, and the method of subsidy calculation under these programs, is contained in the below table.

Program Number	Program description	Background	WTO notification	Legal basis	Eligibility Criteria	Is there a subsidy?	Is the subsidy countervailable?	Method used to calculate subsidy margin
2	Export Income Tax Exemptions in SEZs	The applicant alleged that the exporters of the goods had benefited pursuant to Export Income Tax Exemptions in SEZs	The Commission is not aware of any WTO notification of this program.	<p>SEZs in India are governed by SEZ Act 2005</p> <p>http://sezindia.nic.in/writereaddata/pdf/SEZ%20Act.%202005.pdf.</p> <p>The GOI have also enacted SEZ Rules to govern the provisions of the SEZ Act and they are called Special Economic Zones Rules 2006.</p> <p>http://sezindia.nic.in/writereaddata/rules/SEZ_Rules</p>	In its response to the GQ, the GOI stated that the Department of Commerce, Govt. of India has not issued any Letter of Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export of Zinc Coated (Galvanised) Steel (the subject goods as defined). This position precludes any possibility of benefits which have been allegedly given to exporters of the subject goods under the	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission also note that no exporters were found to have benefited from this program in previous investigation.</p> <p>The Commission therefore, considers zero subsidy rate is</p>

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				es July 2010.pdf.	above mentioned program.			applicable to all exporters under this program.
3	Exemption in SEZs from Minimum Alternate Tax	The applicant alleged that the exporters of the goods had benefited pursuant to Exemption in SEZs from Minimum Alternate Tax	The Commission is not aware of any WTO notification of this program.	SEZs in India are governed by SEZ Act 2005 http://sezindia.nic.in/writereaddata/pdf/SEZ%20Act,%202005.pdf The GOI have also enacted SEZ Rules to govern the provisions of the SEZ Act and they are called Special Economic Zones Rules 2006. http://sezindia.nic.in/writereaddata/rules/SEZ_Rules_July_2010.pdf	In its response to the GQ, the GOI stated that the Department of Commerce, Govt. of India has not issued any Letter of Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export of Zinc Coated (Galvanised) Steel (the subject goods as defined). This position precludes any possibility of benefits which have been allegedly given to exporters of the subject goods under the above mentioned program.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.
4	Exemption in SEZs from Payment of Central Sales Tax on Purchases of	The applicant alleged that the exporters of the goods had benefited pursuant to Exemption in SEZs from Payment of	The Commission is not aware of any WTO	SEZs in India are governed by SEZ Act 2005.	In its response to the GQ, the GOI stated that the Department of Commerce, Govt. of India has not	The Commission has determined that the Cooperative exporters did not receive any financial	The Commission is not satisfied that exporters of galvanised steel received any financial	No evidence was found to indicate that any Cooperative exporters of galvanised steel

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	Capital Goods and Raw Materials, Components, Consumables, Intermediate s, Spare Parts and Packing Material	Central Sales Tax on Purchases of Capital Goods and Raw Materials, Components, Consumables, Intermediates, Spare Parts and Packing Material	notification of this program.	<p>http://sezindia.nic.in/writereaddata/pdf/SEZ%20Act,%202005.pdf.</p> <p>The GOI have also enacted SEZ Rules to govern the provisions of the SEZ Act and they are called Special Economic Zones Rules 2006.</p> <p>http://sezindia.nic.in/writereaddata/rules/SEZ_Rules_July_2010.pdf.</p>	issued any Letter of Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export of Zinc Coated (Galvanised) Steel (the subject goods as defined). This position precludes any possibility of benefits which have been allegedly given to exporters of the subject goods under the above mentioned program.	contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	contribution in respect of these goods under these programs during the investigation period.	have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.
5	Exemption in SEZs from Service Tax	The applicant alleged that the exporters of the goods had benefited pursuant to Exemption in SEZs from Service Tax	The Commission is not aware of any WTO notification of this program.	<p>SEZs in India are governed by SEZ Act 2005</p> <p>http://sezindia.nic.in/writereaddata/pdf/SEZ%20Act,%202005.pdf.</p> <p>The GOI have also enacted SEZ Rules to govern the provisions of the SEZ Act and</p>	In its response to the GQ, the GOI stated that the Department of Commerce, Govt. of India has not issued any Letter of Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export of Zinc Coated	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.

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				<p>they are called Special Economic Zones Rules 2006.</p> <p>http://sezindia.nic.in/writereaddata/rules/SEZ_Rules_July_2010.pdf.</p>	<p>(Galvanised) Steel (the subject goods as defined). This position precludes any possibility of benefits which have been allegedly given to exporters of the subject goods under the above mentioned program.</p>	<p>exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>		<p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>
8	<p>Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments</p>	<p>The applicant alleged that the exporters of the goods had benefited pursuant to Exemption in SEZs from State Sales Tax and Other Levies as Extended by State Governments</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>SEZs in India are governed by SEZ Act 2005</p> <p>http://sezindia.nic.in/writereaddata/pdf/SEZ%20Act,%202005.pdf.</p> <p>The GOI have also enacted SEZ Rules to govern the provisions of the SEZ Act and they are called Special Economic Zones Rules 2006.</p> <p>http://sezindia.nic.in/writereaddata/rules/SEZ_Rules_July_2010.pdf.</p>	<p>In its response to the GQ, the GOI stated that the Department of Commerce, Govt. of India has not issued any Letter of Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export of Zinc Coated (Galvanised) Steel (the subject goods as defined). This position precludes any possibility of benefits which have been allegedly given to exporters of the subject goods under the</p>	<p>The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>	<p>The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.</p>	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>

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				es July 2010.pdf.	above mentioned program.			
10	Reimbursement to EOUs of Central Sales Tax	The applicant alleged that the exporters of the goods had benefited pursuant to Reimbursement to EOUs of Central Sales Tax	The Commission is not aware of any WTO notification of this program.	Foreign Trade Policy 2015-2020 of India (Chapter 6) http://dgft.gov.in/exim/2000/Updated_FTP_2015-2020.pdf http://dgft.gov.in/exim/2000/Updated	In its response to the GQ, the GOI stated that the EOU Division, Department of Commerce, Govt. of India has not issued any letter of Permission to the mandatory respondents as well as identified exporters for any EOUs in India for the export of subject goods. This position precludes even any possibility of benefits which may have been allegedly given to exporters of the subject goods under the above mentioned program.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.
12	Credit for Service Tax paid by EOUs	The applicant alleged that the exporters of the goods had benefited pursuant to Credit for Service Tax paid by EOUs	The Commission is not aware of any WTO notification of this program.	Foreign Trade Policy 2015-2020 of India (Chapter 6)	In its response to the GQ, the GOI stated that the EOU Division, Department of Commerce, Govt. of India has not issued any letter of	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this

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				http://dgft.gov.in/exim/2000/Updated FTP 2015-2020.pdf http://dgft.gov.in/exim/2000/Updated	<p>Permission to the mandatory respondents as well as identified exporters for any EOUs in India for the export of subject goods. This position precludes even any possibility of benefits which may have been allegedly given to exporters of the subject goods under the above mentioned program.</p>	<p>galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>	<p>goods under these programs during the investigation period.</p>	<p>program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>
13	Exemptions from Income Tax for EOUs	The applicant alleged that the exporters of the goods had benefited pursuant to Exemptions from Income Tax for EOUs	The Commission is not aware of any WTO notification of this program.	<p>Foreign Trade Policy 2015-2020 of India (Chapter 6)</p> <p>http://dgft.gov.in/exim/2000/Updated FTP 2015-2020.pdf</p> <p>http://dgft.gov.in/exim/2000/Updated</p>	<p>In its response to the GQ, the GOI stated that the EOU Division, Department of Commerce, Govt. of India has not issued any letter of Permission to the mandatory respondents as well as identified exporters for any EOUs in India for the export of subject goods. This position precludes even any possibility of benefits which</p>	<p>The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under</p>	<p>The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.</p>	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore, considers zero subsidy rate is applicable to all</p>

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					may have been allegedly given to exporters of the subject goods under the above mentioned program.	this program in respect of other goods in previous investigations.		exporters under this program.
30	80-IB Income Deduction Program	The applicant alleged that the exporters of the goods had benefited pursuant to 80-IB Income Deduction Program	The Commission is not aware of any WTO notification of this program.	80-IB of the Income Tax Act http://www.incometaxindia.gov.in/pages/acts/income-tax-act.aspx http://www.incometaxindia.gov.in/pages/rules/income-tax-rules-1962.aspx	There are no articulated eligibility criteria to receive funding pursuant to this program. In its response to the GQ, the GOI stated the GOI with a view to boost to manufacturing sector, especially in industrially backward region and also to encourage private participation in setting up conventional centers, hospitals etc. and to promote agro-industries etc is providing income tax deductions scheme.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.

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<p>31</p>	<p>80-IA Income Tax Deduction Program</p>	<p>The applicant alleged that the exporters of the goods had benefited pursuant to 80-IA Income Tax Deduction Program</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>80-IA of the Income Tax Act http://www.incometaxindia.gov.in/pages/acts/income-tax-act.aspx http://www.incometaxindia.gov.in/pages/rules/income-tax-rules-1962.aspx</p>	<p>There are no articulated eligibility criteria to receive funding pursuant to this program.</p> <p>In its response to the GQ, the GOI stated the GOI with a view to boost to manufacturing sector, especially in industrially backward region and also to encourage private participation in setting up conventional centers, hospitals etc. and to promote agro-industries etc is providing income tax deductions scheme.</p>	<p>The Commission has determined some Cooperative exporters received financial contribution in respect of galvanised steel under this program during the investigation period.</p>	<p>As the criteria or conditions providing access to the subsidy favours particular state over other enterprises in India, the program is considered to be specific.</p> <p>The specificity of the subsidy is not exempted by reference to s. 269TAAC(3).</p> <p>For these reasons the subsidy is specific.</p>	<p><u>Cooperative exporters</u></p> <p>One Cooperative exporter benefited under this program during the investigation period. The unit benefit was calculated and divided by the unit export to calculate the subsidy rate.</p> <p>Zero subsidy rate will be applicable to all other Cooperative exporters as no evidence was found to indicate that other Cooperative exporters benefited under this program during the investigation period.</p> <p><u>Uncooperative exporters</u></p> <p>The maximum benefit amount available under this program was</p>
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								<p>from the one Cooperative exporter who benefited from this program.</p> <p>The Commission has therefore applied that Cooperative exporter's subsidy under this program for uncooperative exporters.</p>
36	SGOM – Waiver of Stamp Duty	The applicant alleged that the exporters of the goods had benefited pursuant to SGOM – Waiver of Stamp Duty	The Commission is not aware of any WTO notification of this program.	In its response to the GQ, the GOI stated that in order to encourage the dispersal of industries to lesser developed areas of the State, the Government has been giving package of incentives to New Industrial Units / Expansion Units set up in the developing regions of the State since 1964 under a	<p>There are no articulated eligibility criteria to receive funding pursuant to this program.</p> <p>In its response to the GQ, the GOI stated that the scheme document says that new Units as well as Units undertaking Expansion/ Diversification (including Mega and Ultra Mega Projects) will be exempted from payment of Stamp duty during the Investment period</p>	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>

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				<p>Scheme popularly known as the "Package Scheme of Incentives."</p>	<p>in Group "C, D, D+ Talukas, No Industry Districts and Naxalism affected areas.</p> <p>Eligible New/Expansion Units of PSI-2007 will also be eligible for Stamp Duty Exemption during their investment period.</p>	<p>goods in previous investigations.</p>		
42	<p>SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods</p>	<p>The applicant alleged that the exporters of the goods had benefited pursuant to SGOG – Sales Tax Exemptions and Deferrals On Purchase of Goods</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOI document has been identified that provides for its establishment.</p>	<p>There are no articulated eligibility criteria to receive funding pursuant to this program.</p> <p>In its response to the GQ, the GOI stated that the State Government is not providing any sales tax exemption or VAT remission to Industrial Units.</p> <p>The state government had discontinued the sales tax based incentives vide Government</p>	<p>The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other</p>	<p>The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.</p>	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.</p>

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					Resolution dated 29/4/2000.	goods in previous investigations.		
43	SGOG – VAT Remission Scheme	The applicant alleged that the exporters of the goods had benefited pursuant to SGOG – VAT Remission Scheme	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOI document has been identified that provides for its establishment.	There are no articulated eligibility criteria to receive funding pursuant to this program. In its response to the GQ, the GOI stated that the State Government is not providing any sales tax exemption or VAT remission to Industrial Units. The state government had discontinued the sales tax based incentives or VAT remission to industrial units' scheme vide Government Resolution dated 29/4/2000.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.
50	SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption	The applicant alleged that the exporters of the goods had benefited pursuant to SGOC – Industrial Policy 2009-2014: Stamp Duty Exemption	The Commission is not aware of any WTO notification of this program.	Stamp Duty Exemption a part of Industrial Policy of SGOC 2014-2019	In its response to the GQ, the GOI stated that all categories of entrepreneurs who have established eligible Micro, Small, Medium, Large industries	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during

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					and all Mega project and Ultra-Mega project (including the industries of the Core sector, according to the Appendix-4) will get complete exemption from stamp duty on certain cases as outlined in the Policy.	under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	these programs during the investigation period.	the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.
53	SGOJ – Stamp Duty and Registration	The applicant alleged that the exporters of the goods had benefited pursuant to SGOJ – Stamp Duty and Registration	The Commission is not aware of any WTO notification of this program.	Jharkhand Industrial and Investment Promotion Policy 2016	In its response to the GQ, the GOI stated that industrial units will enjoy 100% exemption / reimbursement of stamp duty and registration fee for land directly purchased from the raiyats / acquired through consent award (lessee of IADA /industrial parks will not be eligible for this benefits). This facility will be granted only for the first transaction for a particular plot of land. However, as	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.

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					submitted herein above that the exporter of subject goods as submitted above have no units in Jharkhand and the scheme as such is not applicable to the present investigation.	goods in previous investigations.		
55	SGOJ – VAT and Tax Incentives	The applicant alleged that the exporters of the goods had pursuant to SGOJ – VAT and Tax Incentives	The Commission is not aware of any WTO notification of this program.	Section 7.5 of the Jharkhand Industrial and Investment Promotion Policy 2016 provides for incentives on VAT.	<p>In its response to the GQ, the GOI stated that This facility was available to all industries including MSME, Handloom, Sericulture, Handicraft, Khadi and village industries products.</p> <p>Notwithstanding anything contained in this Industrial and Investment Promotion Policy, the State reserves its right, to take appropriate direction including amendment, deletion or substitution of any incentives as granted in this</p>	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.</p>

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					Policy after the implementation of the Goods and Services Tax System into the State.			
57	Sales Tax Deferral Program	The applicant alleged that the exporters of the goods had benefited pursuant to Sales Tax Deferral Program	The Commission is not aware of any WTO notification of this program.	In its response to the GQ, the GOI stated that in order to encourage the dispersal of industries to lesser developed areas of the State, the Government has been giving package of incentives to New Industrial Units / Expansion Units set up in the developing regions of the State since 1964 under a Scheme popularly known as the "Package Scheme of Incentives." Package Scheme of Incentives-2007	In its response to the GQ, the GOI stated that individual files of the units for grant of Eligibility Certificate for incentives and sanction of incentives, if any, during the eligibility period are maintained. Registers of Eligibility Certificates granted and incentives sanctioned, if any, of the eligible units are maintained.	The Commission has determined that some Cooperative exporters received financial contribution in respect of galvanised steel under this program during the investigation period.	As the criteria or conditions providing access to the subsidy favours particular state over other enterprises in India, the program is considered to be specific. The specificity of the subsidy is not exempted by reference to s. 269TAAC(3). For these reasons the subsidy is specific.	<u>Cooperative exporters</u> One Cooperative exporter benefited under this program during the investigation period. The unit benefit was calculated and divided by the unit export to calculate the subsidy rate. Zero subsidy rate will be applicable to all other Cooperative exporters as no evidence was found to indicate that other Cooperative exporters benefited under this program during the investigation period.

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				and Package Scheme of Incentives 2013				<u>Uncooperative exporters</u> The maximum benefit amount available under this program was from the one Cooperative exporter who benefited from this program. The Commission has therefore applied that Cooperative exporters subsidy under this program for uncooperative exporters.
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GATEWAY 5: ASSESSMENT OF SUBSIDY PROGRAMS – ELECTRICITY

Program numbers 7,35,37,49 & 58 - In this category five electricity programs were investigated by the Commission. The Commission's assessment as to whether these programs are countervailable subsidies in respect of galvanised steel, and the method of subsidy calculation under these programs, is contained in the below table.

Program Number	Program description	Background	WTO notification	Legal basis	Eligibility Criteria	Is there a subsidy?	Is the subsidy countervailable?	Method used to calculate subsidy margin
7	Discounted Electricity Rates in SEZs	The applicant alleged that the exporters of the goods had benefited pursuant to Discounted Electricity Rates in SEZs	The Commission is not aware of any WTO notification of this program.	Special Economic Zone Act 2005 and Special Economic Zones Rules 2006 http://sezinda.nic.in/writer/eaddata/pdf/SEZ%20Act,%202005.pdf http://sezinda.nic.in/writer/eaddata/rules/SEZ_Rules_July_2010.pdf	There are no articulated eligibility criteria to receive funding pursuant to this program. In its response to the GQ, the GOI stated that the SEZ Division, Department of Commerce, Govt. of India has not issued any Letter of Permission (LoP) to the mandatory respondents as well as identified exporters for any of the SEZ Units in India for the export of galvanised steel.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.

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<p>35</p>	<p>SGOM – Exemption from Electricity Duty</p>	<p>The applicant alleged that the exporters of the goods had benefited pursuant to SGOM – Exemption from Electricity Duty</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>In its response to the GQ, the GOI stated that in order to encourage the dispersal of industries to lesser developed areas of the State, the Government has been giving package of incentives to New Industrial Units / Expansion Units set up in the developing regions of the State since 1964 under a Scheme popularly known as the “Package Scheme of Incentives.”</p>	<p>There are no articulated eligibility criteria to receive funding pursuant to this program.</p> <p>In its response to the GQ, the GOI stated that all Eligible New Units in Group C, D, and D+ areas and No-Industry District(s) and Naxalism affected Area will be exempted from payment of Electricity Duty during eligibility period not exceeding 15 years. In Group A and B areas, 100% Export Oriented Units (EOUs), Information Technology Manufacturing Units and Bio-Technology Manufacturing units will also be exempted from payment of Electricity Duty for a period of 7 Years. Necessary Notification under</p>	<p>The Commission has determined that some Cooperative exporters received financial contribution in respect of galvanised steel under this program during the investigation period.</p>	<p>As the criteria or conditions providing access to the subsidy favours particular state over other enterprises in India, the program is considered to be specific.</p> <p>The specificity of the subsidy is not exempted by reference to s. 269TAAC(3).</p> <p>For these reasons the subsidy is specific.</p>	<p><u>Cooperative exporters</u></p> <p>One Cooperative exporter benefited under this program during the investigation period. The unit benefit was calculated and divided by the unit export to calculate the subsidy rate.</p> <p>Zero subsidy rate will be applicable to all other Cooperative exporters as no evidence was found to indicate that other Cooperative exporters benefited under this program during the investigation period.</p> <p><u>Uncooperative exporters</u></p> <p>The maximum benefit amount available under this program was</p>
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					the provisions of the Electricity Duty Act 1958 will be issued separately by the Energy Department.			from the one Cooperative exporter who benefited from this program. The Commission has therefore applied that Cooperative exporters subsidy under this program for uncooperative exporters.
37	SGOM – Power Tariff Subsidy	The applicant alleged that the exporters of the goods had benefited pursuant to SGOM – Power Tariff Subsidy	The Commission is not aware of any WTO notification of this program.	In its response to the GQ, the GOI stated that in order to encourage the dispersal of industries to lesser developed areas of the State, the Government has been giving package of incentives to New Industrial Units / Expansion Units set up	New Micro, Small and Medium Enterprises (MSME) will be eligible for power tariff subsidy. The subsidy will be to the tune of Rs 1/- per unit for the Units located in Vidarbha, Marathwada, North Maharashtra and the Districts of Raigad, Ratnagiri and Sindhudurg in Kokan Region and Rs 0.50 per unit for the Units in other areas of the State for a period of 3 years from the date	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.

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				in the developing regions of the State since 1964 under a Scheme popularly known as the "Package Scheme of Incentives."	of commencement of commercial production, for the energy consumed and paid. The Units in Group "A" areas will however not be eligible for this incentive.	respect of other goods in previous investigations.		
49	SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption	The applicant alleged that the exporters of the goods had benefited pursuant to SGOC – Industrial Policy 2009-2014: Electricity Duty Exemption	The Commission is not aware of any WTO notification of this program.	Electricity Duty Exemption is a part of Industrial Policy of SGOC 2014-2019.	There are no articulated eligibility criteria to receive funding pursuant to this program. In its response to the GQ, the GOI stated that the Exporters of the subject goods have no units in Sate of Chhattisgarh.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.

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						goods in previous investigations.		
58	Electricity Duty Exemption	The applicant alleged that the exporters of the goods had benefited pursuant to Electricity Duty Exemption	The Commission is not aware of any WTO notification of this program.	In its response to the GQ, the GOI stated that in order to encourage the dispersal of industries to lesser developed areas of the State, the Government has been giving package of incentives to New Industrial Units / Expansion Units set up in the developing regions of the State since 1964 under a Scheme popularly known as the "Package Scheme of Incentives."	There are no articulated eligibility criteria to receive funding pursuant to this program. In its response to the GQ, the GOI stated that all Eligible New Units in Group C, D, and D+ areas and No-Industry District(s) and Naxalism affected Area will be exempted from payment of Electricity Duty during eligibility period not exceeding 15 years. In Group A and B areas, 100% Export Oriented Units (EOUs), Information Technology Manufacturing Units and Bio-Technology Manufacturing units will also be exempted from payment of Electricity Duty for	The Commission has determined that some Cooperative exporters received financial contribution in respect of galvanised steel under this program during the investigation period.	As the criteria or conditions providing access to the subsidy favours particular state over other enterprises in India, the program is considered to be specific. The specificity of the subsidy is not exempted by reference to s. 269TAAC(3). For these reasons the subsidy is specific.	<u>Cooperative exporters</u> One Cooperative exporter benefited under this program during the investigation period. The unit benefit was calculated and divided by the unit export to calculate the subsidy rate. Zero subsidy rate will be applicable to all other Cooperative exporters as no evidence was found to indicate that other Cooperative exporters benefited under this program during the investigation period. <u>Uncooperative exporters</u>

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					a period of 7 Years. Necessary Notification under the provisions of the Electricity Duty Act 1958 will be issued separately by the Energy Department.			<p>The maximum benefit amount available under this program was from the one Cooperative exporter who benefited from this program.</p> <p>The Commission has therefore applied that Cooperative exporters subsidy under this program for uncooperative exporters.</p>
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GATEWAY 6: ASSESSMENT OF SUBSIDY PROGRAMS – LOAN

Program numbers 32, 40, 47& 59 - In this category four loan programs were investigated by the Commission. The Commission's assessment as to whether these programs are countervailable subsidies in respect of galvanised steel, and the method of subsidy calculation under these programs, is contained in the below table.

Program Number	Program description	Background	WTO notification	Legal basis	Eligibility Criteria	Is there a subsidy?	Is the subsidy countervailable?	Method used to calculate subsidy margin
32	Steel Development Fund Loans	The applicant alleged that the exporters of the goods had benefited pursuant to Steel Development Fund Loans	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOI document has been identified that provides for its establishment.	There are no articulated eligibility criteria to receive funding pursuant to this program. In its response to the GQ, the GOI stated that steel development fund is funded by Indian steel producers themselves. The GOI does not contribute any monetary amount to the SDF pool.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.
40	State Government	The applicant alleged that the exporters of	The Commission	The Government	The Government of Gujarat is providing	The Commission has determined that	The Commission is not satisfied	No evidence was found to indicate

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	of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy	the goods had benefited pursuant to State Government of Gujarat (SGOG) – Assistance to MSMEs – Interest Subsidy	is not aware of any WTO notification of this program.	resolution dated 19/1/2015 specifically mentions that the scheme is “Scheme for assistance to Micro, Small and Medium Enterprises. A copy of Government resolution was provided to the Commission.	assistance to MSMEs for interest on Term Loan provided by financial Institution. As the title says, the scheme is aimed at Medium, Small and Micro Enterprises and no assistance under this scheme can be availed by large industrial unit.	the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.
47	SGOC – Industrial Policy 2009-2014: Interest Subsidy	The applicant alleged that the exporters of the goods had benefited pursuant to SGOC – Industrial Policy 2009-2014: Interest Subsidy	The Commission is not aware of any WTO notification of this program.	Interest Subsidy is part of Industrial Policy of SGOC 2014-2019	In its response to the GQ, the GOI stated that industrial incentives concerning eligible industries established by scheduled caste/Tribe category.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all

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						received any financial contribution under this program in respect of other goods in previous investigations.		exporters under this program.
59	Interest free loan	The applicant alleged that the exporters of the goods had benefited pursuant to Interest free loan	The Commission is not aware of any WTO notification of this program.	The State Government of Maharashtra - Package Scheme of Incentives-2007 and Package Scheme of Incentives 2013	In its response to the GQ, the GOI stated that Individual files of the units for grant of Eligibility Certificate for incentives and sanction of incentives, if any, during the eligibility period are maintained. Registers of Eligibility Certificates granted and incentives sanctioned, if any, of the eligible units are maintained.	The Commission has determined that some Cooperative exporters received financial contribution in respect of galvanised steel under this program during the investigation period.	As the criteria or conditions providing access to the subsidy favours particular state over other enterprises in India, the program is considered to be specific. The specificity of the subsidy is not exempted by reference to s. 269TAAC(3). For these reasons the subsidy is specific.	<u>Cooperative exporters</u> One Cooperative exporter benefited under this program during the investigation period. The unit benefit was calculated and divided by the unit export to calculate the subsidy rate. Zero subsidy rate will be applicable to all other Cooperative exporters as no evidence was found to indicate that other Cooperative exporters benefited under this program during the investigation period.

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								<p><u>Uncooperative exporters</u></p> <p>The maximum benefit amount available under this program was from the one Cooperative exporter who benefited from this program.</p> <p>The Commission has therefore applied that Cooperative exporter's subsidy under this program for uncooperative exporters.</p>
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GATEGORY 7: ASSESSMENT OF SUBSIDY PROGRAMS – RIGHTS

Program number 28 - In this category one rights program was investigated by the Commission. The Commission's assessment as to whether that program is a countervailable subsidy in respect of galvanised steel, and the method of subsidy calculation under these programs, is contained in the below table.

Program Number	Program description	Background	WTO notification	Legal basis	Eligibility Criteria	Is there a subsidy?	Is the subsidy countervailable?	Method used to calculate subsidy margin
28	Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal	The applicant alleged that the exporters of the goods had benefited pursuant to Provision of Captive Mining Rights for Minerals Including Iron Ore and Coal	The Commission is not aware of any WTO notification of this program.	Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 (amended 12 January 2015). The details of MMDR Act 1957 can be accessed at the URL: http://ibm.nic.in/write_readdata/files/07102014115602MMDR%20Act%201957_10052012.pdf	In its response to the GQ, the GOI stated that the Ministry of Coal only allocates the coal blocks and gives certain statutory approval under the provisions of the MMDR Act, 1957 vis-à-vis approval of mining plan, previous approval for mining lease etc. which provides the coal mining rights to the allocatees. The mining cost was to be incurred by the allocatees for the development of mine which included exploring, building infrastructure for coal mining, mining expenditure etc. Moreover, no subsidy regarding royalty,	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore considers zero subsidy rate is applicable to all exporters under this program.

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					service tax, transportation costs etc. were given to the allocattees of coal blocks.			
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NON CONFIDENTIAL ATTACHMENTS 4 – ASSESSMENT OF SUBSIDY PROGRAMS - VIETNAM
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14.4 Finding

This attachment details the Commission’s assessment of the 19 subsidy programs investigated in relation to galvanised steel exported to Australia from Vietnam.

The Commission’s assessment and findings of whether each subsidy program is countervailable in relation to galvanised steels exported from Vietnam is outlined in the table below.

Program no.	Program Title	Program type	Countervailable in relation to galvanised steel
1	Preferential Import Tariff Rates contingent upon localisation Ratios with respect to products and Parts of Mechanical-Electric-Electronic Industries (updating Program II of Notification of Subsidies period 2003-2004)	Tariff Policy	Yes
2	Support for the Implementation of Projects Manufacturing Priority Industrial Products (Updating Programme III of 2003-2004)	Grant	No
3	Investment Incentives Contingent upon Export Performance For Domestic Businesses (Updating Programme IV of 2003-2004)	Grant	No
4	Other Investment Incentives for Domestic Businesses (Updating Program V of Period 2003-2004)	Grant	No
5	Investment Incentives Contingent upon Export Performance for Foreign Invested Enterprises (Updating Programme VI of the Period 2003-2004)	Grant	No
6	Other Investment Incentives for Foreign Invested Enterprises (Updating Programme VII for Period 2003-2004)	Grant	No
7	Preferential Investment Credit for Development Contingent upon Export Criteria (Updating Programme VIII of Period 2003-2004)	Grant	No
8	Preferential Development Credit for Investment Contingent Upon Localisation Ratios (Updating Programme IX of Period 2003-2004)	Grant	No

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9	Other Preferential Investment Credit for Development (Updating Program X of Period 2003-2004)	Grant	No
10	Export Promotion (Updating Program XII of Period 2003-2004)	Grant	No
11	Trade Promotion (Updating of Programme XIII of Period 2003-2004)	Grant	No
12	Support for Mechanical Products (Updating Program XV of Period 2003-2004)	Grant	No
13	Support for Shipbuilding Industry (Updating of Programme XV of Period 2003-2004)	Grant	No
14	Assistance for Commercial Development in Mountainous, Island and Ethnic Minority Areas (Updating Programme XVI of Period 2003-2004)	Grant	No
15	Assistance to Enterprises Facing Difficulties Due to Objective Reasons (Updating of Programme XVII of Period 2003-2004)	Grant	No
16	Incentives for Investment Projects in Science and Technology (Updating Programme XVIII of Period 2003-2004)	Grant	Yes
	Program alleged to have benefited Hoa Sen Steel		
17	Preferential Import Tariff Rates for enterprises investing in regions or sectors entitled to investment incentives	Tariff Policy	No
18	Incentives on corporate income tax for enterprises operating in regions or sectors entitled to incentives	Tax Policy	Yes
19	Incentives on Non-Agricultural Land Use Tax to encourage enterprises to invest in sectors or regions which require investment	T Tax Policy	No

Table 1: Assessment of subsidy programs investigated for Vietnam

14.5 Relevant Legislation

Section 269T defines a 'subsidy' as follows:

"subsidy" , in respect of goods exported to [Australia](#), means:

(a) a financial contribution:

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(i) by a government of the [country of export](#) or [country of origin](#) of the goods; or

(ii) by a public body of that [country](#) or a public body of which that government is a member; or

(iii) by a private body entrusted or directed by that government or public body to [carry](#) out a governmental function; that involves:

(iv) a direct transfer of funds from that government or body; or

(v) the acceptance of liabilities, whether actual or potential, by that government or body; or

(vi) the forgoing, or non-collection, of revenue (other than an [allowable exemption or remission](#)) due to that government or body; or

(vii) the provision by that government or body of goods or services otherwise than in the course of providing normal infrastructure; or

(viii) the purchase by that government or body of goods or services; or

(b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a government or body;

if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to [Australia](#).

This reflects Article 1.1 of the WTO SCM Agreement.

S.269TAAC defines a countervailable subsidy as follows:

(1) For the purposes of this Part, a [subsidy](#) is a [countervailable subsidy](#) if it is specific.

(2) Without limiting the generality of the circumstances in which a [subsidy](#) is specific, a [subsidy](#) is specific:

(e) if, subject to subsection (3), access to the [subsidy](#) is explicitly limited to particular enterprises; or

(f) if, subject to subsection (3), access is limited to particular enterprises [carrying](#) on business within a designated geographical region that is within the jurisdiction of the subsidising authority; or

(g) if the [subsidy](#) is contingent, in fact or in law, and whether solely or as one of several conditions, on export performance; or

(h) if the [subsidy](#) is contingent, whether solely or as one of several conditions, on the use of domestically produced or manufactured goods in preference to imported goods.

(3) Subject to subsection (4), a subsidy is not specific if:

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- (e) eligibility for, and the amount of, the subsidy are established by objective criteria or conditions set out in primary or subordinate legislation or other official documents that are capable of verification; and*
- (f) eligibility for the subsidy is automatic; and*
- (g) those criteria or conditions are neutral, do not favour particular enterprises over others, are economic in nature and are horizontal in application; and*
- (h) those criteria or conditions are strictly adhered to in the administration of the subsidy.*

(4) The Minister may, having regard to:

- a. the fact that the subsidy program benefits a limited number of particular enterprises; or*
- b. the fact that the subsidy program predominantly benefits particular enterprises; or*
- c. the fact that particular enterprises have access to disproportionately large amounts of the subsidy; or*
- d. the manner in which a discretion to grant access to the subsidy has been exercised;*

determine that the subsidy is specific.

(5) In making a determination under subsection (4), the Minister must take account of:

- a. the extent of diversification of economic activities within the jurisdiction of the subsidising authority; and*
- b. the length of time during which the subsidy program has been in operation.*

Section 269TACC directs how the Parliamentary Secretary is to determine whether benefits have been conferred by a financial contribution or income or price support and the amount of this benefit.

Under section 269TJ, one of the matters of which the Parliamentary Secretary must be satisfied to publish a countervailing duty notice is that a countervailable subsidy has been received in respect of the goods.

2.1 Information considered by the Commission

The Commission has relied upon information submitted by the applicant, information provided by the Government of Vietnam (GOV) and information provided by the co-operating exporters with respect to its investigation of the countervailable subsidy

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programs that were allegedly received by Vietnamese exporters of galvanised steel exported to Australia.

2.2 Information provided by exporters

The Commission has relied upon information provided by exporters and verified by the Commission in assessing the alleged subsidy programs.

This includes information provided by exporters in response to exporter questionnaire, and information gathered by the Commission during verification visits.

2.3 Information provided by the Government of Vietnam

The Commission incorporated questions relating to each program in the Government questionnaires that were sent to the GOV after initiation of the investigation.

Public version of the GOV's responses in relation to the government questionnaire's is on the Commission's website www.adcommission.gov.au

2.4 Other information considered as part of this assessment

The Commission also considered as part of this assessment:

- Information submitted by interested parties in various general submissions to the investigation;
- information submitted to various previous investigations into the alleged subsidisation of various goods exported from Vietnam; and
- other relevant information obtained by the Commission during independent research into matters relevant to determining subsidisation of the goods in Vietnam.

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GATEGORY 1: ASSESSMENT OF SUBSIDY PROGRAMS - GRANTS

Program numbers 2 -16 - In this category 15 grant programs were investigated by the Commission. The Commission's assessment as to whether these programs are countervailable subsidies in respect of galvanised steel, and the method of subsidy calculation under these programs, is contained in the below table.

Program Number	Program description	Background	WTO notification	Legal basis	Eligibility Criteria	Is there a subsidy?	Is the subsidy countervailable?	Method used to calculate subsidy margin
2	Support for the Implementation of Projects Manufacturing Priority Industrial Products (Updating Programme III of 2003-2004)	The applicant alleged that the exporters of the goods had benefited pursuant to support for the implementation of projects manufacturing industrial products.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified that provides for its establishment)	There are no articulated eligibility criteria to receive funding pursuant to this project. In its response to the government questionnaire, the GOV stated that this program provided support for the implementation of manufacturing projects of priority industrial products	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.

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					including shipbuilding, combustion engines, color television sets and computers for purpose of boosting the development of these sectors in Vietnam as provided under Decision 37/2000/QD-TTg dated 4 March 2000 and Decision 19/2001/QD-TTg dated 20 February 2001. As such, galvanized steel industry was not entitled to benefits under this program.	previous investigations.		
3	Investment Incentives Contingent upon Export Performance For Domestic Businesses (Updating	The applicant alleged that the exporters of the goods had benefited from the investment incentives contingent upon export performance	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has	There are no articulated eligibility criteria to receive funding pursuant to this project.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during

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	Programme IV of 2003-2004)	from domestic businesses.		been identified that provides for its establishment)	In its response to the government questionnaire, the GOV stated that investment incentives for domestic exporting enterprises were triggered in 1998 and terminated in October 2006.	under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	during the investigation period.	the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.
4	Other Investment Incentives for Domestic Businesses (Updating Program V of Period 2003-2004)	The applicant alleged that the exporters of the goods had benefited other investment incentives for domestic businesses.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified that provides for its establishment)	There are no articulated eligibility criteria to receive funding pursuant to this project. In its response to the government questionnaire, the GOV stated that investment incentives for domestic enterprises	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.

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					were triggered in 1998 and terminated on 1 July 2006.	under this program in respect of other goods in previous investigations.		
5	Investment Incentives Contingent upon Export Performance for Foreign Invested Enterprises (Updating Programme VI of the Period 2003-2004)	The applicant alleged that the exporters of the goods had benefited from investment incentives contingent upon Export Performance for Foreign Invested Enterprises	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified that provides for its establishment)	There are no articulated eligibility criteria to receive funding pursuant to this project. In its response to the government questionnaire, the GOV stated that investment incentives for foreign invested enterprises upon on export performance were triggered in 2000 and terminated in 2007.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.
6	Other Investment Incentives for	The applicant alleged that the exporters of the	The Commission is not aware of	The Commission has not identified	There are no articulated eligibility	The Commission has determined that	The Commission is not satisfied that exporters of	No evidence was found to indicate that any

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	Foreign Invested Enterprises (Updating Programme VII for Period 2003-2004)	goods had benefited from other investment incentives for foreign enterprises.	any WTO notification of this program.	any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified that provides for its establishment)	criteria to receive funding pursuant to this project. In its response to the government questionnaire, the GOV stated that investment incentives for foreign enterprises were triggered in 2000 and terminated on 1 July 2006.	the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.
7	Preferential Investment Credit for Development Contingent upon Export Criteria (Updating Programme VIII of Period 2003-2004)	The applicant alleged that the exporters of the goods had benefited from preferential Investment Credit for Development Contingent upon Export Criteria .	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified that provides for	There are no articulated eligibility criteria to receive funding pursuant to this project. In its response to the government questionnaire, the GOV	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission

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				its establishment)	stated that preferential investment credit for development contingent upon export criteria was triggered in 2001 and terminated on 16 January 2007.	the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.		therefore, considers zero subsidy rate is applicable to all exporters under this program.
8	Preferential Development Credit for Investment Contingent Upon Localisation Ratios (Updating Programme IX of Period 2003-2004)	The applicant alleged that the exporters of the goods had benefited from preferential development credit for Investment Contingent Upon Localisation Ratios.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified that provides for its establishment)	There are no articulated eligibility criteria to receive funding pursuant to this project. In its response to the government questionnaire, the GOV stated that preferential development credit contingent upon localization ratios was triggered in 2004 and terminated on	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.

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					16 January 2007.	previous investigations.		
9	Other Preferential Investment Credit for Development (Updating Program X of Period 2003-2004)	The applicant alleged that the exporters of the goods had benefited from other preferential Investment Credit for Development .	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified that provides for its establishment)	In its response to the government questionnaire, the GOV stated that other preferential investment credit refers to investment credit of which the provision is not contingent upon export criteria or localization ratio. Eligibility to receive investment credit under this program is provided under the List of projects entitled to investment credits of Decree 106 or Decree 151 or Decree 106 or Decree 75.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.

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					<p>Ministry of Finance issues circulars to provide guidelines for the implementation of the program. The Vietnam Development Bank (formerly known as the Development Assistance Fund) provides investment credits to eligible entities in accordance with the above regulations and its own regulations on credit provision.</p> <p>This program is still in effect.</p>			
10	Export Promotion (Updating Program XII of Period 2003-2004)	The applicant alleged that the exporters of the goods had benefited from export promotion program.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV	There are no articulated eligibility criteria to receive funding pursuant to this project.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during

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				document has been identified that provides for its establishment)	In its response to the government questionnaire, the GOV stated that this program is provided under Decision 195/1999/QD-TTg dated 27 September 1999 on the establishment, use and management of the Export Support Fund and was terminated under Decision 124/2008/QD-TTg on 8 September 2008.	galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	these programs during the investigation period.	the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.
11	Trade Promotion (Updating of Programme XIII of Period 2003-2004)	The applicant alleged that the exporters of the goods had benefited from trade promotion program.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified	In its response to the government questionnaire, the GOV stated that the National Trade Promotion program is provided under Decision	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during

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				that provides for its establishment)	72/2010/QD-TTg dated 15 November 2010 promulgating the regulation on the establishment, management and implementation of the National Trade Promotion Program. This is a state-funded program of which the objectives are, among others, to enhance trade promotion activities and develop export market. Section II of Decision 72 lists the activities for which trade promotion funds will be available and the support level for these activities.	program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	investigation period.	the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.
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					An eligible organization, usually a trade association (individual companies can only apply if there is no trade association in their industry) submits a proposal to MOIT. The proposal is normally screened by the Program Administration and then presented to the Council. Normally, proposals for the following calendar year must be submitted in the previous year. Based on the Council's assessment, the Program Administration reports to the Minister of Industry and Trade for			
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					approval of such proposal. National trade promotion program for 2015 is provided under Decision 11855/QD-BCT dated 26 December 2014.			
12	Support for Mechanical Products (Updating Program XV of Period 2003-2004)	The applicant alleged that the exporters of the goods had benefited from support for mechanical products.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified that provides for its establishment)	There are no articulated eligibility criteria to receive funding pursuant to this project. In its response to the government questionnaire, the GOV stated that the support for mechanical products was triggered in 2000 under Decision 67/2000/QD-BCN dated 20 November 2000 and	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.

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					terminated on 4 January 2007 as provided under Decision 43/2006/QD-BCN.	previous investigations.		
13	Support for Shipbuilding Industry (Updating of Programme XV of Period 2003-2004)	The applicant alleged that the exporters of the goods had benefited from support for shipbuilding industry.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified that provides for its establishment)	There are no articulated eligibility criteria to receive funding pursuant to this project. In its response to the government questionnaire, the GOV stated that support for shipbuilding industry is provided under Decision 117/2000/QD-TTg dated 10 October 2000. The support was limited to shipbuilding projects as identified in Article 1 of Decision	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.

PUBLIC RECORD

					117/2000/QD- TTg. Galvanized steel products do not fall into shipbuilding sectors of this Article.			
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<p>14</p>	<p>Assistance for Commercial Development in Mountainous, Island and Ethnic Minority Areas (Updating Programme XVI of Period 2003-2004)</p>	<p>The applicant alleged that the exporters of the goods had benefited from assistance for Commercial Development in Mountainous, Island and Ethnic Minority Areas</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified that provides for its establishment)</p>	<p>There are no articulated eligibility criteria to receive funding pursuant to this project.</p> <p>In its response, the GOV stated that assistance for commercial development in mountainous, island and ethnic minority areas was provided under Decree 20/1998/ND-CP dated 31 March 1998 which was amended and supplemented by Decree 02/2002/ND-CP dated 3 January 2002. The program was terminated in fact in 2012.</p>	<p>The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>	<p>The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.</p>	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.</p>
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PUBLIC RECORD

<p>15</p>	<p>Assistance to Enterprises Facing Difficulties Due to Objective Reasons (Updating of Programme XVII of Period 2003-2004)</p>	<p>The applicant alleged that the exporters of the goods had benefited pursuant to assistance to enterprises facing difficulties due to objective reasons.</p>	<p>The Commission is not aware of any WTO notification of this program.</p>	<p>The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified that provides for its establishment)</p>	<p>There are no articulated eligibility criteria to receive funding pursuant to this project.</p> <p>In its response to the government questionnaire, the GOV stated that assistance to enterprises facing difficulties due to objective reasons is provided under Decision 172/2001/QD-TTg dated 5 November 2001 and implemented by Circular 32/2002/TT-BTC dated 10 April 2002. This program was terminated on 1 July 2007 when the Law on Tax Administration</p>	<p>The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>	<p>The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.</p>	<p>No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period.</p> <p>The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.</p>
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					No 78/2006/QH11 came into effect which annuled all the assistance relating to tax under Decision 172 and Circular 32. In addition, Circular 32/2002/TT-BTC was also annuled by Decision 53/2008/QD-BTC dated 14 July 2008			
16	Incentives for Investment Projects in Science and Technology (Updating Programme XVIII of Period 2003-2004)	The applicant alleged that the exporters of the goods had benefited pursuant to incentives for investment projects in science and technology.	The Commission is not aware of any WTO notification of this program.	<ul style="list-style-type: none"> - Decision 119/199/ND-CP dated 18 September 1999 - The law on Corporate Income Tax 2003 - The Law on Land 2003 - Decree 149/2005/ND-CP dated 8 December 2005 	In its response to the government questionnaire, the GOV stated that Incentives for investment in science and technology are provided under Decree 119/1999/ND-CP dated 18 September 1999 in order to encourage enterprises to invest in	The Commission has determined that some cooperative exporters receive financial contribution in respect of galvanised steel under this program during the investigation period.	The Commission is satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period The program is limited to enterprises which invested in scientific and	<u>Cooperative exporters</u> One Cooperative exporter benefited under this program during the investigation period. Therefore, a subsidy rate was calculated for that exporter. Zero subsidy rate will be applicable to all

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				<p>- Decree 02/2014?ND-CP dated 27 January 2014</p> <p>The Ministry of Finance and Ministry of Science and Technology issued joint-circulars to instruct the provincial authority in implementing this program.</p>	<p>scientific and technological activities.</p>		<p>technological activities.</p> <p>The specificity of the subsidy is not exempted by reference to s. 269TAAC(3).</p> <p>For these reasons the subsidy is specific.</p>	<p>other Cooperative exporters as no evidence was found to indicate that other Cooperative exporters benefited under this program during the investigation period.</p> <p><u>Uncooperative exporters</u></p> <p>The maximum benefit amount available under this program was from the one Cooperative exporter who benefited from this program.</p> <p>The Commission has therefore applied that Cooperative exporters subsidy under this program for uncooperative exporters.</p>
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GATEWAY 2: ASSESSMENT OF SUBSIDY PROGRAMS – TARIFF POLICY

Program numbers 1 and 17 -In this category two tariff policy programs were investigated by the Commission. The Commission’s assessment as to whether these programs are countervailable subsidies in respect of galvanised steel, and the method of subsidy calculation under these programs, is contained in the below table.

Program Number	Program description	Background	WTO notification	Legal basis	Eligibility Criteria	Is there a subsidy?	Is the subsidy countervailable?	Method used to calculate subsidy margin
1	Preferential Import Tariff Rates contingent upon Localisation Ratios with respect to products and Parts of Mechanical-Electric-Electronic Industries (updating Program II of Notification of Subsidies period 2003-2004)	The application alleged that during the investigation period, exporters had benefited from preferential import tariff Rates contingent upon Localisation Ratios with respect to products and Parts of Mechanical-Electric-Electronic Industries	The Commission is not aware of any WTO notification of this program.	Import and Export Tariffs Law 2005 and Decree No. 87/2010/ND-CP dated 13 August 2010 guiding the implementation of several articles of the Import and Export tariffs Law. The program is administered by the Ministry of Finance.	In its response to the government questionnaire, the GOV stated that preferential import tariff rates contingent upon localization ratios were introduced in 1998 and terminated in 2006. Thus, this program is outside the POI. The program was to encourage the domestic production and assembly of	While this program has been terminated, some cooperating exporters imported certain capital goods and benefitted from this program. The amortization period of some of those assets happen to be in the investigation period. The program benefit is the difference between the standard import duty rate and the preferential duty rate which	As the criteria or conditions providing access to the subsidy favours particular enterprises over other enterprises in Vietnam, the program is considered to be specific. The specificity of the subsidy is not exempted by reference to s. 269TAAC(3). For these reasons the subsidy is specific.	<u>Cooperative exporters</u> Two Cooperative exporters benefited under this program during the investigation period. Therefore, a subsidy rate was calculated for those exporter. Zero subsidy rate will be applicable to all other Cooperative exporters as no evidence was found to indicate that other Cooperative

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					<p>products and parts of mechanical – electric – electronic industries. Galvanised steel products do not fall into the scope of mechanical – electric – electronic industries. The preferential import tariff rate schedule was provided under Decision No.1944/1998/QD-BTC dated 25 December 1998 promulgating the regulation on preferential import tariff rates contingent upon localization ratios with respect to parts of mechanical-electric-electronic industries.</p>	<p>corresponds to the localization ratio.</p> <p>The program was provided under Joint Circular No.176/1998/TT LT-BTC-BCN-TCHQ dated 25 December 1998, which was amended by Joint Circular No.120/2000/TT LT- BTC-BCN-TCHQ dated 25 December 2000 guiding the implementation of tariff imposition contingent upon localization ratios with respect to products and parts of mechanical-electric-electronic industries and Decision No.1944/1998/QD-BTC dated 25 December 1998 promulgating the regulation</p>	<p>exporters benefited under this program during the investigation period.</p> <p><u>Uncooperative exporters</u></p> <p>The maximum benefit amount available under this program was from the one of the two Cooperative exporters who benefited from this program.</p> <p>The Commission has therefore applied the highest Cooperative exporters' subsidy under this program for uncooperative exporters.</p>
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PUBLIC RECORD

					Ministry of Finance issued the preferential tariff rate schedule and provincial custom authority of the place where the importer implemented the project administered the program.	on preferential import tariff rates contingent upon localization ratios with respect to parts of mechanical-electric-electronic industries. As part of Vietnam's commitments to access the WTO, this program was terminated on 1 October 2006 under Decision 43/2006/QD-BTC.		
17	Preferential Import Tariff Rates for enterprises investing in regions or sectors entitled to investment incentives	The applicant alleged that the exporters of the goods had benefited from preferential import Tariff Rates for enterprises investing in regions or sectors entitled to investment incentives	The Commission is not aware of any WTO notification of this program.	The Law on Import Duty and Export Duty was valid between 1 January 2006 and 31 August 2016. Decree 87/2010/ND-CP was valid between 1 October 2010 and 31 August 2016.	In its response to the government questionnaire, the GOV stated that Import duties benefits include duty exemption and duty reduction. During the period of investigation ("POI"), duty	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero

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					<p>exemption is provided under Article 16 of the Law on Import Duty and Export Duty, No. 45/2005/QH11 of June, 14th 2005 and further elaborated by Article 12 of Decree 87/2010/ND-CP, detailing the implementation of a number of articles of the Law on Import Duty and Export Duty. Meanwhile, import duty reduction is provided under Article 18 of the Law on Import Duty and Export Duty, No. 45/2005/QH11 of June, 14th 2005 and further elaborated by Article 14 of</p>	<p>Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.</p>	<p>subsidy rate is applicable to all exporters under this program.</p>
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PUBLIC RECORD

					Decree 87/2010/ND- CP, detailing the implementatio n of a number of articles of the Law on Import Duty and Export Duty.			
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PUBLIC RECORD

GATEWAY 3: ASSESSMENT OF SUBSIDY PROGRAMS – TAX POLICY

Program numbers 18 and 19 - In this category two taxation policy programs were investigated by the Commission. The Commission’s assessment as to whether these programs are countervailable subsidies in respect of galvanised steel, and the method of subsidy calculation under these programs, is contained in the below table.

Program Number	Program description	Background	WTO notification	Legal basis	Eligibility Criteria	Is there a subsidy?	Is the subsidy countervailable ?	Method used to calculate subsidy margin
18	Incentives on corporate income tax for enterprises operating in regions or sectors entitled to incentives	The application alleged that during the investigation period, exporters had benefited from incentives on corporate income tax for enterprises operating in regions or sectors entitled to incentives.	The Commission is not aware of any WTO notification of this program.	<ul style="list-style-type: none"> • Law on Corporate Income Tax 2008 • Law Amending and Supplementing a number of articles of the Law on Corporate Income Tax 2008 (“the Amending Law 2013), • Law on Amendments to Tax Law No 71/2014/QH 13 (the Amending Law 2014) 	In its response to the government questionnaire, the GOV stated that during the POI, corporate income tax and tax benefits are governed by the Law on Corporate Income Tax 2008 and the Law Amending and Supplementing a number of articles of the Law on Corporate Income Tax 2008 (“the Amending Law 2013), the Law on Amendments to Tax Law No 71/2014/QH13 (the Amending Law 2014), Decree 218/2013/ND-CP effective from 15 February 2014, Decree 91/2014/ND-	Some cooperating exporters imported certain capital goods and benefited from this program. The amortization period of some of those assets happen to be in the investigation period.	<p>As the criteria or conditions providing access to the subsidy favours particular enterprises over other enterprises in Vietnam, the program is considered to be specific.</p> <p>The specificity of the subsidy is not exempted by reference to s. 269TAAC (3).</p> <p>For these reasons the subsidy is specific.</p>	<p><u>Cooperative exporters</u></p> <p>One Cooperative exporter benefited under this program during the investigation period. Therefore, a subsidy rate was calculated for that exporter.</p> <p>Zero subsidy rate will be applicable to all other Cooperative exporters as no evidence was found to indicate that</p>

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				<ul style="list-style-type: none"> • Decree 218/2013/N D-CP effective from 15 February 2014 • Decree 91/2014/ND-CP dated 1 October 2014 • Decree 12/2015/ND-CP effective from 1 January 2015 	<p>CP and Decree 12/2015/ND-CP effective from 1 January 2015. According to Article 1.6 of the Amending Law 2013, the standard tax rate applicable during the POI is as follows:</p> <p>(i)22% applicable from 1 July 2015 to 31 December, 2015.</p> <p>(ii)20% applicable from 1 January 2016 to 30 June, 2016.</p> <p>Corporate income tax benefits including preferential income tax rate, tax exemption and tax reduction are governed by Article 1.7 of the Amending Law 2013 and Article 1.7 of the Amending Law 2014. Accordingly, there are 03 preferential tax rates such as 20%, 15% and 10%. Since 1 January 2016, the preferential tax rate of 20% is adjusted to 17% as provided under</p>			<p>other Cooperative exporters benefited under this program during the investigation period.</p> <p><u>Uncooperative exporters</u></p> <p>The maximum benefit amount available under this program was from the one Cooperative exporter who benefited from this program.</p> <p>The Commission has therefore applied that Cooperative exporter's subsidy under this program for uncooperative exporters.</p>
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PUBLIC RECORD

					Article 1.7 of the Amending Law 2013.			
19	Incentives on Non-Agricultural Land Use Tax to encourage enterprises to invest in sectors or regions which require investment	The applicant alleged that the exporters of the goods had benefited pursuant to incentives on Non-Agricultural Land Use Tax to encourage enterprises to invest in sectors or regions which require investment.	The Commission is not aware of any WTO notification of this program.	The Commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOV document has been identified that provides for its establishment)	In its response to the government questionnaire, the GOV stated that during the POI, non-agricultural land use tax is provided under the Law on Non-Agricultural Land Use Tax 48/2010/QH12 and Decree 53/2011/ND-CP implementing this Law. Non-agricultural land use tax benefits including tax exemption and reduction are provided under Article 9 and 10 of the Law and Article 8 of Decree 53.	The Commission has determined that the Cooperative exporters did not receive any financial contribution in respect of galvanised steel under this program during the investigation period, nor has the Commission found Cooperative exporters to have received any financial contribution under this program in respect of other goods in previous investigations.	The Commission is not satisfied that exporters of galvanised steel received any financial contribution in respect of these goods under these programs during the investigation period.	No evidence was found to indicate that any Cooperative exporters of galvanised steel have benefited under this program during the investigation period. The Commission therefore, considers zero subsidy rate is applicable to all exporters under this program.