ORRCON OPERATIONS PTY LTD

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Orrcon Steel

Submission In Response to Statement of Essential Facts No. 190

Dumping of Zinc Coated (Galvanised) Steel and Aluminium Zinc Coated Steel Exported from The People's Republic of China, The Republic of Korea, and Taiwan

Public Version

Submitted April 8th, 2013

Executive Summary:

In response to the Statement of Essential Facts No 190 issued March 18th 2013, this submission contains evidence to support the contention that pre-galvanised master coils used by Orrcon Steel to manufacture its Allgal range of products cannot be made in Australia. The specification for the coil (Appendix A) has been provided to Bluescope but they have failed to offer. Furthermore the specification of master coils sourced by Orrcon are covered by existing Tariff Concession Orders which by their very existence confirms the domestic supplier cannot offer substitutable goods to Orrcon's specification.

The key points are:

- Allgal is a product unique to Orrcon.
- The coil used to manufacture Allgal has a unique chemistry and Zero Spangle coating.
- The widths, thicknesses and grades are specific to Allgal.
- The domestic Manufacturer (Bluescope) cannot offer pre-galvanised raw material compliant with the specification for coated coil used to manufacture of Allgal Pipe and Tube.

Allgal:

The Product:

The Allgal range of pipe and tubular products is unique to Orrcon. It was developed in response to a market need for a product with the protection of a galvanised coating but the smooth surface and ease of use associated with a painted product.

The Allgal range of products has been successful for Orrcon. It constitutes approximately [redacted] tonnes per year of the [redacted] produced at Orrcon's Salisbury plant.

In recent times, Onesteel have been promoting their 450 plus tube into the market with some success. In response to this Orrcon has been offering an [redacted]

Key Product Attributes:

The thickness of ALLGAL's protective zinc coating is uniform and consistent making it easy to weld and causes considerably less weld spatter than hot-dip galvanized products.

Unlike hot-dip galvanized coated steel products which emit abundant potentially harmful fumes during welding, ALLGAL's protective zinc coating is lead free making welding safer.

ALLGAL is faster to weld than most other in-line galvanized and hot-dip galvanized steel sections as it can be welded at the same speed and setting as standard primed steel hollow sections. It is also easier to weld than most other in-line galvanized and hot-dip galvanized steel sections because arc initiation is similar to that of primed sections.

ALLGAL's smooth and consistent zinc coating thickness results in ALLGAL being up to 20 percent faster in terms of laser cutting compared to in-line galvanised, hot-dip galvanized and painted steel hollow sections.

ALLGAL's unique smooth and consistent zinc coated surface provides an ideal substrate for powder-coating compared to hot-dip galvanized steel products which can be prone to surface unevenness and flaking or other pregalvanised tubular products which has spangle resulting in an uneven surface.

While it shares some attributes with other products on the market, a key point of differentiation is the smooth surface which is very attractive to end users that need their product powder coated or intend to use it in an architectural application where aesthetics is important.

This unique attribute is made possible by the use of raw material that has [redacted] a certain condition

The Raw Material:

Most of the raw material for the production of Allgal comes from Orrcon's own galvanising line. This line converts uncoated Hot Rolled Coil sourced from domestic and offshore suppliers and slit into widths for galvanising. The slit coil is sent to Orrcon's galvanising plant for coating and then to the mill for consumption.

The galvanising plant [redacted] purchases of coated Master coil, currently sourced from [redacted]

The specification for this coil is attached as Appendix A.

Appendix B is a printout of Tariff Concession Orders TC1242989 and TC 1243148.
Coil compliant with Orrcon's specification falls within the scope of these TCO's.

We note with concern that TC1243148 is expected to cease on 31 May 2013. If this is to be then Orrcon requests that this material be excluded from the dumping duties on the grounds that it is not made domestically. Furthermore the existence of the current TCO would indicate an admission by the domestic supplier of its inability to offer this product.

A meeting of Orrcon and Bluescope technical people was held at Orrcon National Office, Salisbury on March 25th. At that meeting Bluescope representatives confirmed that [redacted] product could not be produced on their equipment.

Conclusion:

In light of the absence of a local manufacturer capable of producing master coil compliant with Orrcon's specification, and the existence Orrcon requests that coil meeting the specifications outlined in Appendix A, be exempt from any dumping measures arising from the current investigation.

Description of Goods including the Customs Tariff Classification		Schedule 4 Item Number Last Date of Effect
7210.49.00	COILS, non-alloy steel, hot rolled, zinc coated, complying with American Society for Testing and Materials Standard ASTM A 653/A 653M - 05a, having ALL of the following: (a) coil thickness NOT less than 3.5 mm and NOT greater than 6.0 mm; (b) coil width NOT less than 784 mm and NOT greater than 1 263 mm; (c) minimum yield strength NOT less than 330 Mpa; (d) minimum tensile strength NOT less than 430 Mpa; (e) coil inside diameter NOT less than 711 mm and NOT greater than 813 mm; (f) zinc coating mass NOT less than 0.080 kg/m2 per side; (g) each coil weighing NOT less than 14 metric tonnes; (h) chemical composition by weight of ALL of the following: (i) carbon content NOT greater than 0.20%; (ii) manganese content NOT less than 0.30% and NOT greater than 0.90%; (iii) phosphorus content NOT greater than 0.03%; (iv) sulphur content NOT greater than 0.03%; (v) chromium content less than 0.30%; (vi) molybdenum content less than 0.08%; (vii) aluminium content NOT greater than 0.10%; (viii) copper content NOT greater than 0.25%; (ix) nickel content NOT greater than 0.25%; (x) titanium content NOT greater than 0.04%; (xi) vanadium content less than 0.10%; (xii) silicon content NOT greater than 0.45% Op. 09.11.12 Dec. date 04.02.13 - TC 1242989	50
7210.49.00	COILS, non-alloy steel, hot rolled, zinc coated, complying with American Society for Testing and Materials Standard ASTM A 653/A 653M - 05a, having ALL of the following: (a) coil thickness NOT less than 1.48 mm and NOT greater than 6.0 mm; (b) coil width NOT less than 784 mm and NOT greater than 1 263 mm; (c) minimum yield strength NOT less than 360 Mpa; (d) minimum tensile strength NOT less than 460 Mpa; (e) coil inside diameter NOT less than 711 mm and NOT greater than 813 mm; (f) zinc coating mass NOT less than 0.080 kg/m2 per side; (g) each coil weighing NOT less than 14 metric tonnes; (h) chemical composition by weight of ALL of the following: (i) carbon content NOT greater than 0.20%; (ii) manganese content NOT less than 0.50% and NOT greater than 1.00%; (iii) phosphorus content NOT greater than 0.03%; (iv) sulphur content NOT greater than 0.03%; (v) chromium content less than 0.30%; (vi) molybdenum content less than 0.08%; (vii) aluminium content NOT greater than 0.10%; (viii) copper content NOT greater than 0.25%; (ix) nickel content NOT greater than 0.25%; (x) titanium content NOT greater than 0.04%; (xi) vanadium content less than 0.1%; (xii) silicon content NOT greater than 0.45%, Note: For the purposes of this Order, the operative period of this TCO is expected to commence on 13 November 2012 and cease on 31 May 2013. Op. 13.11.12 Dec. date 04.02.13 - TC 1243148	50 31.05.13
7326.90.90	CLAMPS, being ANY of the following: (a) bolt; (b) hose; (c) double ear; (d) worm gear; (e) claw Op. 05.11.12 Dec. date 30.01.13 - TC 1242278	50