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17 April 2013

Ms Joanne Reid  
Director, Operations 3  
International Trade Remedies Branch  
Australian Customs and Border Protection Service  
Customs House  
5 Constitution Avenue  
CANBERRA ACT 2601

Dear Ms Reid

**Public File**

**Aluminium Zinc Coated Steel and Galvanized Steel exported from the People's Republic of China, the Republic of Korea, and Taiwan – BlueScope comments re OneSteel Coil Coaters and Ace Gutters submissions**

I refer to the Ace Gutters Pty Ltd ("Ace Gutters") submission of 5 April 2013 and the OneSteel Coil Coater's ("OCC") submission dated 8 April 2013.

BlueScope Steel Limited ("BlueScope") would like to address a number of matters raised by Ace Gutters and OCC concerning the supply of unchromated aluminium zinc/zinc coil with widths of greater than 600mm ("unchromated coated coil").

It is stated by OCC that the comments of Customs and Border Protection in Statement of Essential Facts No. 190 "*do not reflect the realities of the market*" and "*significant amendment*" is required concerning Customs and Border Protection's viewpoints.

1. Amendments to goods description

OCC has suggested that a narrowing of the description of the goods as contained in BlueScope's applications is required so that unchromated coated coil is excluded from the investigation. OCC has based its argument on the grounds that unchromated coated steel purchased by OCC is used as an intermediate product on a continuous coating line (i.e paint feed line).

BlueScope does not agree that the unchromated coated steel should be separated from the goods the subject of the application as locally manufactured unchromated coated steel is a like good to imported goods covered by the application. BlueScope is able to supply unchromated coated steel as a raw material feed for continuous coating lines. BlueScope has been unable to maximise its sales of unchromated coated steel in Australia due to the availability of imported unchromated steel at dumped prices.

BlueScope maintains its view that it manufactures unchromated coated steel that is a like product to imported unchromated coated steel and is willing to supply this product "according to its value in the market" (which refers to the pre-painted market). BlueScope does not support the removal of unchromated coated steel from the goods coverage of the coated steel investigations.

## 2. OCC assertions re material injury and causal link

It is claimed by OCC that Customs and Border Protection could not reasonably conclude that the Australian industry has suffered material injury from dumped imports of unchromated coated steel as BlueScope has “not seriously pursued” supply of unchromated supply for OCC and other Australian users.


BlueScope rejects this assertion.

BlueScope has evidenced to Customs and Border Protection that it has offered the supply of unchromated coated steel to users in Australia. This evidence is referred to by Customs and Border Protection at Section 7.4.2 (ii) of SEF No. 190.

BlueScope has made earlier offers to supply during the investigation period – please refer to an offer supply of 16 September 2011 to OCC (Enclosed at Confidential Attachment 1).

OCC has included a Table (at P. 5 of its 8 April 2013 submission) contrasting BlueScope's latest 27 March 2013 offer with an average sell price for chromated coated coil to *[customer]* distribution business with similar specifications. At first glance it would appear that BlueScope's unchromated coated steel offer is *[commercially sensitive information]*. However, given a full understanding of the basis for the respective prices, an alternate view is evident. The BlueScope selling prices to the *[customer]* distribution businesses represents prices inclusive of *[commercially sensitive information]* and are based on import parity pricing – i.e. matching dumped prices from China, Korea and Taiwan.

To assist Customs and Border Protection's understanding of the relevant selling prices that are not disclosed in OCC's Public File document, BlueScope has included the values in the following Table:

	<b>BlueScope's <i>chromated</i> coated coil supply offer to distribution business in the <i>[commercially sensitive information]</i> (other than Coil Coaters) for 0.42 x 938/940 G550 AZ150 steel</b>	<b>BlueScope's latest <i>unchromated</i> coated coil supply offer to Coil Coaters for 0.42 x 938/940 G550 AZ 150 product</b>	<b>BlueScope's supply offer to the Australian market for its similar finished painted coil products - 0.42 x 940 COLORBOND® XRW AZ150 steel</b>
<b>Cost AUD</b>	XXXX/t	XXXX/t	XXXX/t
<b>Value add</b>			

BlueScope's selling price for chromated coated coil sold at the distributor level *[commercially sensitive information]* against import parity prices (i.e. dumped prices) is a suppressed selling price. This explains the differential between the above mentioned chromated and unchromated prices.

It is therefore evident that the price comparisons included in the OCC Table at P.5 of its 8 April submission do not reflect the full circumstances of the basis for each price (and are not reasonable for comparison purposes).

### 3. Ace Gutters representations

The submission on behalf of Ace Gutters suggests that BlueScope has not sought to “reignite” a business relationship for the supply of unchromated coated steel. Respectfully, BlueScope considers that it has sought to supply Ace Gutters however BlueScope has been advised that it is uncompetitive with imports. As indicated in SEF No. 190 BlueScope has priced its “supply of product according to its value in the market” (referring to the pre-painted market).

### 4. Conclusions

BlueScope does not consider that it necessary for unchromated coated steel to be considered as a separate category of coated steel products the subject of the current investigations into aluminium zinc coated steel and galvanized steel exported from Chian, Korea and Taiwan. It is BlueScope’s view that it has suffered injury during the investigation from dumped imports of unchromated coated steel from the countries under investigation.

If you have any questions concerning this letter, please do not hesitate to contact me on (02) 4275 4638.

Yours sincerely



Chad Uphill  
International Trade