

PUBLIC RECORD



Australian Government
**Australian Customs and
Border Protection Service**

INVESTIGATIONS INTO ALUMINIUM ZINC COATED STEEL AND GALVANISED STEEL

RECORD OF MEETING

CUSTOMS AND BORDER PROTECTION AND UNITED INDUSTRIAL

Date: Wednesday, 10 April 2013

Attendees:

United Industrial

Stephen Condon
*Director
United Industrial*

John McNally
*Director – Supply Chain Solutions
20Cube Logistics Pty Ltd*

Customs and Border Protection

Joanne Reid
Director, Operations 2

Nicole Platt
Manager, Operations 2

Background:

United Industrial requested a meeting with the Australian Customs and Border Protection Service (Customs and Border Protection) to discuss its concerns as an importer regarding the investigation. The meeting was attended at United Industrial's office in Coomera, Queensland.

United Industrial did not import the product under investigation during the investigation period and was therefore not contacted at the initiation of the investigation with an invitation to participate.

United Industrial imported product subsequent to the investigation period but prior to the publication of the Statement of Essential Facts (SEF190) on 18 March 2013. The timing of this import means that its supplier does not qualify as a new exporter under the current legislation and therefore is not entitled to an accelerated review. However, its supplier is also unable to be assessed in relation to an individual dumping margin due to the late timing of its identification as an exporter. Based on the preliminary findings set out in SEF190 the exporter is subject to the non-co-operator's dumping margin rate until such time as it can apply for a review, being 12 months after the implementation of any measures.

United Industrial import steel coil with a thickness from 2.0mm to 3.5mm with a zinc coating of no less than Z550 (600 grams/m²), cut to width for local machine use. The

product used by the customer requires Z600 coating to provide protection against harsh corrosive environments. The material is used only for the manufacture of corrugated steel culverts for drainage on railway and freeway infrastructure construction projects.

United Industrial is a company that provides equipment and materials to the railway and construction industries only and it has no involvement in mainstream manufacturing. United Industrial's customer also sources the product directly from BlueScope, however due to occasional supply issues it has needed to source imported product to supplement its purchases. United Industrial acts as the importer in the transaction to source the specialised product on behalf of its customer.

United Industrial first contacted Customs and Border Protection on 8 February 2013 seeking details regarding the current dumping investigation. At that time it was provided with a copy of ACDN 2012/40 regarding the initiation of dumping investigations for zinc coated (galvanised) steel and aluminium zinc coated steel. A copy of ACDN 2012/63, which relates to the extension of investigation timeframes, was also provided together with information on how to make submissions. United Industrial sought further clarification of the goods and the rules surrounding accelerated reviews on 11 February 2013. After obtaining further product specification details, Customs and Border Protection advised United Industrial on 15 February 2013, that the imported goods fall within the description and as such PAD securities would be applicable on the importation of them.

Discussed:

- The dumping investigation process generally.
- The current investigation time frames and deadlines, including those of the current countervailing investigation into aluminium zinc coated and galvanised steel from China.
- The options available to United Industrial given its current situation and the dumping investigation process. The options discussed included:
 - (a) Its supplier being allocated a dumping margin based on the weighted average dumping margin of all cooperating exporters (excluding those with negligible dumping margins), which would result in a lower overall rate than that of the non-cooperating exporters;
 - (b) Getting its supplier to provide an undertaking to sell the product not lower than a particular minimum price. However, given the price fluctuations of this particular commodity, setting a price for an undertaking could be ineffective and hinder the desired aim of removing injury to the Australian industry; and
 - (c) Requesting that the Minister initiate a review after implementation of the measures and prior to expiry of the 12 month review period. We advised that there is no guarantee such a request would be granted.
- United Industrial's concern about being excluded from the investigation process without further recourse to address the situation when it has an exporter willing to cooperate and provide information to establish an individual dumping margin. We explained the legislative timeframes for investigations and the difficulty in accommodating such requests for individual determination late in the investigation process.

- The duty assessment and review processes available, and the timing of these processes.
- The effect of being unable to have a review of its dumping margin until the passing of 12 months from the date of implementation of measures. United Industrial expressed concern that it is being caught up in an investigation not concerning it and that the ramifications of this will severely affect its business.
- The impact of dumping investigations on downstream users.
- Specific product requirements of the end user and reliability of supply issues.

Exemption Process

Customs and Border Protection previously advised by email the grounds upon which a company can be granted an exemption if dumping measures were to be imposed, particularly s8(7)(a) and s8(7)(b) of the *Customs Tariff (Anti-Dumping) Act 1975*.

We advised United Industrial that given the information provided by the company it is unlikely the goods it imports would qualify for an exemption in this case.

Other Issues Raised

United Industrial expressed their concern that its inability to participate in the investigation seemed to be as a consequence of Customs and Border Protection's limited resourcing and time constraints. United Industrial noted that it had contacted the investigation team as soon as it became aware of the issue and that at the time it was prepared to provide all necessary information to participate even though exporter visits had already been completed. It noted that Customs and Border Protection's time limitations should not be reason to exclude a party from participation.

Customs and Border Protection discussed the legislative timeframes for investigations and the provisions in the legislation (reflecting the WTO Anti-Dumping Agreement) for an administration not to calculate individual dumping margins if to do so would delay the timely preparation of the report to the Minister.