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Australian Government

**Australian Customs and
Border Protection Service**

CUSTOMS ACT 1901 - PART XVB

INTERNATIONAL TRADE REMEDIES BRANCH

TERMINATION OF PART OF INVESTIGATIONS

TER 190A

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

26 April 2013

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2 SUMMARY AND FINDINGS

2.1 Introduction

Investigations 190A and 190B are in response to separate applications lodged by BlueScope Steel Limited (BlueScope) in relation to the allegation that dumped zinc coated (galvanised) steel and aluminium zinc coated steel¹ exported to Australia from the People's Republic of China (China), the Republic of Korea (Korea) and Taiwan caused material injury to the Australian industry producing like goods.

This Termination Report No. 190 (TER 190) sets out the facts on which the Delegate of the Chief Executive Officer (CEO) of the Australian Customs and Border Protection Service (Customs and Border Protection) based the decisions to terminate the investigation so far as it relates to certain exporters.

2.2 Findings²

As a result of Customs and Border Protection's investigation, the Delegate of the CEO of Customs and Border Protection is satisfied that in relation to galvanised steel:

- there has been no dumping by Union Steel Co., Ltd (Union Steel Korea) from Korea;
- there has been no dumping by Sheng Yu Co., Ltd (Sheng Yu) from Taiwan; and
- there has been no dumping by Ta Fong Steel Co., Ltd (Ta Fong) from Taiwan.

The Delegate of the CEO of Customs and Border Protection is also satisfied that in relation to aluminium zinc coated steel:

- there has been no dumping by Union Steel Korea from Korea; and
- there has been dumping by Sheng Yu from Taiwan, but the dumping margin is less than 2%.

Therefore, the Delegate of the CEO has decided to terminate, in accordance with section (s)³.269TDA(1) of the *Customs Act 1901*⁴ (the Act), the following parts of the investigations:

- the galvanised steel investigation so far as it relates to Union Steel Korea, Sheng Yu and Ta Fong; and
- the aluminium zinc coated steel investigation so far as it relates to Union Steel Korea and Sheng Yu.

¹ Refer to the full description of the goods in section 4 of this report.

² On which the Delegate's termination decision was based.

³ The terms "section", "sub-section" and "s." are used interchangeably in this report.

⁴ A reference to a division, section or subsection in this report is a reference to a provision of the *Customs Act 1901*, unless otherwise specified.

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As a result of these findings, on 26 April 2013, the Delegate of the CEO⁵ terminated those parts of the investigations.

A notice regarding the termination of the investigations was published in *The Australian* newspaper on 26 April 2013. ACDN 2013/29 also relates to the termination.

2.3 Application of law to facts

2.3.1. Authority to make decision

Division 2 of Part XVB of the Act sets out, among other matters, the procedures to be followed and the matters to be considered by the CEO in conducting investigations in relation to the goods covered by an application.

The CEO's powers under this Division have been delegated to certain officers of Customs and Border Protection.

2.3.2. Application

On 3 August 2012, applications were lodged on behalf of BlueScope requesting that the Minister publish dumping duty notices in respect of:

- galvanised steel exported to Australia from China, Korea and Taiwan; and
- aluminium zinc coated steel exported to Australia from China, Korea and Taiwan.

On 17 August 2012⁶ and 27 August 2012, additional information and data was received in respect of the applications. As a result, Customs and Border Protection restarted the 20 day period for considering the applications.

The CEO was satisfied that the application was made in the prescribed manner by a person entitled to make the application.

2.3.3. Initiation of investigation

On 5 September 2012, following consideration of the applications, the CEO decided not to reject the applications and Customs and Border Protection initiated separate investigations. Public notification of initiation of the investigations was made in *The Australian* newspaper on 5 September 2012.

2.3.4. Statement of Essential Facts

The statement of essential facts (SEF) for the investigations (SEF 190) was placed on the Public Record on 18 March 2013⁷. In formulating the SEF, the

⁵ The terms "*the Delegate of the CEO*" and "*the CEO*" are used interchangeably in this report.

⁶ Additional information relating to minor issues was also provided on 20 and 21 August 2012.

⁷ The Minister under s. 269ZHI of the Act extended the deadline for the publication of the SEF for the dumping investigations to 16 March 2013 (as this date is a Saturday, the report was published on the following Monday, 18 March 2013)

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CEO had regard to the application concerned, any submissions concerning publication of the notice that were received by Customs and Border Protection within 40 days after the date of initiation of the investigation and any other matters considered relevant.

SEF 190 should be read in conjunction with this report.

2.3.5. Submissions

Customs and Border Protection received one submission in relation to the dumping margin of Union Steel Korea and one submission in relation to the dumping margin of Ta Fong. Both of these submissions were from the applicant, BlueScope and can be found on the Public Record.

No submission was received in relation to Sheng Yu.

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3 BACKGROUND

3.1 Introduction

On 3 August 2012, applications were lodged on behalf of BlueScope requesting that the Minister publish dumping duty notices in respect of:

- galvanised steel exported to Australia from China, Korea and Taiwan; and
- aluminium zinc coated steel exported to Australia from China, Korea and Taiwan.

BlueScope alleges that the Australian industry has suffered material injury caused by galvanised steel and aluminium zinc coated steel exported to Australia from Korea at dumped prices.

On 17 August 2012⁸ and 27 August 2012 additional information and data was received in respect of the applications. As a result, Customs and Border Protection restarted the 20 day period for considering the applications.

After examining the applications, the delegate of the CEO was satisfied that:

- there was, or was likely to be established, an Australian industry in respect of like goods; and
- there appeared to be reasonable grounds for the publication of a dumping duty notice in respect of goods the subject of the application.

The CEO decided not to reject the applications and notice of the initiation of the investigations was published in *The Australian* newspaper on 5 September 2012. Australian Customs Dumping Notice (ACDN) No. 2012/40 provides further details of the investigations and is available on Customs and Border Protection's website at www.customs.gov.au.

In respect of both investigations:

- the investigation period for the purpose of assessing dumping is 1 July 2011 to 30 June 2012; and
- the injury analysis period for the purpose of determining whether material injury has been caused to the Australian industry is from 1 July 2007.

3.2 Preliminary Affirmative Determination

The CEO, after having regard to the application and submissions, was satisfied that there were sufficient grounds for the publication of a dumping duty notice in respect of galvanised steel and aluminium zinc coated steel exported to Australia from China, Korea and Taiwan, and made preliminary affirmative determinations (PADs)⁹ to that effect on 6 February 2013. Report PAD 190 contains details of the decision and is available on the public record.

⁸ Additional information relating to minor issues was also provided on 20 and 21 August 2012.

⁹ Section 269TD

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Customs and Border Protection decided to require and take securities¹⁰ in respect of any interim dumping duty that may become payable in respect of the goods from China, Korea and Taiwan that were entered into home consumption on or after 6 February 2013.

3.3 Statement of Essential Facts

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

The initiation notice advised that the SEFs for the investigations would be placed on the public record by 24 December 2012, however, the Delegate of the CEO was satisfied that the prescribed 110 days to place the SEFs on the public record for the investigations was likely to be insufficient and requested that the Minister extend the publication timeframes.

The Minister under s. 269ZHI of the Act extended the deadline for the publication of the SEFs for the dumping investigations to 16 March 2013¹¹. ACDN 2012/63 was issued on 21 December 2012 notifying the Minister's decision.

The SEF for the investigations (SEF 190) was placed on the Public Record on 18 March 2013. In formulating the SEF, the CEO had regard to the applications concerned, any submissions concerning publication of the notice that were received by Customs and Border Protection within 40 days after the date of initiation of the investigations and any other matters considered relevant.

SEF 190 contained preliminary findings that the dumping margins for goods exported by Union Steel Korea from Korea, and Sheng Yu and Ta Fong from Taiwan during the investigation period were less than 2%.

SEF 190 should be read in conjunction with this report.

3.4 Relevant Legislation

Sub-section 269TDA(1) of the Act provides:

If:

- (a) application is made for a dumping duty notice; and*
- (b) in an investigation, for the purposes of the application, of an exporter to Australia of goods the subject of the application, the CEO is satisfied that:*

- (i) there has been no dumping by the exporter of any of those goods; or*

¹⁰ Section 42 of the Act

¹¹ As this date is a Saturday, the report will be published on the following Monday, 18 March 2013.

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- (ii) *there has been dumping by the exporter of some or all of those goods, but the dumping margin for the exporter, or each such dumping margin, worked out under section 269TACB, when expressed as a percentage of the export price or weighted average of export prices used to establish that dumping margin, is less than 2%;*

the CEO must terminate the investigation so far as it relates to the exporter.

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4 THE GOODS UNDER CONSIDERATION

4.1 Goods description

4.1.1. Galvanised steel

The imported goods the subject of the galvanised steel application are described as:

“flat rolled products of iron and non-alloy steel of a width less than 600mm and, equal to or greater than 600mm, plated or coated with zinc”¹².

Galvanised steel of any width is included.

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*). Common coating masses used for zinc coating are: Z350, Z275, Z200, Z100, and for zinc/iron alloy coating are: ZF100, ZF80 and ZF30 or equivalents based on international standards and naming conventions.

The application stated that trade and other names often used to describe galvanised steel 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; and
- Galvanneal.

Product Treatment

The galvanised steel application covers galvanised steel whether or not including any (combination of) surface treatment, for instance; whether 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).

¹² Galvanised Steel Application, page 10.

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Goods excluded from investigation scope

Painted galvanised steel, pre-painted galvanised steel and electro-galvanised plate steel are not covered by the application and subsequent investigation.

4.1.2. Aluminium zinc coated steel

The imported goods the subject of the aluminium zinc coated steel application are described as:

*“flat rolled products of iron and non-alloy steel of a width equal to or greater than 600mm, plated or coated with aluminium-zinc alloys, **not painted** whether or not including resin coating”¹³.*

The amount of aluminium zinc coating on the steel is described as its coating mass and is nominated in g/m² with the prefix being AZ (*Aluminium Zinc*). Common coating masses used are: AZ200, AZ150, AZ100, and AZ70.

The application stated that trade and other names often used to describe aluminium zinc coated steel, include:

- ZINCALUME® steel;
- GALVALUME® steel;
- Aluzinc, Supalume, Superlume, ZAM, GALFAN;
- Zinc aluminium coated steel;
- Aluminium zinc coated steel;
- Alu-Zinc Steel sheet in Coils;
- Al/Zn; and
- Hot Dipped 55% Aluminium-Zinc Alloy coated steel sheet in coil.

Product treatment

The aluminium zinc coated steel application covers aluminium zinc coated steel whether or not including any (combination of) surface treatment, for instance; whether passivated or not passivated, (often referred to as chromated or unchromated), resin coated or not resin coated (often referred to as Anti Finger Print (AFP) or not AFP), oiled or not oiled, skin passed or not skin passed.

Goods excluded from investigation scope

Painted aluminium zinc coated steel and pre-painted aluminium zinc coated steel are not covered by the application and subsequent investigation.

4.2 Product standards

The applications stated that:

¹³ Aluminium Zinc Coated Steel Application, page 10.

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“Typically each Australian and International Standard has a range of steel grades nominated as Commercial, Formable or Structural grades. The commercial/formable grades are those with mechanical properties suitable for general pressing and forming whereas the structural grades are those with guaranteed minimum properties that structural engineers utilize in the design of their final product designs”.

4.2.1. Australia

The Australian and New Zealand Standard Industrial Classification Code applicable to galvanised steel and aluminium zinc coated steel is category 2711.

4.2.2. International

There are a number of relevant International Standards for galvanised steel and aluminium zinc coated steel products (figures 1 and 2 refer) that cover a range of products through specific grade designations, including the recommended or guaranteed properties of each of these product grades.

Galvanised 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, 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

Figure 1: International Standards for galvanised steel¹⁴

¹⁴ Galvanised Steel Application, page 11.

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Aluminium zinc coated steel

International Standards	Product Grades
<i>General and Commercial Grades</i>	
AS/NZS 1397	G1, G2
ASTM A792	CS, type A, B and C
EN10346	DX51D, DX52D
JIS 3321	SGLCC
<i>Forming, Pressing & Drawing Grades</i>	
AS/NZS 1397	G3
ASTM A792	FS, DS
EN10346	DX53D, DX54D
JIS 3321	SGLCD, SGLCDD
<i>Structural Grades</i>	
AS/NZS 1397	G250, G300, G350, G450, G500, G550
ASTM A792	33 (230), 37 (255), 40 (275), 50 (340), 55 (380), 80 (550)
EN10346	S220GD, S250GD, S280GD, S320GD, S350GD, S550GD
JIS 3321	SGLC400, SGLC440, SGLC490, SGLC570

Figure 2: International Standards for aluminium zinc steel¹⁵

4.3 Tariff classification

4.3.1. Galvanised steel

The application stated that galvanised steel is classified to tariff subheadings 7210.49.00 (and statistical codes 55, 56, 57 and 58) and 7212.30.00 (and statistical code 61) of Schedule 3 to the *Customs Tariff Act 1995* (Tariff Act).

The general rate of duty is currently 5% for goods imported under these tariff subheadings. Imports from China are subject to the DCS duty rate which is free. Imports from Korea and Taiwan are subject to the DCT duty rate which is 5%.

4.3.2. Aluminium zinc coated steel

Aluminium zinc coated steel is classified to tariff subheading 7210.61.00 (and statistical codes 60, 61, and 62) of Schedule 3 to the Tariff Act.

The general rate of duty is currently 5% for goods imported under this tariff subheading. Imports from China are subject to the DCS duty rate which is free. Imports from Korea and Taiwan are subject to the DCT duty rate which is 5%.

¹⁵ Aluminium Zinc Coated Steel Application, page 11.

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5 DUMPING INVESTIGATION

5.1 Union Steel Korea – Korea

5.1.1. Preliminary findings in the SEF

Preliminary export prices for galvanised steel and aluminium zinc coated steel exported by Union Steel Korea were established in accordance with s.269TAB(1)(a) of the Act, using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values of galvanised steel and aluminium zinc coated steel for Union Steel Korea were established in accordance with s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the ordinary course of trade (OCOT).

To ensure fair comparison, the following adjustments were made to normal values:

Negative

- domestic inland transportation
- domestic credit
- physical differences

Positive

- bank charges

The preliminary dumping margins for exports of galvanised steel and aluminium zinc coated steel by Union Steel Korea were established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margins for the exports of galvanised steel and aluminium zinc coated steel by Union Steel Korea are -2.0% and -2.4% respectively.

5.1.2. Submissions received

BlueScope was the only interested party to make a submission in relation to Union Steel Korea's dumping margin determinations. The submission can be found on the Public Record¹⁶.

HRC purchase price

BlueScope questioned the verification team's methodology for establishing that the purchase price of hot rolled coil (HRC) from related companies was

¹⁶ Document 87 of the public record

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not affected by the relationship, which compared the purchase prices from the related suppliers to unrelated suppliers. It argues that the proper comparison should be with prevailing market prices using HRC selling prices of other Korean manufactures.

BlueScope also expressed concerns with the verification team's acceptance of "settlement" adjustments to HRC purchases that reduce the input cost of the HRC.

Packing costs

BlueScope questions Union Steel Korea's claims that the packaging cost is "essentially the same" for domestic and export sales. It argues that packaging expenses for export sales are usually higher than domestic sales. BlueScope states that it is not clear from the report "what efforts were made to require Union to allocate packing costs between domestic and export sales."

Inland Freight

BlueScope states that although it is evident that normal values were adjusted downwards for domestic inland freight, it is unclear whether an adjustment for export inland freight was made. It also states that the reference to "sales terms" is unclear.

Handling charges

BlueScope states that it appears that no adjustment for handling costs associated with the goods exported to Australia was made in section 9.5 of the Union Steel Korea visit report. It requests that Union Steel Korea's normal values be reviewed for inclusion of an upward adjustment for handling fees.

Services from related parties

BlueScope states that the Union Steel Korea visit report indicates that freight and handling services are provided by related parties but does not assess whether the prices are "consistent with market prices". It requests that this assessment be undertaken by comparing the expenses incurred by other cooperating Korean exporters.

5.1.3. Customs and Border Protection's assessment

HRC purchase price

Customs and Border Protection considers that the verification team correctly assessed whether HRC purchased by Union Steel Korea from related companies were arm's length prices by comparing those prices to the prices of HRC supplied by unrelated companies.

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Chapter 5 of the *Dumping and Subsidy Manual*¹⁷ states that:

“In assessing the arms length nature of transactions, the commercial or other relationship between the principal parties is examined. There must be clear evidence that the price is influenced by the commercial or other relationship. To demonstrate this, Customs and Border Protection seeks to compare the price paid or payable for the goods where there is a relationship between a buyer and a seller with the price paid or payable for the goods between a buyer and a seller where there is no relationship.”

Customs and Border Protection considers that it is appropriate to use the prices of unrelated suppliers in its comparison of HRC prices.

In relation to BlueScope’s concerns relating to the settlement adjustments for HRC purchases, Customs and Border Protection has reviewed the visit team’s analysis and found that the amount of the settlement adjustments is negligible (less than 0.5% of the cost to make) and therefore would not make a material difference to the dumping margin.

Packing costs

Customs and Border Protection has reviewed the evidence provided by Union Steel Korea¹⁸ and is satisfied with the verification team’s assessment that there is little difference between export and domestic sales packaging. The packaging type is not consistently dependent on whether the product is sold domestically or exported, and cost differences, if any, are negligible.

Inland Freight

Customs and Border Protection notes that references to “sales terms” in the Union Steel Korea visit report were made in the section titled “Inland freight and export handling charges”¹⁹ and can confirm that the explanation “adjustment in relation to sales terms” of the redacted text refers to adjustments to inland freight and handling charges. Customs and Border Protection can also confirm that adjustments were made for both domestic and export inland freight, where appropriate, and that the export price and normal value have been compared at the same level of trade. References to export inland freight in section 9.5 of the Union Steel Korea visit report were inadvertently omitted.

Handling charges

Customs and Border Protection can confirm that adjustments for export handling costs, where appropriate, were made to Union Steel Korea’s normal value. As with export inland freight, references to export handling charges in section 9.5 of the Union Steel Korea visit report were inadvertently omitted.

¹⁷ August 2012

¹⁸ Confidential attachment CTMS9 of the Union Steel visit report

¹⁹ Section 9.1 of the Union Steel visit report

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Services from related parties

Customs and Border Protection notes that section 3.5 of the Union Steel Korea visit report states that:

*Union also uses Integris, a related transport company, for logistics services. Union provided a contract for service between itself and Integris with its response to the exporter questionnaire (**Confidential Attachment GEN 9**). Union explained it also obtains freight services from unrelated parties.*

*During verification, we obtained a contract of for logistic services between Union and an unrelated transporter, **[CONFIDENTIAL TEXT DELETED – name of service provider]** (**Confidential Attachment GEN 10**). By comparison of the fee for a similar route (Kiehung to Busan) outlined in the fee schedule of each contract, we were able to confirm that Integris provides logistics to Union at competitive market rates.*

Customs and Border Protection is satisfied that the visit team has adequately assessed that freight and handling services provided by related parties are arm's length prices.

5.2 Sheng Yu – Taiwan

5.2.1. Preliminary findings in the SEF

Preliminary export prices for galvanised steel and aluminium zinc coated steel exported by Sheng Yu were established in accordance with s.269TAB(1)(a) of the Act, using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values of galvanised steel and aluminium zinc coated steel for Sheng Yu were established in accordance with s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the OCOT.

To ensure fair comparison the following adjustments were made:

Negative

- domestic inland freight
- domestic packaging
- timing differences (as appropriate)

Positive

- export inland freight
- export packaging
- export expenses
- timing differences (as appropriate)

The preliminary dumping margins for exports of galvanised steel and aluminium zinc coated steel by Sheng Yu were established in accordance with

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s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margins for the exports of galvanised steel and aluminium zinc coated steel by Sheng Yu Steel are -1.0% and 1.9% respectively.

5.2.2. Submissions received

No submissions were received in relation to Sheng Yu's dumping margin determinations.

5.3 Ta Fong – Taiwan

5.3.1. Preliminary findings in the SEF

Preliminary export prices for galvanised steel exported by Ta Fong were established in accordance with s.269TAB(1)(a) of the Act, using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values of galvanised steel for Ta Fong were established in accordance with s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the OCOT.

To ensure fair comparison the following adjustments were made:

Negative

- domestic inland freight
- domestic packaging
- timing differences (as appropriate)

Positive

- export inland freight
- export packaging
- export expenses
- timing differences (as appropriate)

The preliminary dumping margin for exports of galvanised steel by Ta Fong was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for exports of galvanised steel by Ta Fong is -8.6%.

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5.3.2. Submissions received

BlueScope was the only interested party to make a submission in relation to Ta Fong's dumping margin determination. The submission can be found on the Public Record²⁰

BlueScope states that it does not consider that the dumping margin assessment for Ta Fong is reliable as the magnitude of the negative dumping margin, based on unverified data, is inconsistent with the findings of other exporters that were subject to verification visits. It also expressed concern with the suggestions that Ta Fong's export selling prices are higher than its domestic selling prices given the "conditions that prevailed during the investigation period²¹."

BlueScope refers to Ta Fong's dumping margin of 2.4% in the recent Hollow Structural Sections ("HSS") investigation²². It argues that it is unlikely that its dumping margin for exports of galvanised steel is -8.6% given that HSS and galvanised steel are both manufactured from HRC.

BlueScope states that although the Ta Fong dumping margin calculation report indicates that a comparison of Ta Fong's models sold domestically with those for export was undertaken, it does not disclose the details of the specifications of galvanised steel sold domestically and for export by Ta Fong. It argues that where a verification visit was not conducted, such information should be disclosed to enable interested parties to assess whether the comparison was reasonable.

BlueScope also criticises the limited detail contained in the report, suggesting that Customs and Border Protection has accepted Ta Fong's responses to the exporter questionnaire without "further consideration" and that this is unacceptable given Ta Fong has previously been found to have exported goods to Australia at dumped prices.

BlueScope states that it is particularly concerned that Ta Fong's export prices have not been properly compared with domestic sales and that no adjustment was made for product extras.

BlueScope requests a re-examination of Ta Fong's dumping margins noting that Customs and Border Protection has access to Ta Fong's cost information from the HSS investigation.

5.3.3. Customs and Border Protection's assessment

Ta Fong submitted a fully completed exporter questionnaire response and cooperated with all aspects of the investigation. Customs and Border Protection considers that the data contained in Ta Fong's exporter questionnaire response for this investigation is the most relevant information and the dumping margin is therefore based on that data.

²⁰ Document 121 of the public record

²¹ BlueScope did not articulate what these "conditions" were

²² Refer Trade Measures Report No. 177, P.67.

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Customs and Border Protection is not compelled to undertake an onsite visit to conduct a verification of all exporter questionnaire responses and uses a risk based approach in assessing whether a verification visit is warranted. One relevant factor is the relative export volumes of the goods to Australia during the investigation period compared to other exporters. To visit all cooperating exporters would have significant impacts on the timeliness of investigations.

Customs and Border Protection notes that in the HSS investigation²³ referred to by BlueScope, Ta Fong's exporter questionnaire response was also accepted without onsite verification being conducted. The approach to the assessment of Ta Fong's dumping margin in this investigation is not dissimilar to the approach taken in the HSS investigation.

Nonetheless, Customs and Border Protection undertook an analysis of Ta Fong's export price and normal value compared to other verified Taiwanese exporters of galvanised steel (**confidential attachment 1**). While the specific outcome of the comparative analysis cannot be revealed for confidentiality reasons, Customs and Border Protection remains satisfied that the data provided by Ta Fong in its questionnaire response is relevant and reliable for the purpose of assessing a dumping margin.

Customs and Border Protection can also confirm that in calculating Ta Fong's dumping margin, an analysis of Ta Fong's product range was undertaken and models grouped accordingly (**confidential attachment 2**). This grouping was then used as the basis for comparing the export price and normal values²⁴.

5.4 Conclusion

Under s.269TDA(1) of the Act, if the CEO of Customs and Border Protection is satisfied that there has been no dumping, or negligible dumping, by the exporter, the CEO must terminate the investigation so far as it relates to that exporter.

Therefore, the CEO must terminate the anti-dumping investigations so far as they relate to:

- galvanised steel exported by Union Steel Korea from Korea, and by Sheng Yu and Ta Fong from Taiwan; and
- aluminium zinc coated steel exported by Union Steel Korea from Korea and by Sheng Yu from Taiwan.

As a result of the terminations, anti-dumping securities will no longer be required from 26 April 2013 for importations of the relevant goods from the above exporters and dumping securities already collected will be cancelled.

²³ Investigation 177

²⁴ As indicated in Chapter 10 of the Ta Fong dumping margin calculation report.

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6 ATTACHMENTS

Confidential Attachment 1	Ta Fong export price and normal value comparison
Confidential Attachment 2	Ta Fong's product range grouping