



ANTI-DUMPING NOTICE NO 2023/082

Customs Act 1901 – Part XVB

CERTAIN HOT ROLLED STRUCTURAL STEEL SECTIONS

EXPORTED FROM JAPAN, THE REPUBLIC OF KOREA, TAIWAN (EXCEPT BY FENG HSIN STEEL CO LTD, T S STEEL CO., LTD AND TUNG HO STEEL ENTERPRISE CORPORATION) AND THE KINGDOM OF THAILAND

Initiation of a Continuation Inquiry No 637 into Anti-Dumping Measures

Notice under section 269ZHD(4) of the Customs Act 1901

I, Dr Bradley Armstrong PSM, the Commissioner of the Anti-Dumping Commission (Commissioner), have initiated an inquiry into whether the continuation of anti-dumping measures, in the form of a dumping duty notice in respect of hot rolled structural steel sections (HRS or ‘the goods’) exported to Australia from Japan, the Republic of Korea (ROK), Taiwan (except for exports by Feng Hsin Steel Co., Ltd (Feng Hsin), T S Steel Co., Ltd (TS Steel) and Tung Ho Steel Enterprise Corporation (Tung Ho)) and the Kingdom of Thailand (Thailand) to Australia, is justified.

The anti-dumping measures are due to expire on 20 November 2024 (specified expiry day).¹

1. The goods

The goods subject to the anti-dumping measures and this inquiry are:

Hot rolled structural steel sections in the following shapes and sizes, whether or not containing alloys:

- universal beams (I sections), of a height greater than 130 mm and less than 650 mm
- universal columns and universal bearing piles (H sections), of a height greater than 130 mm and less than 650 mm
- channels (U sections and C sections) of a height greater than 130 mm and less than 400mm and
- equal and unequal angles (L sections), with a combined leg length of greater than 200 mm.

¹ On and from 21 November 2024, if not continued, the anti-dumping measures would no longer apply.

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Sections and/or shapes in the dimensions described above, that have minimal processing, such as cutting, drilling or painting do not exclude the goods from coverage of the investigation.

The goods subject to the anti-dumping measures do not include:

- hot rolled 'T' shaped sections, sheet pile sections and hot rolled merchant bar shaped sections, such as rounds, squares, flats, hexagons, sleepers and rails and
- sections manufactured from welded plate (e.g. welded beams and welded columns).

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995*:²

Tariff code	Description			
7216	ANGLES, SHAPES AND SECTIONS OF IRON OR NON-ALLOY STEEL:			
7216.3	- U, I or H sections, not further worked than hot-rolled, hot-drawn or extruded, of a height of 80 mm or more:			
	Statistical code	Unit	Description	Duty rates
7216.31.00	30	tonnes (t)	-- U sections	5% (DCS: Free) ³
7216.32.00	31	t	-- I sections	5% (DCS: Free)
7216.33.00	32	t	-- H sections	5% (DCS: Free)
7216.40.00	33	t	- L or T sections, not further worked than hot-rolled, hot-drawn or extruded, of a height of 80 mm or more	5% (DCS: Free)

Goods identified as hot rolled alloy steel sections, as per the shapes and sizes described above, are classified to tariff subheading 7228.70.00 (statistical codes 11 and 12) in schedule 3 of the *Customs Tariff Act 1995*.

2. Background to the anti-dumping measures

The original investigation and the imposition of the anti-dumping measures resulted from an application made under section 269TB of the *Customs Act 1901*⁴ by OneSteel Manufacturing Pty Ltd representing the Australian industry producing like goods. The anti-dumping measures were imposed on 20 November 2014 by the then Parliamentary Secretary to the Minister for Industry, Innovation and Science following consideration of *Anti-Dumping Commission Report No 223*.⁵

² These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods subject to the anti-dumping measures.

³ DCS refers to Developing Countries Status; the list of relevant countries can be found in the [Customs Tariff Regulations 2004](#). None of the countries subject to measures have DCS.

⁴ All legislative references in this notice are to the *Customs Act 1901*, unless otherwise stated.

⁵ [Anti-Dumping Notice \(ADN\) No 2014/127](#).

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Following the recommendations of the then Commissioner in *Anti-Dumping Commission Report No 499* (REP 499),⁶ on 5 November 2019 the then Minister for Industry, Science and Technology declared that the dumping duty notice applying to HRS exported to Australia from Japan, the ROK, Taiwan (except for Feng Hsin) and Thailand is to be taken to have effect as if different variable factors relevant to the determination of duty have been fixed in respect of exporters generally. Public notice of the decision in relation to this review of measures was published on 11 November 2019.⁷

Following the recommendations of the then Commissioner in *Anti-Dumping Commission Report No 505* (REP 505),⁸ on 5 November 2019 the then Minister for Industry, Science and Technology decided to secure the continuation of the anti-dumping measures relating to HRS exported to Australia from all exporters subject to the notice except for Tung Ho Steel Enterprise Corporation (Tung Ho), with effect from 20 November 2019. Public notice of the decision in relation to this continuation inquiry was published on 11 November 2019.⁹

On 17 March 2020, as part of ADRP Review Nos 2019/120 and 2019/121, the ADRP requested that the then Commissioner reinvestigate certain findings in REP 499 and REP 505 under section 269ZZL. As a result of the reinvestigation, the then Commissioner found that, in respect of the variable factors, a different normal value was ascertained in respect of HRS exported to Australia by TS Steel and Tung Ho from Taiwan, and by Siam from Thailand. As a result of the change to the variable factors applying to TS Steel and further consideration of the material that was before the then Commissioner in REP 505, the then Commissioner recommended that a new decision be made to not secure the continuation of the anti-dumping measures applying to HRS exported to Australia by TS Steel from Taiwan.

Further details on the goods and existing measures are available on the Dumping Commodity Register on the Anti-Dumping Commission (commission) website, www.adcommission.gov.au.

3. Application for continuation of the anti-dumping measures

Division 6A of Part XVB sets out, among other things, the procedures to be followed in dealing with an application for the continuation of anti-dumping measures.

In accordance with section 269ZHB(1), I published a notice¹⁰ on the commission's website on 20 September 2023. The notice invited the following persons to apply for the continuation of the anti-dumping measures:

- the person whose application under section 269TB resulted in the anti-dumping measures (section 269ZHB(1)(b)(i)), or
- persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the anti-dumping measures (section 269ZHB(1)(b)(ii)).

⁶ Electronic Public Record for case 499, [document no 72](#).

⁷ [ADN No 2019/125](#).

⁸ Electronic Public Record for case 505, [document no 59](#).

⁹ [ADN No 2019/126](#).

¹⁰ [ADN No 2023/056](#).

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On 16 October 2023, an application for the continuation of the anti-dumping measures was received from OneSteel Manufacturing Pty Limited trading as Liberty Primary Steel (Liberty Primary). A non-confidential version of the application is available on the commission's public record.

Having regard to the application, the original investigation and other continuations and reviews that have been conducted by the commission, I am satisfied that Liberty Primary is the person under section 269ZHB(1)(b)(i) because Liberty Primary's original application under section 269TB resulted in the existing anti-dumping measures.

Like goods is defined under section 269T(1). Sections 269T(2), (3), (4) and (4A) are used to determine whether the like goods are produced in Australia and whether there is an Australian industry. Having regard to the application, the original investigation and other reviews that have been conducted by the commission, I am satisfied that Liberty Primary produces like goods to the goods under consideration and that it represents the Australian industry.

4. Consideration of application under section 269ZHD(1)

Pursuant to section 269ZHD(1), I must reject an application for the continuation of anti-dumping measures if I am not satisfied of one or more of the matters referred to in section 269ZHD(2). These are:

- the application complies with section 269ZHC (section 269ZHD(2)(a)) and
- there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures to which the application relates might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent (section 269ZHD(2)(b)).

5. Assessment under section 269ZHD(2)(a) - compliance with section 269ZHC

I consider that the application complies with the requirements of section 269ZHC because it is in writing, in a form approved by me for the purposes of this section, contains the information that the form requires, is signed in the manner indicated by the form, and was lodged in a manner approved under section 269SMS, being by email to the commission's email address provided in the instrument under section 269SMS.¹¹

6. Assessment under section 269ZHD(2)(b) – reasonable grounds

In its application, Liberty Primary claims, among other things, that:

- If the measures expire, exports from Japan, the ROK, Taiwan and Thailand at dumped prices will continue or recur and will cause it to experience material injury in the forms of reduced:
 - price suppression
 - profitability
 - profits
 - sales volumes
 - market share
 - return on investment
 - sales revenue and
 - capacity utilisation.

¹¹ A copy of the instrument can be found on the commission website, www.adcommission.gov.au.

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- Exporters from Japan, the ROK, Taiwan and Thailand have maintained their distribution channels to Australia and have continued to export the goods under consideration to Australia.
- Steel exporters are affected by global overcapacity and trade distortions from several steel trade defence actions abroad.
- Australia remains an attractive and accessible market for exports from the subject exporters given trade barriers against them in other developed markets.
- Liberty Primary's domestic prices are directly influenced by the price of imported goods. Applications for reviews and accelerated reviews by exporters in respect of the goods under consideration indicate their intent to continue to export the goods to Australia.

As part of its application, Liberty Primary provided export data for the goods from the International Steel Statistics Bureau to demonstrate that exporters from Japan, the ROK, Taiwan and Thailand continue to export the goods to Australia.

7. The Commission's consideration

The commission has examined information obtained from the Australian Border Force import database and has found that exporters from the subject countries have continued to export the goods to Australia since the imposition of the anti-dumping measures. This information indicates that manufacturers in Japan, the ROK, Taiwan and Thailand have maintained distribution links in the Australian market as asserted by Liberty Primary in its application. The commission found that goods exported from Taiwan were predominantly sourced from exporters not subject to the measures (i.e. Feng Hsin, TS Steel and Tung Ho).

In the original investigation, the commission found that Liberty Primary set its prices by applying an Import Parity Pricing (IPP) process. It was found that HRS exported to Australia from the subject countries at dumped prices required Liberty Primary to match those prices. This led to the conclusion that Liberty Primary had experienced material injury as a result of dumping.

In its application for the present inquiry, Liberty Primary indicated that it continues to apply an IPP process¹² and that pricing in the Australian market is driven by export prices of HRS exported from Japan, the ROK, Taiwan and Thailand. Liberty Primary also stated that known import offers in the market are used as a tool by customers to negotiate lower prices from Liberty Primary, and therefore continued dumping would cause it to experience material injury in the form of:

- price suppression
- reduced profits and profitability
- reduced revenues and
- reduced market share.

Liberty Primary provided evidence to support its claims.

¹² On page 33 of its application, Liberty Primary referred to the IPP as *import benchmark pricing*.

8. Conclusion

Having regard to the application, Liberty Primary’s claims and other relevant information set out in this notice, I am satisfied that, in accordance with section 269ZHD(2)(b), there appears to be reasonable grounds for asserting that the expiration of the anti-dumping measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.

Based on the above findings, I have therefore decided to not reject the application.

9. This continuation inquiry

For the purpose of this inquiry, I will examine the period from **1 October 2022 to 30 September 2023** (the inquiry period) to determine whether dumping has occurred and whether the variable factors relevant to the determination of duty have changed.

Following my inquiry, I will recommend to the Minister for Industry and Science (Minister) whether the notices:

- (i) remain unaltered or
- (ii) cease to apply to a particular exporter or to a particular kind of goods or
- (iii) have effect in relation to a particular exporter or to exporters generally, as if different variable factors had been ascertained or
- (iv) expire on the specified expiry day.

10. Proposed model control code structure

The commission undertakes model matching using a Model Control Code (MCC) structure to identify key characteristics that will be used to compare the goods exported to Australia and the like goods sold domestically in the country of export.¹³

The table below outlines the commission’s proposed MCC structure for this inquiry.

Category	Sub-category	Identifier	Sales data	Cost data
Prime	Prime	P	Mandatory	Not applicable
	Non-prime	N		
Shape	Universal Beams ('I' sections)	I	Mandatory	Mandatory
	Universal Columns and Universal Bearing Piles ('H' sections)	H		
	Channels ('U' or 'C' sections)	C		
	Angles (Equal and Unequal Angle sections)	A		
Minimum yield strength	Less than 265 MPa	A	Mandatory	Mandatory
	Greater than or equal to 265 MPa	B		

¹³ Guidance on the commission’s approach to model matching is in the Dumping and Subsidy Manual, available at www.adcommission.gov.au.

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Tensile strength	Less than 400 MPa	A	Optional	Optional
	Greater than or equal to 400 MPa and less than 450 MPa	B		
	Greater than or equal to 450 MPa and less than 500 MPa	C		
	Greater than or equal to 500 MPa	D		
Thickness	Minimum cross-sectional thickness less than 11 mm	1	Optional	Optional
	Minimum cross-sectional thickness greater than or equal to 11 mm	2		
Dimension	Beam or section height less than 230 mm	S	Optional	Optional
	Beam or section height equal to or greater than 230 mm	L		
Weldability	Carbon equivalent value specified in relevant standard	Y	Optional	Optional
	Carbon equivalent value not specified in relevant standard	N		

‘Prime’ refers to steel that is of acceptable quality for the application for which it is intended and not of some lower level of quality such as ‘defective’. ‘Shape’ refers to section such as beam, column, channel or angle. ‘Minimum yield strength’ refers to steel made to a standard which explicitly specifies minimum yield strength. ‘Tensile strength’ refers to minimum tensile strengths ‘Thickness’ refers to the minimum thickness of flanges or webs. ‘Dimension’ refers to beam, column, channel or angle height. ‘Weldability’ refers to steel made to a standard which explicitly specifies a maximum carbon equivalent value.

As an example of how goods will be classified using this MCC structure, a prime ‘I’ section universal beam with:

- minimum yield strength of 400 MPa
- tensile strength of 400 MPa
- 10 mm cross sectional thickness
- height of 200 mm and
- specified carbon equivalent value,

would have an MCC of P-I-B-B-1-S-Y.

Proposals to modify the proposed MCC structure should be raised as soon as is practicable, but no later than **12 January 2024**.

Interested parties are encouraged to make a submission on whether any proposed modifications to the MCC structure should be accepted by the commission. Any changes to the MCC structure will be considered by the commission and reported in verification reports or in the statement of essential facts (SEF).

11. Public record

I must maintain a public record for this inquiry. The Electronic Public Record (EPR) hosted on the commission website, www.adcommission.gov.au, contains, among other things, a copy of all non-confidential submissions from interested parties. Documents hosted on the EPR can be provided upon request to interested parties.

12. Submissions

Interested parties, as defined in section 269T(1), are invited to lodge written submissions concerning the continuation of the measures, no later than the close of business on **12 January 2024**, being more than 37 days after publication of this notice. The commission's preference is to receive submissions by email to investigations@adcommission.gov.au.

Submissions may also be addressed to:

The Director, Investigations
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Interested parties wishing to participate in the inquiry must ensure that submissions are lodged promptly. Interested parties should note that I am not obliged to have regard to a submission received after the date indicated above if to do so would, in my opinion, prevent the timely placement of the SEF on the public record.

Interested parties claiming that information contained in their submission is confidential, or that the publication of the information would adversely affect their business or commercial interests, must:

- (i) provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests, or
- (ii) satisfy me that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked 'OFFICIAL: Sensitive'. Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked 'PUBLIC RECORD').

13. Statement of essential facts

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Minister within the legislative timeframe. I will place the SEF on the public record on or before **11 March 2024**, that is, within 110 days after the publication of this notice, or by such later date as I may allow in accordance with section 269ZHI(3).¹⁴ The SEF will set out the essential facts on which I propose to base a recommendation to the Minister concerning the continuation of the anti-dumping measures.

Interested parties are invited to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record. Submissions received in response to the SEF within 20 days of the SEF being placed on the public record will be taken into account in completing my report and recommendation to the Minister.

¹⁴ As that day is a Sunday and 11 March 2024 is a public holiday in Victoria, the SEF becomes due by the next working day, 12 March 2024.

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14. Report to the Minister

I will make a recommendation to the Minister in a report on or before **25 April 2024**, that is, within 155 days after the date of publication of this notice, or such later date as I may allow in accordance with section 269ZHI(3).

The Minister must make a declaration within 30 days after receiving the report, or if the Minister considers there are special circumstances, such longer period, ending before the specified expiry day, as the Minister considers appropriate. If the Minister receives the report less than 30 days before the specified expiry day, the Minister must make the declaration before that day.

15. Commission contact

Enquiries about this notice may be directed to investigations@adcommission.gov.au.

Dr Bradley Armstrong PSM
Commissioner
Anti-Dumping Commission
22 November 2023