



## In the Anti-Dumping Commission

### Application for accelerated review – countervailing duty notice for aluminium zinc coated steel from China

## Zhejiang Huada New Materials Co., Ltd

### Introduction

By means of this accelerated review application, Zhejiang Huada New Materials Co., Ltd (“Huada”) seeks accelerated review by the Anti-Dumping Commission (“the Commission”) of the countervailing duty notice applicable with respect to the export of aluminium zinc coated steel (“the goods”) from China to Australia by Huada.

Huada is currently subject to the “all other exporters” countervailing duty rate of 21.7%. The measures were originally introduced in 2013 following the completion of Investigation 193.<sup>1</sup> The measures were subsequently revised at the completion of Continuation Inquiry 450.<sup>2</sup>

This accelerated review application is made pursuant to sections 269ZE and 269ZF of the *Customs Act 1901* (“the Act”).

Section 269ZE(1) of the Act states that a new accelerated review may be sought where a countervailing duty notice has been published in respect of the goods, and a new exporter, as defined by the legislation, requests an accelerated review in so far as it affects that exporter. As stated, a countervailing duty notice is in place with respect of the goods.<sup>3</sup> Further, Huada is a new exporter, as defined by the legislation that requests an accelerated review in so far as the countervailing duty notice affects Huada.

Section 269ZF(1) of the Act requires that an application be in writing, contain a description of the goods and contain a statement setting out the basis on which a new exporter considers a particular notice to be inappropriate. Huada has complied with this legislative requirement by completing the application form supplied by the Commission and providing requested information below.

### Background

Huada has previously applied for accelerated review of the variable factors affecting the applicable anti-dumping and countervailing duty notices. The Commission accepted and conducted an accelerated review concerning these variable factors (“Accelerated Review 500”).

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<sup>1</sup> See ADN 2013/66.

<sup>2</sup> See Attachment 3 – ADN 2018/97.

<sup>3</sup> ADN 2013/66 and ADN 2018/97 refer.

The Commission determined in Accelerated Review 500 that Huada's dumping margin be imposed at 0%, with a variable component of IDD applicable where the actual export price is below the ascertained normal value. The dumping duty notice is not the subject of this accelerated review application.

Concerning the countervailing duty notice, in its preliminary Verification Report the Commission determined a subsidy margin of 0.47%.<sup>4</sup> In its Final Report the Commission revised this position, stating:

*... the Commission is unable to be satisfied that a countervailable subsidy has been received in respect of the goods and recommends that the notice be unaltered.*<sup>5</sup>

As a result the countervailing duty notice "all other exporters" duty rate of 21.7% remains applicable.

The Final Report comments on the necessary level of detail of the necessary information which forms the basis of the Commission's determination. Following the conclusion of Accelerated Review 500 Huada's representative discussed the determination and the required information with the Commission. Noting the complexity of the information, the Commission confirmed that it is open to Huada to apply for a new accelerated review with respect of the countervailing duty notice.<sup>6</sup>

Huada remains a new exporter, as required by section 269ZE of the Act, and as defined by section 269T of the Act.

We now provide the information requested by the accelerated review application form.

### **Application form required information**

1. Provide details of the current anti-dumping measure(s) the subject of this review application, including:
  - identify the notice(s) imposing measures that the applicant seeks an accelerated review of; and
  - a description of the goods to which the notice(s) relates.

**The countervailing duty measures the subject of this accelerated review application were originally imposed on completion of Investigation 193 by way of ADN 2013/66. These measures were revised on completion of Continuation Inquiry 450 by way of ADN 2018/97.**

**The goods the subject of the countervailing duty notice, as described in Continuation Inquiry 450 are:**

***Aluminium zinc coated steel***

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<sup>4</sup> See EPR 500 Doc 003.

<sup>5</sup> See EPR 500 Doc 005 at page 18.

<sup>6</sup> See Attachment 4 – Letter to Moulis Legal dated 21 May 2019. **[CONFIDENTIAL ATTACHMENT]**

***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.***

***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, pre-painted aluminium zinc coated steel and corrugated aluminium zinc coated steel are not covered by the inquiry.***

**The tariff classifications and statistical codes covered by the measures are:**

Tariff subheading	Statistical code
7210.61.00	60, 61 & 62

2. Provide details of the name, street and postal address, of the applicant seeking the accelerated review;

**The applicant seeking the accelerated review is Zhejiang Huada New Materials Co., Ltd (“Huada”).**

**Huada’s street and postal address is:**

**No 198 Daqiao South Rd  
Dayuan Town  
Fuyang District  
Hangzhou City  
Zhejiang Province  
311413**

3. Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address;

**Huada’s contact person is:**

Full name:	<b>Mr Charles Zhan</b>
Position:	<b>Senior Associate</b>

Email address:	<b>Charles.zhan@moulislegal.com</b>
Telephone number:	<b>+61 2 6163 1000</b>

**Please provide all correspondence to Moulis Legal in the first instance.**

4. Describe the applicant's role in the exportation of the goods (e.g. producer or manufacturer, distributor or trader of the goods);

**Huada is a manufacturer of aluminium zinc coated steel, and may export the goods from China to Australia in the future.**

5. Confirm that the applicant is a 'new exporter', meaning, in relation to goods the subject of an application for a dumping duty notice or countervailing duty notice or like goods, an exporter who did not export such goods to Australia at any time during the investigation period in relation to the application (ss 269ZE(1) and 269T(1) refers).

**Huada is a "new exporter", being an exporter that has not exported the goods to Australia at any time during the investigation period in relation to the application, as required by subsection 269ZE(1) and 269T(1) of the Act.**

6. Confirm whether the applicant has previously applied for an accelerated review in relation to the notices the subject of this application.

**Huada has previously applied for an accelerated review in relation to the countervailing duty notice the subject of this application. Please refer to Accelerated Review 500.**

**Huada is not applying to seek accelerated review of the anti-dumping duty notice, which was revised by way of ADN 2019/27.**

**Huada is applying to seek accelerated review of the countervailing duty notice, which remained unaltered as a result of Accelerated Review 500.**

7. Confirm whether the applicant is related to an exporter whose exports were examined in relation to the application for publication of the notice(s), and the nature of the relationship (s 269ZE(2)(b) refers).

In determining whether the applicant is an associate of an exporter whose exports were examined in relation to the application for publication of the notices(s), answer the following (s 269TAA(4) refers):

- a. Are both natural persons?
  - If yes:
    - i. Are they members of the same family? Or;
    - ii. Is one of them an officer or director of a body corporate controlled, directly or indirectly, by the other?
- b. Are both body corporates?

If yes:

- i. Are both of them controlled by a third person (whether or not a body corporate)? Or;
- ii. Do both of them together control, directly or indirectly, a third body corporate? Or;
- iii. Is the same person (whether or not a body corporate) in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them?
- c. Is one of them, being a body corporate, directly or indirectly, controlled by the other (whether or not a body corporate)?
- d. Is one of them, being a natural person, an employee, officer or director of the other (whether or not a body corporate)?
- e. Are they members of the same partnership?

*NB: Please include appropriate evidence in support of your view that the applicant is or is not related to another company whose exports were examined in relation to the application for publication of the notice(s) (i.e. during the original investigation). This should include an overview of your corporate structure, including entities that the applicant has an interest in and entities that have an interest in the applicant, list of directors and annual report(s) where applicable.*

**Huada is not related to those exporters examined with respect to either the original investigation or examined in the continuation inquiry.**

**Please refer to Attachment 5 – director list and affiliated companies [CONFIDENTIAL ATTACHMENT], which demonstrate Huada is not related to any Chinese exporters that have previously exported aluminium zinc coated steel to Australia.**

8. Provide a statement setting out the basis on which you consider the particular dumping or countervailing duty notice is inappropriate, so far as the applicant is concerned.

**Huada is subject to the “all other” exporter countervailing duty rate of 21.7% under ADN 2018/97. Huada considers that the 21.7% rate of duty is not appropriate or applicable based on Huada’s specific circumstances. This countervailing duty rate does not reflect the level of countervailable subsidies received by Huada in relation to the goods. Based on Huada’s financial record, Huada considers that the countervailable subsidy margin for its exportation of the goods to Australia should be *de minimis*, not 21.7%. This is partly supported by the Commission via the verification report for Huada in Review 500.**