



Australian Government
**Department of Industry,
Innovation and Science**

**Anti-Dumping
Commission**

Application for a
review of
anti-dumping measures applying to
Zinc Coated (Galvanised) Steel
Exported from the People's Republic
of China, the Republic of Korea,
Taiwan, the Republic of India,
Malaysia, and the Socialist Republic of
Vietnam

APPLICATION UNDER SECTION 269ZA OF THE *CUSTOMS ACT 1901*
FOR A REVIEW OF ANTI-DUMPING MEASURES

In accordance with section 269ZA of the *Customs Act 1901* (the Act), I request that the Anti-Dumping Commissioner initiate a review of anti-dumping measures in respect of the goods the subject of this application to:

1. **revise the level of the measures** because one or more of the variable factors relevant to the taking of measures have changed (a variable factors review)

In this case the factors that I consider have changed are:

- normal value
 export price
 non injurious price
 subsidy

The variable factors review is in relation to:

- a particular exporter (*if so provide name and country details*)
 exporters generally

or

2. **revoke the measures** because the anti-dumping measures are no longer warranted (a revocation review)

In this case the measure I consider should be revoked is:

- the dumping duty notice
 the countervailing duty notice
 the undertaking

The revocation review is in relation to:

- a particular exporter (*if so provide name and country details*)
 exporters generally

NOTE

Where seeking variable factors review as well as a revocation review, indicate this in *both* 1 and 2 above.

DECLARATION

I believe that the information contained in this application:

- provides reasonable grounds for review of the anti-dumping measure; and
- is complete and correct to the best of my knowledge and belief.

Signature:

Name:

[REDACTED]

Position:

[REDACTED]

Company:

BlueScope Steel Limited

ABN:

16 000 011 058

Date:

30 July 2019

Signature requirements	<p>Where the application is made:</p> <p><i>By a company</i> - the application must be signed by a director, servant or agent acting with the authority of the body corporate.</p> <p><i>By a joint venture</i> - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.</p> <p><i>On behalf of a trust</i> - a trustee of the trust must sign the application.</p> <p><i>By a sole trader</i> - the sole trader must sign the application.</p> <p><i>In any other case</i> - contact the Commission's client support section for advice.</p>
Assistance with the application	<p>The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the '<i>Instructions and guidelines for applicants: Application for review or revocation of measures</i>' on the Commission's website.</p> <p>The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:</p> <p>Phone: 13 28 46 or +61 2 6213 6000 (outside Australia)</p> <p>Fax: (03) 8539 2499 or +61 3 8539 2499 (outside Australia)</p> <p>Email: clientsupport@adcommission.gov.au</p> <p>Other information is available from the Commission's website at www.adcommission.gov.au.</p> <p>Small and medium enterprises (i.e., those with less than 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the <i>Corporations Act 2001</i>), may obtain assistance, at no charge, from the International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA Service Hotline on +61 2 6213 7267.</p>
Review Period	<p>The review period is <i>generally</i> the 12 month period preceding the initiation date and ending on the most recently completed month or quarter.</p> <p>For the purposes of information requested in this application, please consider the review period as the 12 month period ending on the most recently completed quarter prior to the date that you submit the application.</p> <p>The actual review period will be set by the Commissioner if a review is initiated, and may differ to that used by the applicant in the application form.</p>
Required information	<ol style="list-style-type: none"> 1. Provide details of the name, street and postal address, of the applicant seeking the review. 2. Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address. 3. Name other parties supporting this application.

4. Describe your interest as an affected party (e.g. are you concerned with the exportation of the goods, the importation of the goods, or part of the Australian industry, or acting on behalf of the Government of an exporting country).
5. Provide details of the current anti-dumping measure(s) the subject of this review application and the goods subject to the measure(s), including:
 - tariff classification
 - the countries and/or companies
 - specified date of publication of the measure
6. If you are an exporter of the goods the subject of this application please answer the following questions:
 - Have you exported the goods to Australia during the review period?
 - o If yes, what was the total quantity and total value of the goods exported to Australia during the review period?
 - Have you previously (prior to the review period) exported the goods to Australia?
 - o If yes, please provide the total quantity and total value of the goods exported to Australia each year during the three years prior to the review period.
 - Have you exported like goods to countries other than Australia during the review period?
 - o If yes, please provide the total quantity and total value of exports of the goods to each other country during the review period. Please indicate if any of the sales are to a related party.

NB: In relation to the goods the subject of this application, 'like goods' means goods that are identical in all respects to the goods the subject of this application or, although not alike in all respects to the goods the subject of this application, have characteristics closely resembling those goods (s 269T(1) refers).

NB: Please note you must provide this information if you are an exporter of the goods the subject of the application. If you are not an exporter of the goods, you may choose to provide information relevant to this question.

7. Provide the names, addresses, telephone numbers and facsimile numbers of other parties likely to have an interest in this matter e.g. Australian manufacturers, importers, exporters and/or users.

Applications for review of variable factors

If you are applying for a variable factors review (in box 1 above) provide a detailed statement setting out your reasons. Include information about:

- the factor(s) you wish to have reviewed;
- the amount by which that factor is likely to have changed since anti-dumping measures were last imposed, and evidence in support; and
- in your opinion the causes of the change and whether these causes are likely to persist.

Application

If you are applying for a revocation review (in box 2 above), provide a detailed

**for a
revocation
review**

statement setting out your reasons.

Include evidence in support of your view that there are reasonable grounds for asserting that the measures are no longer warranted. Refer to the '*Instructions and guidelines for applicants: Application for review or revocation of measures*' as part of preparing your response. If you consider anti-dumping measures are no longer warranted because of:

- *no dumping or no subsidisation*: provide evidence that there is no dumping, or no subsidy, and why dumping or subsidisation is unlikely to recur if measures were revoked.
- *no injury*: provide evidence that there is no current injury, and there is unlikely to be a recurrence of injury if the measures were to be revoked.

**Lodgement of
the
application**

In accordance with subsection 269SMS(2) of the Act, this application, together with the supporting evidence, must be lodged by either:

- preferably, email, using the email address clientsupport@adcommission.gov.au, or
- post to:

The Commissioner of the Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601, or
- facsimile, using the number (03) 8539 2499 (or +61 3 8539 2499 if outside Australia)

Public Record

During a review all interested parties are given the opportunity to defend their interests, by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission's website at www.adcommission.gov.au.

At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application must be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the review, or, if those reasons cannot be summarised, a statement of reasons why summarisation is not possible. If you cannot provide a non-confidential version, contact the Commission's client support section for advice.

APPLICATION FOR REVIEW OF VARIABLE FACTORS BlueScope Steel Limited

1. Provide details of the name, street and postal address, of the applicant seeking the review.

The Applicant seeking the review of the variable factors applicable to Zinc Coated (Galvanized) steel (hereafter referred to as “the subject goods” and/or “galvanized steel”) exported from the People’s Republic of China (“China”), the Republic of Korea (“Korea”), Taiwan, the Republic of India (“India”), Malaysia, and the Socialist Republic of Vietnam (“Vietnam”) is BlueScope Steel Limited (“BlueScope”); the sole Australian manufacturer of galvanized steel products.

BlueScope’s address and contact details are as follows:

Head Office

BlueScope Steel Limited
Five Islands Road
PORT KEMBLA, NSW, 2500

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

The relevant contact person(s) at BlueScope in respect of this application for the review of measures is as follows:

Primary Contact

██████████
Manager – Trade Measures
Telephone: ██████████
Email: ██████████

Alternative Contact

██████████
Manager – International Trade Affairs
Telephone: ██████████
Email: ██████████

This application has been prepared with the assistance of:

Mr John O’Connor
John O’Connor & Associates
P.O. Box 329, COORPAROO, QLD, 4151
Telephone: (07) 3342 1921
Facsimile: (07) 3342 1931
Email: jmoconnor@optusnet.com.au
ABN: 39 098 650 241

3. Name other parties supporting this application.

The applicant, BlueScope Steel Limited, is the sole producer in Australia of the like goods.

4. Describe your interest as an affected party (e.g. are you concerned with the exportation of the goods, the importation of the goods, or part of the Australian industry, or acting on behalf of the Government of an exporting country).

BlueScope has an interest as an affected party in relation to this application for a review of measures on the basis that BlueScope is:

- an Australian manufacturer of zinc coated steel the subject of measures; and
- was the original applicant for the imposition of measures in Anti-Dumping Investigation No's. 190, 193, 290, 298, and 370.

5. Provide details of the current anti-dumping measure(s) the subject of this review application and the goods subject to the measure(s), including:

- **tariff classification**
- **the countries and/or companies**
- **specified date of publication of the measure**

Tariff Classification

The goods the subject of the anti-dumping measures are zinc coated (galvanized) steel products, classified within tariff sub-headings 7210.49.00 (statistical codes 55, 56, 57, and 58), and 7212.30.00 (statistical code 61). Specifically, the subject goods are zinc coated sheets and coils, of widths <600 millimeter ("mm") and =>600mm.

Circumvention goods the subject of anti-dumping measures are classified to the following sub-headings:

- 7225.92.00 statistical code 38 (i.e. flat rolled products of other alloy steel, of a width of 600mm or more, plated or coated with zinc); and
- 7226.99.00 statistical code 71 (i.e. flat rolled products of other alloy steel, of a width less than 600mm – Other).

Countries/companies the subject of the measures

The current anti-dumping measures, in the form of the below referenced Dumping Duty Notices, apply to zinc coated (galvanized) steel exported to Australia from China, Korea, Taiwan, India, Malaysia, and Vietnam ("*the Dumping Duty Notices*").

The applicant seeks a review of these *Dumping Duty Notices* as they apply to all exporters of the goods exported to Australia from the above-noted countries, except for:

- exports by Dongkuk Steel Mill Co. Ltd, Ta Fong Steel Co. Ltd, Sheng Yu Steel Co Ltd, the Hoa Sen Group, and Nam Kim Steel Joint Stock Company to which interim dumping duties do not apply; and
- exports by Angang Steel Company Limited, ANSC-TKS Galvanizing Co. Ltd, Yieh Phui Technomaterial Co. Ltd, Jiangyin Zongcheng Steel Co. Ltd, and Shandong Guanzhou Dingxin Plate Technonolgy Co., to which interim countervailing duties do not apply.

Period of Review

The applicant for this review nominates a review period of twelve months ending 30 June 2019 ("FY2019").

Date of publication of the measures

The relevant *Dumping Duty Notices* are as follows:

- ACDN No. 2013/66, published 5 August 2013; and
- ACDN No. 2017/99, published 16 August 2017.

6. If you are an exporter of the goods the subject of this application please answer the following questions:

- **Have you exported the goods to Australia during the review period?**
 - o **If yes, what was the total quantity and total value of the goods exported to Australia during the review period?**
- **Have you previously (prior to the review period) exported the goods to Australia?**
 - o **If yes, please provide the total quantity and total value of the goods exported to Australia each year during the three years prior to the review period.**
- **Have you exported like goods to countries other than Australia during the review period?**
 - o **If yes, please provide the total quantity and total value of exports of the goods to each other country during the review period. Please indicate if any of the sales are to a related party.**

NB: In relation to the goods the subject of this application, 'like goods' means goods that are identical in all respects to the goods the subject of this application or, although not alike in all respects to the goods the subject of this application, have characteristics closely resembling those goods (s 269T(1) refers).

NB: Please note you must provide this information if you are an exporter of the goods the subject of the application. If you are not an exporter of the goods, you may choose to provide information relevant to this question.

BlueScope has not exported the goods from the countries nominated in this application for the review of variable factors.

7. Provide the names, addresses, telephone numbers and facsimile numbers of other parties likely to have an interest in this matter e.g. Australian manufacturers, importers, exporters and/or users.

Exporters

China:

ANGANG Steel
No.1, Huangang Road, Tiexi district,
Anshan City, Liaoning Province, P.R. China
Tel: 86 510 86032308,
Fax: 86 510 82400522

HEBEI I&S GROUP
(otherwise known as Handan)
No.232, Fuxin Road, Handan City,
Hebei Province, P.R. China
Tel: 86 512 5229 8888
Fax: 86 512 5229 8406

WUHAN Steel
Baosteel Tower, Pu Dian Road 370,
Pudong New District, Shanghai, China. 200122

YIEH PHUI (CHINA) TECHNOMATERIAL
No.1, Xingdao Avenue, Dongbang Industrial Park, Changshu City,
Suzhou City, Jiangsu Province, P.R. China

BAOSHAN STEEL STOCK CO LTD
(otherwise known as Baosteel)
Baosteel Tower, Pu Dian Road 370,
Pudong New District, Shanghai, China. 200122

Korea:

Union Steel Korea
Union Steel Building 890
Daechin-Dong,
Gangnam-Gu, Seoul, 135-524 South Korea
Tel: 82 2 2222 0114
Fax: 82 2 2222 0275
www.unionsteel.co.kr

Dongbu steel
Dongbu Financial Center.
891-10 Daechi-dong, Gangnam-Gu,
Seoul, 135-524 South Korea
Tel: 82 2 3450 8114

Hyundai Steel Company
231, Yangjae-dong, Seocho-gu,
Seoul, 137-938 Korea
Tel: +82 2 3464 6114
Fax: +82 2 3464 6100
Web: <http://www.hyundai-steel.com>

Posco Steel (POSCO)
POSCO Center
892, Daechi-4-dong,
Gangnam-gu, Seoul
135-777, Korea
Tel: +82 2 3457 0114
Fax: +82 2 3457 6000
Web: www.posco.com

Taiwan:

Yieh Phui Corp
No.6, E-Da Road,
Yanchao Township,
Kaohsiung Country
Taiwan 82445 ROC
Tel: 886 7 615 1000
Fax: 886 7 615 3000
www.yieh.com

Sheng Yu (Sysco)
No. 11, Chung Lin Road
Hsiaokan District
Kaohsiung Taiwan ROC
Tel: 886 7 871 5395
Fax: 886 7 872 0065
www.syg.com.tw

China Steel Corp (CSC)
1 Chung Kang Road, Siaogang District,
Kaohsiung City 81233, Taiwan, ROC
Tel: +886-7-8021111
Fax: +886-7-8022511
Web: www.csc.com.tw

India:

JSW Steel Coated Products Ltd.,
JSW Centre
Bandra Kurla Complex, Banda (East)
Mumbai India 400 051
Tel: +91 22 4286 1000
Fax: +91 22 4286 3000
Contact: praveen.dixit@jsw.in

Essar Steel India Limited
15th Floor, Essar House
11., K.K.Marg, Mahalaxmi
Mumbai – 400034 India
Tel: +91 022 6660 1100 Ext: 1530
Fax: +91 022 6666 9511
Email: ridham.desai@essar.com

Malaysia:

CSC Steel Sdn Bhd
180, Kawansan Perindustrian Ayer Keroh
75450 Ayer Keroh, Melaka Malaysia
Tel: +60 6-231 0169
Fax: +60 6-231 0167
Email: info@cscmalaysia.com

FIW Steel Sdn Bhd
No. 3, Jalan Keluli Satu
Kawasan Perindustrian Bukit Raja Selatan

4000 Shah Alam, Selangor, Malaysia
Tel: 60 3 3343 1177
Fax: 60 3 3342 6721
Email: tsaliman@fiw.com.my

Vietnam:

China Steel Sumikin Vietnam Joint Stock Company
9F, Petroland, No. 12 Tan Trao, Ward Tan Phu
District 7, HCMC Vietnam
Tel: +84 (0)8 5416 1035 (Ext 119)
Fax: +84 (0)8 5416 1030
Email: 169573@csvc.com.vn

Importers

Marubeni-Itochu Steel Oceania Pty Ltd (MISO)
P O Box 16055
Melbourne Victoria 3007
Phone - 03-9242 1500
Fax - 03-9242 1599
Web Site - www.benichu.com.au

MinMetals Australia Pty Ltd
580 St Kilda Road
Melbourne Victoria 3001
Tel: (03) 9520 6810
Fax: (03) 9521 1815
www.minmetals.com.au

Stemcor Australia Pty Ltd
Level 13, 15 Blue Street
North Sydney NSW 2060
Phone - 02-9959 3088
Fax - 02-9925 0844

Toyota Tsusho (Australasia) Pty Ltd
231-233 Boundary Road
Laverton North Vic 3026
Phone - 03-8368 7991
Fax - 03-8368 7999

Wright Steel Pty Ltd
Suite 201, 254 Bay Road
Sandringham Vic 3191
Phone - 03-9598 0050
Fax - 03-9597 0050

GS Global Australia Pty Ltd
Lvl 38, 100 Miller Street
North Sydney, NSW. 2060
Phone – 02-9954 0911
Fax – 02-9954 0919

CMC (Australia) Pty Ltd
118 Dowd Street
Welshpool, WA 6986
Phone – 08-9258 6066
Fax – 08-9258 6366

Ferropacific
Suite 5/9-11 Knox Street
Double Bay, NSW 2028
Phone – 02-9363 3513

ThyssenKrupp Mannex Pty Ltd
Locked Bag 2103 Pacific Highway
North Sydney NSW 2059
Phone – 02-995 50978
Fax – 02-9925 0084
Web Site <http://www.tk-mannex.com/english/>

Amity Pacific
PO Box 1015, Suite 301, 270 Pacific Highway
Crows Nest, NSW 1585
Australia
Phone: +61 (2) 9439 1300
Fax: +61 (2) 9439 1344
Web Site www.amitypacific.com.au

If you are applying for a variable factors review (in box 1 above) provide a detailed statement setting out your reasons. Include information about:

- **the factor(s) you wish to have reviewed;**
- **the amount by which that factor is likely to have changed since anti-dumping measures were last imposed, and evidence in support; and**
- **in your opinion the causes of the change and whether these causes are likely to persist**

Background – China / Korea / Taiwan

The anti-dumping measures the subject of this application for review, in relation to China, Korea, and Taiwan, were initially imposed by public notice on 5 August 2013 by the then Attorney-General following consideration of Report No. 190 (“REP 190”). The nominated investigation period for case 190 was from 1 July 2011 to 30 June 2012.

On 31 October 2014, Review of Anti-Dumping Measures (ADC 273) – Zinc Coated (Galvanized) Steel Exported from the Republic of Korea was initiated, with the exporter Dongbu as the applicant. The findings were published on 30 June 2015, resulting in the dumping margin for Dongbu reducing from 3.2% to 0%.

On 30 August 2016, Anti-Dumping Duty Notice 2016/86 was published advising of the initiation of four review of measures investigations for the subject goods from China and Taiwan (ADC’s 365, 366, 367, and 371 refer), at the request of the following exporters:

- Synn Industrial Co., Ltd (Taiwan);
- Yieh Phui Enterprise Co., Ltd (Taiwan);
- Jiangyin Zongcheng Steel Co., Ltd (China); and

- Angang Steel Company Limited (China).

The Commission established the inquiry period as being the twelve-months ending 30 June 2016. The findings were published on 10 May 2017.

On 22 September 2016, Anti-Dumping Duty Notice 2016/101 advised the initiation of two review of measures investigations for the subject goods (ADC's 374 and 376), at the request of the following Chinese/Taiwanese exporters:

- Chung Steel Corporation (Taiwan); and
- Yieh Phui (China) Technomaterial.

The Commission's inquiry period was the same as the above notice 2016/86, and the findings were also published on 10 May 2017.

On 7 December 2016, the publication of Anti-Dumping Duty Notice 2016/130 notified the initiation of a review of measures investigation for the subject goods, as requested by Dongbu Steel (Korea). The Commission established an inquiry period of 1 October 2015 to 30 September 2016. The findings were published on 19 July 2017, resulting in a change to the relevant variable factors.

On 10 November 2017, Anti-Dumping Notice 2017/157 ("ADC 457") was published advising of the initiation of a review of measures applicable to the subject goods from China, Korea and Taiwan. The review commenced following a request by the Assistant Minister for Industry, Innovation and Science, and the Parliamentary Secretary to the Minister for Industry, Innovation and Science to review the dumping and countervailing measures as they affected exporters of the subject goods to Australian from China, Korea and Taiwan.

The review period was 1 October 2016 to 30 September 2017. The findings ("REP 457") were published on 14 June 2018 resulting in the application of contemporary variable factors.

Concurrently with ADC 457, on 10 November 2017 *Continuation Inquiry No. 449* ("ADC 449") was initiated regarding the continuation of anti-dumping and countervailing measures. The Commission established an inquiry period of 1 October 2016 to 30 September 2017. The final determination by the Minister for this inquiry was published on 12 July 2018, resulting in the continuation of anti-dumping and countervailing measures.

Background – India / Malaysia / Vietnam

The anti-dumping measures the subject of this application for review, as relating to India, Malaysia, and Vietnam, were initially imposed by public notice on 16 August 2017 by the then Assistant Minister for Industry, Innovation and Science following consideration of Anti-Dumping Commission Final Report No. 370 ("REP 370"). The nominated investigation period for Investigation No. 370 was 1 July 2015 to 30 June 2016 ("ADC 370").

Background – Summary

In order to ensure that remedies are effective in preventing material injury, BlueScope requests that the Commission undertake a review of measures which would be based on a contemporary investigation period (i.e. twelve-months ending 30 June 2019), and apply contemporary variable factors.

Grounds for Review

The applicable variable factors for each exporter the subject of anti-dumping measures have changed substantially since the findings of the last completed Review ADC 457 (in the case of China, Korea, and Taiwan) and Investigation No. 370 (in the case of India, Malaysia, and Vietnam). For measures to be effective in preventing material injury to Australian industry, it is imperative that they are as contemporary as possible. The variable factors that have changed since the published findings in the above-noted inquiries are the:

- Ascertained Normal Value;
- Ascertained Export Price;
- Non-injurious price; and
- Subsidies.

Ascertained Normal Values – Korea / Taiwan

The Korean and Taiwanese domestic home-market selling prices for the subject goods have increased following the amendments made to the variable factors per Investigation No. 457.

Confidential Chart 1 depicts domestic galvanized steel prices for Korea and Taiwan from October 2016 to June 2019 (Source: ██████████). This time-series includes the investigation period of Oct. 16 – Sept. 17 per Investigation No. 457.

For the period following Oct. 16 – Sept. 17, domestic galvanized steel prices for Korea have increased. For Taiwan, domestic galvanized steel prices have trended upwards consistent with higher steel-making raw material prices (see analysis further below) and improved domestic Taiwanese demand for the subject goods.

On an Australian Dollar (“AUD” or “AU”) per metric tonne basis, a comparison between the inquiry period in ADC 457 to the proposed inquiry period in this application yields the following price increase differentials:

- Korea from AU\$██████ (Oct. 16 – Sept. 17) to AU\$██████ (FY2019); an increase of ██████%;
- and
- Taiwan from AU\$██████ (Oct. 16 – Sept. 17) to AU\$██████ (FY2019); an increase of ██████%.



Confidential Chart 1 – Movement in domestic galvanized steel prices for Korea and Taiwan (Source: [REDACTED]).

The relevant consideration is that domestic selling prices in Korea and Taiwan are materially higher in the twelve months ending 30 June 2019 than the last investigation period in Investigation No. 457.

Ascertained Normal Value – China

The Commission has continued to assess that, in line with subsection 269TAC(2)(a)(ii) of the *Customs Act 1901* (“the Act”), a situation exists in the Chinese domestic galvanized steel market that renders domestic selling prices in that market unsuitable for the determination of a normal value under subsection 269TAC(1).

The Commission has also concluded that hot-rolled coil steel (“HRC”) accounts for approximately 80 per cent of the cost to make galvanized steel, and is therefore a key determinant of the domestic price of the subject goods in China.¹

During *Continuation Inquiry* ADC 449 and *Review Inquiry* ADC 457, the Commission conducted an analysis of the market for galvanized steel in China. It concluded that the Government of China (“GOC”) materially influences conditions within the subject goods market, and, because of the significance of this influence, that domestic prices for Chinese galvanized steel are substantially different to what they would otherwise be absent these interventions.²

BlueScope contends that the GOC continues to materially influence conditions within the Chinese galvanized steel market.

Following this market situation finding, the Commission has sought to construct normal values for Chinese exporters under subsection 269TAC(2)(c), using the cost of production, selling, general and administration expenses, and an amount for profit.

In determining the cost of manufacture, the Commission concluded in REP 190 and REP 457 that HRC prices recorded by Chinese galvanized steel producers did not reflect

¹ REP 457, p. 18.

² REP 457, p.18.

competitive market costs. On this basis, the Commission has relied on verified HRC purchase costs for Korean and Taiwanese exporters, concluding that these markets are comprised of several producers, and buyers and sellers of HRC, in an environment free of government distortion or other influence.³

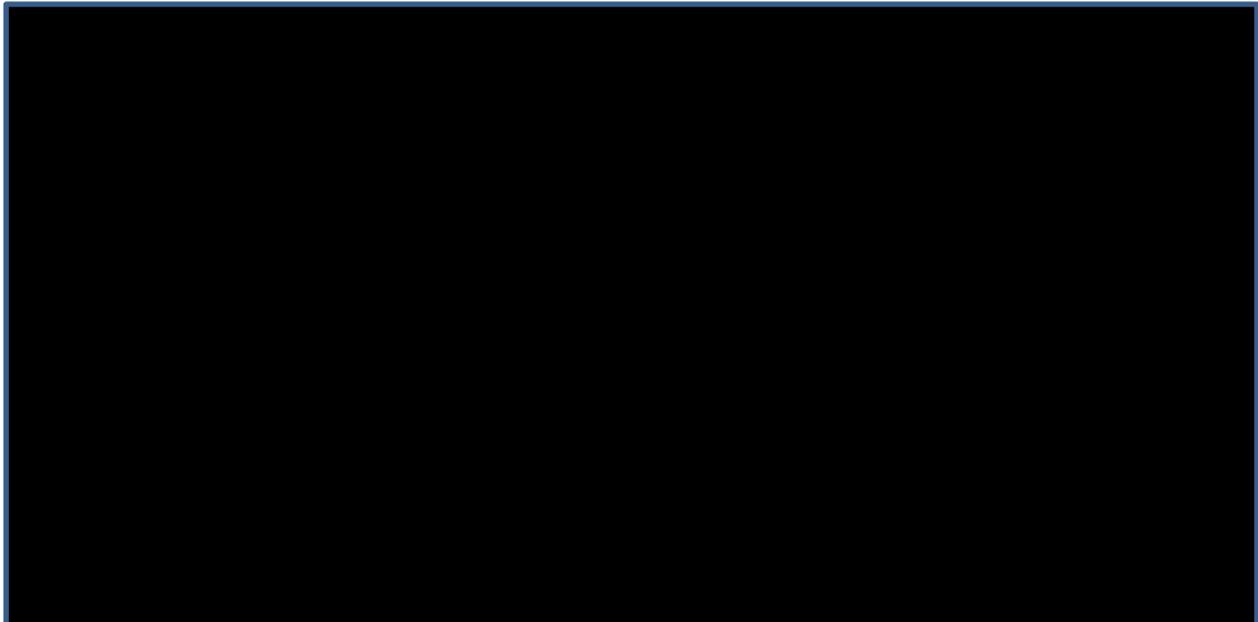
The applicant contends that this external benchmark remains the most suitable methodology for HRC cost replacement under subsection 269TAC(2)(c).

Confidential Chart 2 details domestic HRC steel prices for Korea and Taiwan from October 2016 to June 2019 (Source: [REDACTED]). This includes an average of the two country's prices.

For Korea, the chart shows that domestic HRC steel prices have trended upwards post the ADC 457 investigation period. For Taiwan, domestic HRC steel prices have also trended upwards, but to a greater extent than Korea's, subsequent to the same investigation period.

On an AUD per metric tonne basis, a comparison between the inquiry period in ADC 457 to the proposed inquiry period in this application yields the following HRC price increase differentials:

- Korea from AU\$ [REDACTED] (Oct. 16 – Sept. 17) to AU\$ [REDACTED] (FY2019); an increase of [REDACTED]%; and
- Taiwan from AU\$ [REDACTED] (Oct. 16 – Sept. 17) to AU\$ [REDACTED] (FY2019); an increase of [REDACTED]%.



Confidential Chart 2 – Movement in domestic HRC steel prices for Korea, Taiwan, and combined (Source: [REDACTED]).

The relevant consideration is that domestic selling prices for HRC have increased materially in the twelve-months ending 30 June 2019 to the previous investigation period of Investigation No. 457.

³ Ibid.

Ascertained Normal Values – India / Malaysia / Vietnam

The domestic home-market selling prices for zinc coated (galvanized) steel for India, Malaysia and Vietnam have increased following the application of anti-dumping and countervailing measures in REP 370.

Indian galvanized steel prices, over the period July 2015 to June 2019 are shown at Confidential Chart 3 (Source: [REDACTED]). A comparison between the investigation period in ADC 370 to the proposed inquiry period in this application yields the following home-market galvanized steel price differential:

- From AU\$ [REDACTED] per metric tonne (FY2016) to AU\$ [REDACTED] (FY2019); an increase of [REDACTED]%:



Confidential Chart 3 – Movement in Indian domestic galvanized steel price (Source: [REDACTED]).

The above chart confirms a [REDACTED] per cent increase in the domestic price for galvanised steel in India to 30 June 2019.

Data for Malaysian galvanized steel prices is not available from [REDACTED], however BlueScope understands that [confidential market intelligence] between the proposed review period of fiscal year 2019, compared to the REP370 investigation period of fiscal year 2016.

Sequentially, following REP370, regionally traded iron ore, HRC and Cold-Rolled Coil (“CRC”) prices [confidential market intelligence]:



Confidential Charts 4 & 5 – Movement in Asian raw material and steel prices – Malaysian Ringit (Source: [REDACTED]⁴).

Throughout FY2017 and fiscal year 2018, the Malaysian steel industry enjoyed revenue growth for steel making raw materials, HRC, and CRC.⁵ Malaysian imports of CRC from China, Korea and Vietnam are also subject to anti-dumping duties, the quantum of which was recently revised at the completion of an Administrative Review by the Malaysian Ministry of International Trade and Industry.⁶

The price trend for Malaysian imports of galvanized steel also supports BlueScope's contention that normal values for the Malaysian subject merchandise have increased. Imports from China, South Korea, Taiwan, and Japan have comprised [REDACTED]% of total imports in Malaysia, as represented below, since FY2016:

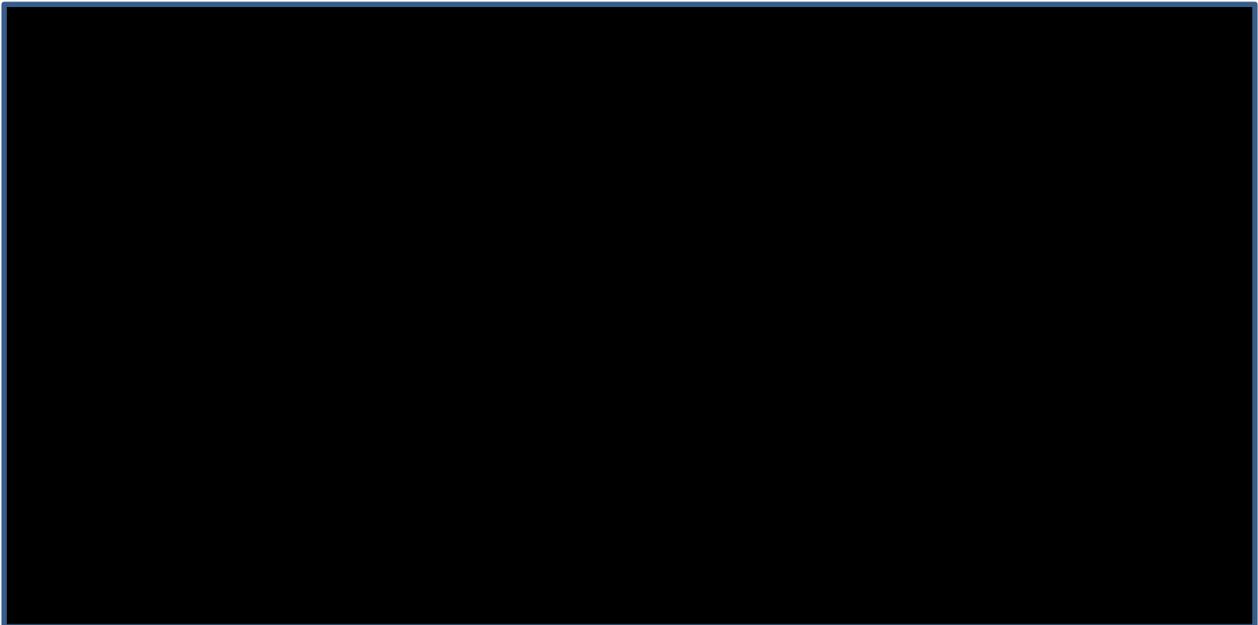
4 [REDACTED]
5 [REDACTED]

⁶ Steel Guru, 'Malaysia revises anti-dumping duties on CR imports from China, South Korea and Vietnam. 9 May 2019.



Confidential Chart 6 – Malaysian galvanized steel import composition; FY2016-FY2019 (Source: [redacted]).

Import prices from these sources post the FY2016 original investigation period have increased, as depicted below. BlueScope asserts that an increase in traded import prices for galvanized steel is indicative of an overall increase in Malaysian market pricing for galvanized steel.



Confidential Chart 7 – Malaysian galvanized steel import prices; FY2016-FY2019 (Source: [redacted]).

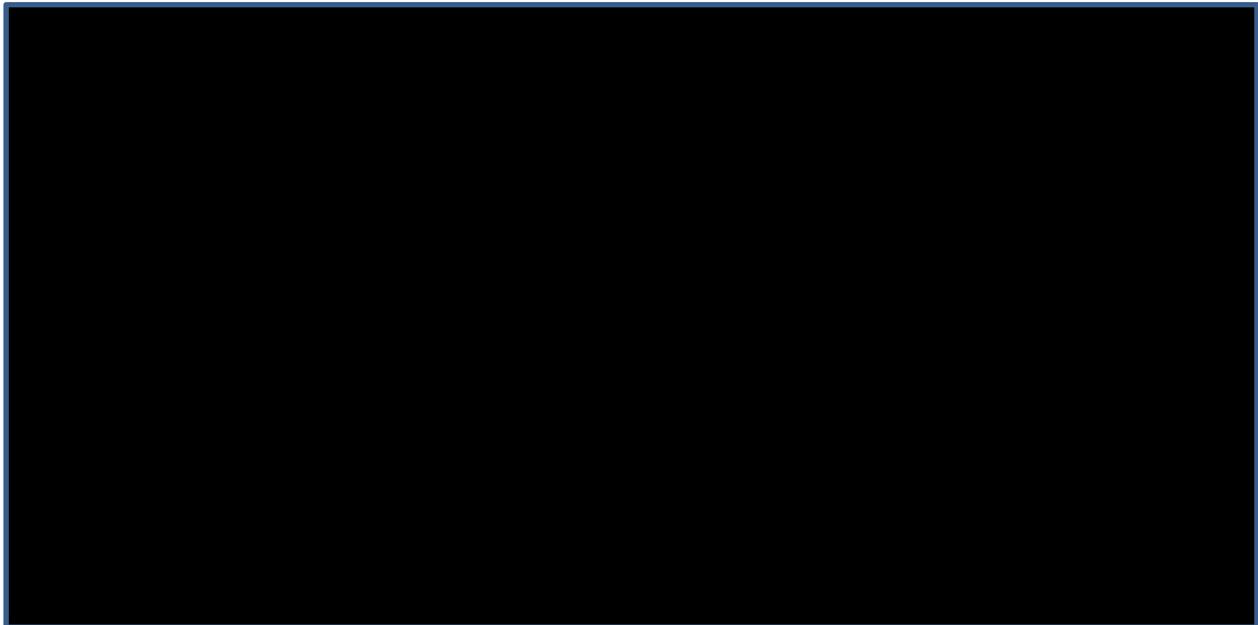
The ongoing improvement in HRC and CRC prices during the proposed review investigation period of FY2019, coupled with an improvement in traded import prices, has [confidential market intelligence]⁷, including for manufacturers of the subject goods.

7 [redacted]

Vietnamese galvanized steel price data is also not readily published and available from reputable index-price providers, or published in steel industry newsletters. BlueScope contends however that the price of zinc coated (galvanized) steel in the Vietnamese market has moved in line with regionally traded HRC prices. This is [confidential market intelligence].

Vietnam galvanized steel producers import a significant portion of their HRC feed requirements. China is the key feed-stock supplier to these producers, covering █% - █% of total HRC imports.⁸ Vietnamese [confidential market intelligence].⁹

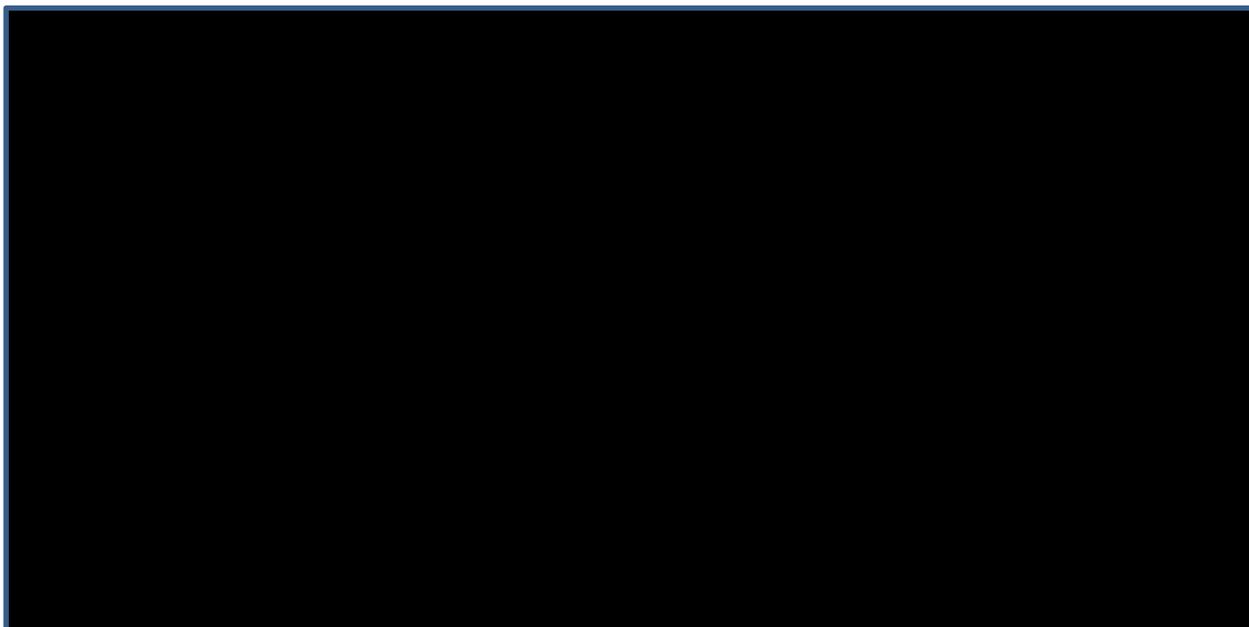
BlueScope submits that the price of HRC feed inputs determines the Vietnamese normal value trend for the subject goods. The price of this feed material to Vietnamese galvanized steel producers (per the relevant East Asian index) has increased since the original REP370 investigation period of FY2016:



Confidential Chart 8 – South East Asian HRC Price Index; FY2016-FY2019 (Source: █).

The primary driver for the change in the above-noted galvanized steel and HRC prices is the change in the traded prices for the main raw materials used in steel making (i.e. iron ore and coking coal). Confidential Chart 9 depicts a strong correlation between the movement in iron ore and coking coal prices, and the above-noted movements in galvanized steel and HRC/CRC domestic prices.

8 █
9 █



Confidential Chart 9 – [REDACTED] Iron Ore and Hard Coking Coal Price Index; FY2016-FY2019.

Outlook for Raw Materials and Steel Prices

BlueScope contends that the current level of galvanized steel pricing is sustainable based on continued strong demand for steel in China, driving a continued demand for steel making raw materials (including HRC and CRC) and downstream steel products. This is supported by [confidential market intelligence].¹⁰

Ascertained Export Price

Like domestic normal values, steel export prices are also impacted by raw material costs. Increases in steel prices, as influenced by raw materials, have also resulted in export price increases for the subject goods from China, Korea, Taiwan, India, and Vietnam. The Malaysian export price has experienced a marginal decline, based on lower traded export volumes to Australia (see further below).

China / Korea / Taiwan

Export prices for the subject goods for China, Korea and Taiwan have increased following the changes made to the variable factors per Investigation No. 457. Beginning quarter two of fiscal year 2017 (and therefore including the variable factors review investigation period), import prices have trended as follows:

¹⁰ Ibid, p. [REDACTED].



Confidential Chart 10 – China, Korea and Taiwan galvanized steel FOB Australian import prices (Source: [redacted]).

BlueScope notes however that export prices for the subject goods have not increased to the same extent as home-market HRC prices or the the prevailing normal values for the subject goods. This is particularly evident in the case of [redacted] as shown in Confidential Chart 11:



Confidential Chart 11 – [Confidential import price v's HRC home-market price] (Source: [redacted]).

The above graph highlights that [confidential market intelligence].

India / Malaysia / Vietnam

FOB galvanized steel export prices from India and Malaysia have trended as follows, post Investigation No. 370:

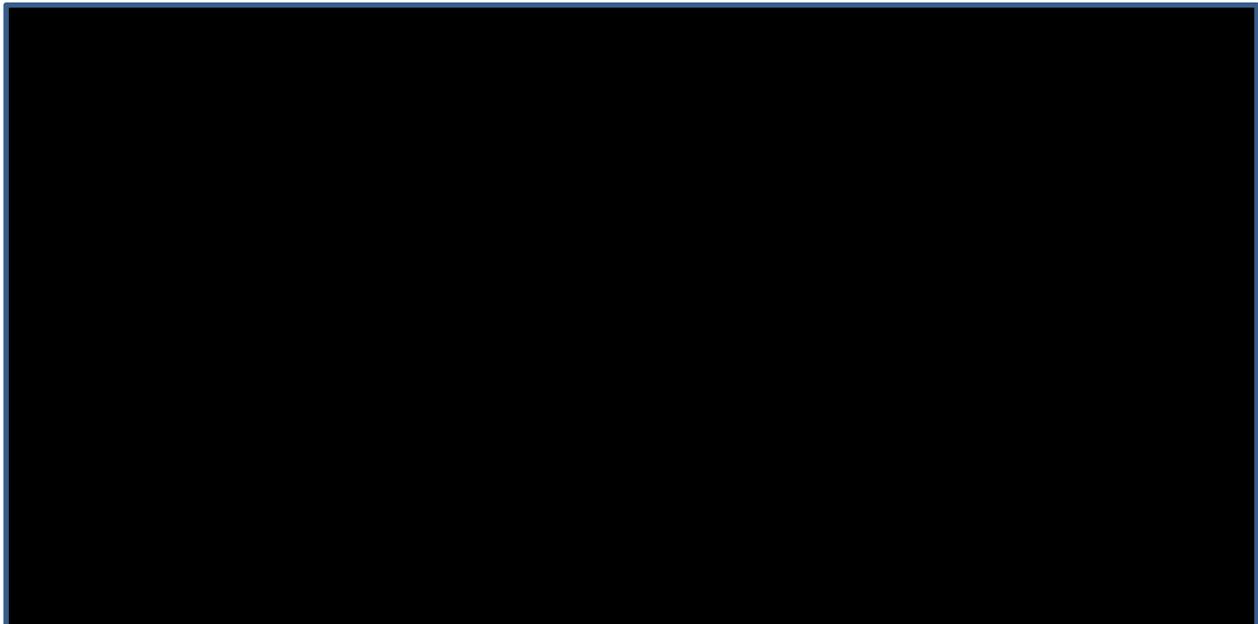


Confidential Chart 12 – India and Malaysia galvanized steel FOB Australian import prices (Source: [redacted]).

In the case of Vietnam, [redacted] does not publish FOB export data for the subject goods. BlueScope would [confidential import data assessment practices].

Whilst BlueScope does not have FOB galvanized steel price visibility, it concludes as reasonable that the Vietnamese traded export price for the subject goods will have trended upwards consistent with [confidential market intelligence].

Indian and Malaysian export prices for the subject goods have also not increased to the same extent as home-market HRC prices. For [redacted], the dollar/tonne margin over HRC has [redacted] from AU\$ [redacted] (FY2016) to AU\$ [redacted] (FY2019) (Chart 13 below illustrates). The relative price appreciation between [redacted] HRC and the subject goods FOB export price post Investigation No. 370 and over the comparison period, has therefore resulted in a [redacted]% compression in margin over HRC.



Confidential Chart 13 – [Confidential import price v's HRC home-market price] (Source: [redacted]).

Subsidies - China

BlueScope notes the recent findings in Review Inquiry No. 419 involving hollow structural sections (“HSS”) exported from China. The Commission examined 45 subsidy programs as part of the inquiry (of which 28 programs were examined in the original Investigation No. 177), as well as 17 additional subsidy programs identified during Continuation Inquiry No. 379.

In the original zinc coated (galvanized) steel investigation (No. 193) the Commission investigated 29 programs (of which 27 programs were investigated in Investigation No. 177) and identified a further seven programs that emerged in the initial stages of the inquiry. In Continuation Inquiry No. 449, the Commission investigated 36 subsidy programs, and concluded that all but two of these were countervailable.

The Commission determined in the above-noted Review Inquiry No. 419 that all 45 programs were countervailable (36 programs of which were also confirmed as countervailable in the earlier galvanized steel Continuation Inquiry No. 449). BlueScope considers that the subsidy programs identified in Review Inquiry No. 419 (i.e., 45 programs) continue to exist and provide benefits to exporters of the subject goods in China.

BlueScope submits that the GOC has not altered support for its domestic steel producers, and that it continues to offer a broad range of subsidies to the industry. There has been no evidence available to the Commission (as concluded recently in Investigation No. 419) that Chinese steel manufacturers no longer receive countervailable benefits.

BlueScope therefore contends that Chinese producers of zinc coated (galvanized) steel continue to receive countervailable benefits, and that these should be re-assessed.

Subsidies – India

The Commission found in Final Report No. 370 that countervailable subsidies were received in respect of galvanized steel exported to Australia from India during FY2016. The Commission investigated 59 programs, of which 11 were found to be countervailable to Indian galvanized steel producers.

BlueScope submits that the Government of India has not altered support for its domestic steel producers, that it continues to offer a broad range of subsidies to the industry, and that these should be re-assessed as part of this proposed variable factors review.

Summary

To ensure that remedies are effective in preventing material injury to the Australian zinc coated (galvanized) steel industry, BlueScope requests that the Commission undertake a review of measures based on a contemporary investigation period and apply contemporary variable factors to subject exporters in China, Korea, Taiwan, India, Malaysia and Vietnam.

For the proposed fiscal year 2019 investigation period, there has been an increase in normal value steel prices for the countries currently subject to the measures, as compared to the earlier periods where the measures were either originally imposed (in the case of India, Malaysia and Vietnam) or where they were reviewed and continued (in the case of China, Korea and Taiwan). This includes an increase in HRC and CRC steel prices, caused by an increase in steelmaking raw material prices.

BlueScope further contends that country-specific export prices have not increased by as much as their respective home-market normal values, and is hence considered likely that certain exporters have commenced dumping. BlueScope requests a review of the *Dumping Duty Notices* as they apply to all exporters of the subject goods exported to Australia from China, Korea, Taiwan, India, Malaysia, and Vietnam.

BlueScope also requests that the Commission review the continued provision of countervailable subsidies by the Government of China and Government of India to zinc coated (galvanized) steel producers within those markets.