

10th November 2020

PUBLIC RECORD

Dear Ms Tsang,
by email.

**Re: Dumping Case 558 – Aluminium Zinc Coated Steel
Exported from Korea, Taiwan, and Vietnam**

The Australian Steel Association (ASA) would like to bring to the attention of the Anti-Dumping Commission (ADC) a number of points of concern arising from submissions and responses placed on the Public Record up to the date of this letter.

Extended Timeline

The ASA is concerned that the ADC continues to be under resourced, with the current Extension of Time to issue SEF now delayed until March 2021. This delay impacts both the Australian applicant and importers.

The Applicant may continue to be exposed to dumped imports, and importers will continue to face supply chain uncertainty whether or not there is any alleged dumping. This chilling effect has an impact on both competition and the supply of goods that must continue to be imported.

As the goods are subject to an ongoing dumping investigation, any importer is taking a risk in ordering goods and therefore must carefully consider the risk v production requirements.

Goods not made in Australia

Further the ASA is concerned that there is insufficient precision regarding the goods under consideration in this investigation and, consequently, these goods will be the subject of any resulting duties.

In our view, the ADC should not accept applications unless there is a precise description of the goods covered by the application. The Australian industry should be shown to produce the goods it complains about. Further, once an investigation has been initiated the goods description must be interpreted precisely and only those goods must be investigated. For injury purposes it is then the like goods to the investigated goods that are relevant.

In this respect, it should be remembered that the investigation of dumping is about the goods under consideration. The injury investigation is about the like goods produced by the Australian industry . There is no reason for the definition of the goods under consideration to be anything other than what is (a) produced by the Australian industry and (b) stated in the initiation.

A detailed and precise goods description will assist the ADC to focus correctly on:

- which goods are under investigation;
- the Australian industry that has suffered loss;
- what is the connection between the allegedly dumped goods and the goods produced in Australia, in other words the market definition.

A needlessly wide goods description results in a situation where the Australian industry is producing some of the goods under consideration, some of the imported goods may be causing injury, but some may not and the market being reviewed is wider than the market in which the Australian made goods are sold.

It is our understanding that the following kinds of goods are not “aluminum-zinc” alloy coated steel as per the “subject goods”, instead they are very differently coated steels. They are not produced in Australia, nor are any equivalent grades, and as such are applied in different range of applications, and, imported in extremely small volumes:

- PosMAC® (Posco),
- Magnelis® (Arcelormittal),
- Magi Zinc® (Tata Corus),
- SuperDyma® (Nippon), and
- ZAM® (Nishan).

Fair Comparison of Goods

There are significant differences between locally produced goods and those we have mentioned above:

- Physical likeness – notwithstanding the lack of manufacturing capability in Australia, the products above can also be produced in a wider dimensional range (thickness and width) than any BlueScope equivalent. This allows for alternative uses for manufacturers. Products can also be categorized differently according to AS1397: 2011.
- Commercial likeness – there are markedly distinct differences in the materials in question. These products have a range of alternative uses such as air-conditioning ducting, composite decking, composite walling, and purlins and girts. The BlueScope product is predominantly sold into roofing and walling applications, and is often not recommended (or warranted) in applications such as those competing goods outlined above.
- Functional likeness – the locally produced goods are not used interchangeably in the same applications as the mentioned products, and therefore do not compete directly for sales to the same customers. There exists no commercial likeness across the broad product definition.
- Production likeness – obviously the production process is similar, but the raw material inputs are not the same. The Australian industry may think everything is “aluminum zinc” alloy coated steel, but that is a colloquial opinion. It is not literally or technically correct. Significant

differences exist in base steel thickness, coating composition, and compliance with standards. The industry goes to great trouble to specify products precisely.

Non-subject goods caught up

The ASA understands that the ADC cannot set different rates of duty for different models of goods.

Where a goods description is interpreted as if it is generic, or is too wide to start with, then what can happen is that measures are imposed against goods that are not only wrongly included in the first place but are also not dumped and not injurious.

The late amendment of the GUC in this case 558, to include goods of thickness >2mm, is a case in point.

Earlier industry involvement

We understand that the ADC is considering seeking industry input on goods descriptions prior to accepting an application for dumping duties.

The ASA contests that the ADC should consider publishing an issues paper on the scope of the goods under consideration in each dumping investigation, prior to initiation.

This approach would allow the scope of the investigation to be identified at an early stage. It is only with a proper understanding of the goods under consideration that importers and exporters would then complete exporter/importer questionnaires.

Please contact the undersigned if you have any questions regarding this submission.

Regards

David Buchanan

David Buchanan

CEO Australian Steel Association