



Investigation No. 558

Aluminum zinc coated steel of a width equal to or greater than 600 millimeters

Exported to Australia from the Republic of Korea, Taiwan and the Socialist Republic of Vietnam

File Note

Goods under consideration

1 Background

The Anti-Dumping Commission (Commission) is currently investigating the alleged dumping of aluminium zinc coated steel of a width equal to or greater than 600 millimeters (the goods) exported to Australia from the Republic of Korea, Taiwan and the Socialist Republic of Vietnam (Vietnam), and the alleged subsidisation of the goods from Vietnam.¹

The investigation followed an application lodged by BlueScope Steel Limited (BlueScope).

BlueScope, the applicant, provided a description of the goods that are the subject of the application. After reviewing the application and associated data, the Commission initiated an investigation into the alleged dumping (and subsidisation in relation to exports from Vietnam) on 30 June 2020. The goods description as presented in BlueScope's application and as published upon initiation in Anti-Dumping Notice (ADN) No. 2020/067 is presented below in section 1.1. The Commission's proposed model control code (MCC) structure was also presented in Appendix A of the ADN No. 2020/067.

1.1 Goods description in the Initiation Notice

The initiating notice (ADN No. 2020/067) described the goods as:

Flat rolled iron and steel products (whether or not containing alloys), of a width equal to or greater than 600 millimeters ("mm"), plated or coated with aluminium-zinc alloys, not painted, and whether or not including resin coating.

¹ The Commission initiated this investigation on 30 June 2020. Document no. 3 on the public record refers.



Trade or further generic names often used to describe the subject goods include:

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

The imported goods the subject of this application covers aluminium zinc coated steel whether or not including any combination of surface treatment. For example, whether passivated (often referred to as chromated), 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.

Excluded from the goods description of this application is un-passivated (often referred to as unchromated) aluminium zinc coated steel.

The amount of aluminium zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m^2), with the prefix being AZ (Aluminium Zinc). Common coating masses used are: AZ200, AZ150, AZ100, and AZ70.

There are several relevant International Standards for aluminium zinc coated steel, covering the full range of products via specific grade designations, and including the recommended or guaranteed properties of each of those product grades.

These relevant standards are noted in the table below.

International Standards	Product Grades
<i>General and Commercial Grades</i>	
AS/NZS 1397	G1, G2
ASTM A792	CS, type A, B and C
EN 10346	DX51D, DX52D
JIS 3321	SGLCC
<i>Forming, Pressing & Drawing Grades</i>	
AS/NZS 1397	G3
ASTM A792	FS, DS
EN 10346	DX53D, DX53D
JIS 3321	SGLCD, SGLCDD



<i>Structural Grades</i>	
AS/NZS 1397	G250, G300, G350, G450, G550
ASTM A792	33 (230), 37(255), 40 (275), 50 (340), 55 (380), 80 (550)
EN 10346	S220GD, S250GD, S280GD, S320GD, S350GD, S550GD
JIS 3321	SGLC400, SGLC440, SGLC490, SGLC570

Tariff Classifications of the imported goods

The goods are generally, but not exclusively, classified to the following tariff classifications in Schedule 3 to the Customs Tariff Act 1995:

- 7210.61.00 (statistical code 60, 61 and 62);
- 7225.99.00 (statistical code 39).

These tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods described above. Please refer to the description of the goods for authoritative detail regarding goods the subject of this investigation.

2 Queries and / or submissions received

2.1 Unchromated

After initiation and prior to receiving responses to the exporter questionnaire, the Commission received queries from exporters as to whether unchromated aluminium zinc coated steel are the goods.

Commission's assessment

Based on the Commission's interpretation of the goods description in ADN No. 2020/067, and an assessment of the available information, the Commission considers that aluminium zinc coated steel which is unchromated is not subject to the current investigation (i.e. is not the goods). Accordingly, the Commission will exclude sales of unchromated aluminium steel coated steel exported to Australia from the relevant exporter's sales listings.

2.2 Composition of coating elements

POSCO claims that its product exported to Australia, PosMAC, is not the goods because:²

² EPR 558 document no. 14 and 24.



'PosMAC is plated or coated with zinc, magnesium and aluminium alloys. To say that it is plated or coated with 'aluminium-zinc' alloys is incorrect. The particularisation of 'aluminium-zinc alloys' means that a product plated or coated with 'zinc-magnesium-aluminium alloys' is not included.

... BlueScope's aluminium-zinc alloy 'galvalume' product has a coating comprised of 55% aluminium and 45% zinc and no magnesium. In contrast, PosMAC has a coating comprised of a massive 94.5% zinc, 3.0% magnesium and only 2.5% aluminium.'

POSCO also contends the following to support that PosMAC to be not the goods:

- PosMAC is a product with 'ZM' coating, not an 'AZ' coating as described in the goods description of ADN 2020/067;
- that where the imported goods do not meet the specification of the Australian Standard 1397 (AS 1397) for aluminium/zinc/magnesium alloy coating,³ due to the percentage of aluminium being outside the stated requirement in AS 1397, this renders the product to be not aluminium zinc coated steel as per the goods description in ADN 2020/067;
- that PosMAC complies with the Korean Standard D3030 which is a standard not referred to in ADN 2020/067, and thus outside the goods description;
- that *'there is confusion in the BlueScope letter about the difference between "the goods" and "like goods"... the goods that are complained-of have to be described somewhere. That task is handled by the Section 269TC(4) notice, which is required to particularise the goods. PosMAC is not particularised in the notice and any continuing inclusion of PosMAC in this investigation by the Commission exceeds the Commission's legal mandate'*;
- that Australian produced goods are not substitutable for PosMAC as *'PosMAC can be used as structural beams in construction applications. This is because it is a tougher and thicker rolled steel. BlueScope's thinner rolled steel is predominantly used for walling, and cannot be used for structural purposes'*; and
- while the tariff classification are for reference, that *'PosMAC's tariff classification, pursuant to which it is exported, imported and used worldwide, is 7210.49.00'*. POSCO claims because PosMAC is a ternary alloy coated steel, the word 'otherwise' in the tariff classification under 7210.49.00 means that this tariff classification is more appropriate than 7210.61.00 or 7225.99.00.

BlueScope has provided submissions which contend that the goods exported by POSCO to Australia, PosMAC, is within the scope of the goods as defined in the goods description.⁴ In particular, BlueScope contends that the goods description for Investigation no. 558 includes all steel coating that contains any combination of aluminium, zinc and magnesium because:⁵

³ AS 1397 specifies that aluminium/zinc/magnesium alloy coating (ZM) to be 'A hot-dip coating of zinc with 5% to 13% aluminium, 2% to 4% magnesium and incorporating less than 1% of minor additions of control elements.'

⁴ EPR 558 document no. 22 and 27.

⁵ EPR 558 document no. 27.



'BlueScope defines an alloy (in metallurgical terms) as "a metallic material consisting of a mixture of two or more metals or of metallic elements with non-metallic elements." It has been, therefore, BlueScope's clear intention, and expectation, that all variants of aluminium zinc alloy coated steel are classified as the subject goods...'

To support its claims that alloy means two or more metallic elements, BlueScope included definitions of 'alloy' from the Encyclopaedia Britannica, Oxford English Dictionary and Platts.

BlueScope stated that it does manufacture aluminium zinc alloy coated steel which has magnesium.⁶ In particular its ZINCALUME® has magnesium in the aluminium zinc alloy coating (being 55% Aluminium, 1.5% silicon, 2%-4% magnesium, with the remainder being zinc).

BlueScope also contends the following regarding the goods description:

*'This listing of examples is non-exhaustive in nature and includes aluminium zinc magnesium alloy. It should be noted that references to brand names, standards, etc are not intended to be binding, nor is it a fully inclusive listing.'*⁷

BlueScope also contends the following:⁸

- KS D3030 which PosMAC conforms to, 'mirror' the AS1397-2011 standard for the range of steel base mechanical properties offered and the range of coating mass availability;
- 'whilst PosMAC does not meet the requirements of AS1397 or JIS G3323, the issue to be considered is whether the local industry manufactures a like good to the imported good, including whether the goods are sold into the same end-use applications';
- that PosMAC and BlueScope's ZINCALUME® steel are supplied in similar structural steel grades and in a similar range of coating masses which can be used interchangeably in the same applications; and
- that POSCO declares PosMAC as a zinc coated product under tariff classification code 7210.4 (contrary to detail in its publications and to general industry practice), however, BlueScope claims that industry practice is that exporters/importers of aluminium zinc alloy coated steel (in all variants) should classify such products under tariff classification code 7210.6.

Commission's assessment

The Commission determines whether a product is subject to an investigation by considering the particulars of the imported goods as described in the application for measures.

While the Commission acknowledges 'alloys' can be a metal constituting two or more metallic elements (i.e. aluminium plus zinc and other metal elements can be

⁶ EPR 558 document no. 22 and 27.

⁷ EPR 558 document no. 27.

⁸ EPR 558 document no. 22 and 27.



presented in this alloy), this does not necessarily render PosMAC (a good with zinc, magnesium and aluminium in the metallic coating) to automatically fall within the scope of the goods description in ADN 2020/067.

In this case, the Commission is presently of the view that the standards listed in the goods description are exhaustive. Accordingly, because PosMAC, as presently constituted, does not comply with any of the standards listed, it follows that it is not the goods subject to the investigation.