



ANTI-DUMPING NOTICE NO. 2021/31

Public notice under section 269TC(4) of the *Customs Act 1901*

Quenched and tempered steel plate exported from the United States of America

Initiation of Investigation No. 578 into alleged dumping

*Customs Act 1901 – Part XVB*¹

I, Dr Bradley Armstrong PSM, the Commissioner of the Anti-Dumping Commission, have initiated an investigation following an application lodged by Bisalloy Steels Pty Ltd (Bisalloy), a manufacturer of quenched and tempered (Q&T) steel plate (the goods) in Australia. The application seeks the publication of a dumping duty notice in respect of Q&T steel plate exported to Australia from the United States of America (USA).

The application alleges that the goods have been exported to Australia at prices less than their normal value and that the dumping has caused material injury to the Australian industry producing like goods through:

- price undercutting;
- price suppression;
- reduced profits and profitability; and
- reduced sales volume and/or market share.

The application also alleges that dumping threatens to cause material injury to the Australian industry through further increases in export volumes of the goods from the USA.

The non-confidential version of the application, which contains the basis of the alleged dumping and injury, is available on the public record.

Particulars of the reasons for the decision to initiate this investigation are in *Anti-Dumping Commission Consideration Report No. 578*, which is available on the public record.

The date of initiation of this investigation is the date of publication of this notice.

The Goods

The goods the subject of the application (the goods) are:

¹ Unless stated otherwise, all legislative references in this notice are to the *Customs Act 1901*.

Flat rolled products of alloyed steel plate commonly referred to as Quenched and Tempered (“Q&T”) steel plate (although some Q&T grades may not be tempered), not in coils, not further worked than hot rolled, of widths from 600 mm up to and including 3,200 mm, thickness between 4.5 – 110 mm (inclusive), and length up to and including 14 metres, presented in any surface condition including but not limited to mill finished, shot blasted, primed (painted) or unprimed (unpainted), lacquered, also presented in any edge condition including but not limited to mill edge, sheared or profiled cut (i.e. by Oxy, Plasma, Laser, etc.), with or without any other minor processing (e.g. drilling).

Goods of stainless steel, silicon-electrical steel and high-speed steel, are excluded from the goods covered.

Bisalloy stated that Q&T steel plate comprises the following typical mechanical properties:

- High Hardness/Abrasion resistant Q&T steel plate (more commonly referred to as ‘Wear’ Grade Q&T steel plate) of Brinell hardness (HBW – 10/3000) range 320-640 or equivalent Rockwell C hardness range 34 - 59 or equivalent Vickers hardness range 230 – 670;
- High Strength Q&T steel plate (commonly referred to as ‘Structural/High Tensile’ Grade Q&T steel plate) of 0.2% Proof Stress of 475 – 890 mega Pascals (MPa) (min); and
- High Hardness/Impact resistant Armour Grades (more commonly referred to as ‘Armour’ Grade Q&T steel plate) of hardness up to 640 Brinell (HBW – 10/3000).

Bisalloy stated that Q&T steel plate has chemical compositions up to:

- Carbon – maximum of 0.5%;
- Manganese – maximum of 2.5%;
- Silicon – maximum of 0.65%;
- Sulphur – maximum of 0.04%;
- Phosphorous – maximum of 0.04%;
- Nickel – maximum of 3.0%;
- Chromium – maximum of 3.0%;
- Molybdenum – maximum of 2.0%;
- Vanadium – maximum of 0.2%;
- Boron – maximum of 0.01%;
- Aluminium – maximum of 0.1%;
- Titanium – maximum of 0.1%;
- Copper – maximum of 0.5%;
- Niobium – maximum of 0.1%.

The percentage of the above individual alloying elements may vary in accordance with each manufacturer’s grade specifications and not all elements may be utilised in all Q&T steel plate grades. Additional other quantities of trace elements up to a maximum 0.1% each may also be utilised or found (as trace elements) in Q&T steel plate.

Bisalloy noted that there are some Australian Standards (AS) that are relevant to the goods, however these are not a requirement that the goods must comply with. The relevant standards are:

- AS 3597 – Structural and pressure vessel steel – Quenched and tempered plate;
- AS 4100 – Steel structures; and
- AS 1554.4 – Structural steel welding – welding of high strength Quenched and Tempered steels.

Tariff Classification

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

<u>Tariff Subheading</u>	<u>Statistical Code</u>	<u>Description</u>
7225		FLAT-ROLLED PRODUCTS OF OTHER ALLOY STEEL, OF A WIDTH OF 600 mm OR MORE:
7225.1		- Of silicon-electrical steel:
7225.40.00		- <i>Other, not further worked than hot-rolled, not in coils, high alloy:</i>
	21	.Quenched and tempered
	22	.Other
		- <i>Other, not further worked than hot-rolled, not in coils, other:</i>
	23	.Quenched and tempered
	24	.Other
7225.9		- Other:
7225.99.00	39	-- Other

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 goods description for authoritative detail regarding goods, the subject of this investigation.

Investigation Process

The investigation period is 1 January 2020 to 31 December 2020. I will examine exports to Australia of the goods during this period to determine whether dumping has occurred. I will examine details of the Australian market from 1 January 2017 for the purposes of injury analysis.

Where the Minister for Industry, Science and Technology (the Minister) is satisfied, as to goods of any kind, that:

- (a) the amount of the export price of the goods that have already been exported to Australia is less than the normal value of those goods, and the amount of the export price of like goods that may be exported to Australia in the future may be less than the normal value of the goods; and
- (b) because of that, material injury to an Australian industry producing like goods has been or is being caused or is threatened, or the establishment of an Australian industry producing like goods has been or may be materially hindered;

the Minister may, by public notice, impose interim dumping duties.²

Where there are grounds for the Minister to publish a dumping duty notice in respect of the goods, I will examine whether the trade in the dumped goods give rise to retrospective notices being published pursuant to section 269TN, and make recommendations to the Minister accordingly.³

² In accordance with section 269TG.

³ In accordance with sections 269TG(1) and TJ(1).

Proposed model control code structure

The Anti-Dumping Commission (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.⁴

The table below outlines the Commission's proposed MCC structure for this investigation.

Item	Category	Sub-category	Identifier	Sales Data	Cost data
1	Grade	Structural	S	Mandatory	Mandatory
		Wear	W		
		Armour	A		
2	Tensile Strength (this category is only required for "structural" grade Q+T steel plate)	< 700 MPa	A	Mandatory	Mandatory
		700 - 799 MPa	B		
		800 - 899 MPa	C		
		900 - 999 MPa	D		
		> 1000 MPa	E		
3	Brinell Hardness (this category is only required for "wear" or "armour" grade Q+T steel plate)	< 275	A	Mandatory	Mandatory
		275 - 324	B		
		325 - 374	C		
		375 - 424	D		
		425 - 474	E		
		475 - 524	F		
		525 - 575	G		
		> 575	H		
4	Thickness	4.5 mm - < 8 mm	1	Optional	Optional
		8 mm - 50 mm	2		
		> 50 mm to 110 mm	3		
5	Width	600 mm - < 2000 mm	A	Optional	Optional
		2000 mm - 3000 mm	B		
		>3000 - 3200 mm	C		
6	Length	Under 6.5 m	1	Optional	Optional
		6.5 - 8.49 m	2		
		8.5 - 10.5 m	3		
		>10.5 m - 14 m	4		

Grade refers to Q&T steel plate manufactured for structural, wear or armour purposes.

Tensile strength refers to minimum tensile strengths.

Brinell Hardness refers to the indentation hardness of the steel plate.

Thickness refers to the minimum thickness.

Width refers to the width of the steel plate.

Length refers to the length of the steel plate.

⁴ Guidance on the Commission's approach to model matching is in the *Dumping and Subsidy Manual*, available at www.adcommission.gov.au.

As an example of how goods will be classified using this MCC structure, a structural grade Q&T steel plate with a tensile strength of 850 MPa, 40 mm thickness, 1900 mm in width and less than 6.5 metres long would have an MCC of “S-C-2-A-1”.

Proposals to modify the proposed MCC structure should be raised as soon as is practicable, but no later than **21 April 2021**.

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).

Public Record

I must maintain a public record of each investigation. Documents included in the public record are available at www.adcommission.gov.au.

The public record will contain, among other things, a copy of the application, *Anti-Dumping Commission Consideration Report No. 578* and copies of all non-confidential submissions from interested parties. Letters and electronic mail are generally regarded as submissions if they contain information relevant to the investigation.

Lodgement of Submissions

Interested parties, as defined by section 269T(1), are invited to lodge submissions concerning the publication of the dumping duty notice sought in the application, no later than the close of business on **21 April 2021**, addressed to:

The Director, Investigations Unit 1
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601
Australia

or by email to investigations1@adcommission.gov.au.

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

Interested parties should also note that I am directed to consider the matters set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* in certain circumstances.⁵ This is available at www.legislation.gov.au.

Interested parties may reply to matters raised by other parties during the course of the investigation and in response to the SEF.

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

⁵ Certain powers and functions under the *Customs (Extensions of Time and Non-cooperation) Direction 2015* have been delegated to the Commission’s General Managers (Anti-Dumping Notice No. 2017/10, available at www.adcommission.gov.au).

- (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").

Lodgement of Exporter Questionnaires

Exporters of the goods to Australia are invited to participate in this investigation by completing the exporter questionnaire and the associated spreadsheets by **21 April 2021**.

The exporter questionnaire and the associated spreadsheets are available under the case information for case number 578 (which can be found under 'current cases and their electronic public record' on the Commission website, www.adcommission.gov.au). Alternatively, exporters can email investigations1@adcommission.gov.au upon receipt of this letter and the Commission will forward the exporter questionnaire and spreadsheets for completion.

Provisional Measures

Pursuant to section 269TD, I will make a preliminary affirmative determination (PAD) provided I am satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice or there appears that there will be sufficient grounds for the publication of a dumping duty notice subsequent to the importation of the goods into Australia. This can occur no earlier than day 60 of an investigation.

In accordance with section 269TD, the Commonwealth may apply provisional measures, including the taking of securities under section 42, in respect of interim dumping duty that may become payable on the goods, where: a PAD has been made; and the Commissioner is satisfied that it is necessary to do so to prevent material injury to an Australian industry occurring while the investigation continues.

Where a PAD is not made 60 days after initiation of the investigation, the *Customs (Preliminary Affirmative Determinations) Direction 2015* (the PAD Direction) directs me to publish a status report providing reasons why a PAD was not made. The PAD Direction is available at www.legislation.gov.au.

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. In accordance with section 269TDAA, a SEF will be placed on the public record by **3 July 2021**⁶, or by such later date as allowed in accordance with section 269ZHI.⁷ The SEF will set out the essential facts on which I propose to base my recommendations to the Minister.

Interested parties are invited to lodge submissions in response to the SEF within 20 days of it being placed on the public record.

⁶ As this day is a Saturday, the SEF will be published on the next working day, 5 July 2021.

⁷ On 14 January 2017, certain powers and functions of the Minister under section 269ZHI were delegated to the Commissioner of the Anti-Dumping Commission. Refer to Anti-Dumping Notice No. 2017/10 for further information.

Submissions received in response to the SEF within 20 days of that statement being placed on the public record will be taken into account in completing the report and recommendation to the Minister.

Report to the Minister

A recommendation to the Minister will be made in a report on or before **17 August 2021** (or such later date as allowed under section 269ZHI), on the basis of the examination of exportations of the goods to Australia during the investigation period, unless I terminate the investigation.

The Minister must make a declaration within 30 days after receiving the report, or such longer period as the Minister considers appropriate.

Anti-Dumping Review Panel

Certain persons will have the right to seek review with the Anti-Dumping Review Panel in accordance with Division 9 of Part XVB in relation to a decision by me to terminate the investigation or a decision of the Minister to publish or not to publish a dumping duty notice after considering my report.

Interested Party List

Throughout the investigation, the Commission will maintain an internal list of interested parties. Updates on the investigation will be sent to parties on this list. If you would like to be added to the interested party list, please email investigations1@adcommission.gov.au.

Anti-Dumping Commission Contact

Enquiries about this notice may be directed to the case manager on telephone number 03 8539 2440, or investigations1@adcommission.gov.au.

Dr Bradley Armstrong PSM
Commissioner
Anti-Dumping Commission

15 March 2021