



ANTI-DUMPING NOTICE NO. 2022/002

Customs Act 1901 – Part XVB

Hot Rolled Coil Steel

Exported from Taiwan

Initiation of a Continuation Inquiry No. 594 into Anti-Dumping Measures

Notice under section 269ZHD(4) of the *Customs Act 1901*

I, Dr Bradley Armstrong PSM, the Commissioner of the Anti-Dumping Commission (Commissioner), have initiated an inquiry into whether the continuation of anti-dumping measures, in the form of a dumping duty notice, in respect of hot rolled coil steel (the goods) exported to Australia from Taiwan is justified.

The anti-dumping measures are due to expire on 20 December 2022 (specified expiry day).¹

The Anti-Dumping Commission (commission) has assisted me in initiating this continuation inquiry and will assist me in undertaking the continuation inquiry, pursuant to the commission's function specified in section 269SMD of the *Customs Act 1901* (Cth) (the Act).²

1. The goods

The goods subject to the anti-dumping measures and this inquiry are:

Hot rolled coil (including in sheet form), a flat rolled product of iron or non-alloy steel, not clad, plated or coated (other than oil coated).

Goods excluded from this application are hot rolled products that have patterns in relief (known as checker plate) and plate products.

¹ On and from 21 December 2022, if not continued, the anti-dumping measures would no longer apply.

² All legislative reference in this notice are to the *Customs Act 1901* (Cth), unless otherwise stated.

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995* (Cth):³

Tariff Subheading	Statistical Code	Description
7208		FLAT-ROLLED PRODUCTS OF IRON OR NON-ALLOY STEEL, OF A WIDTH OF 600 mm OR MORE, HOT-ROLLED, NOT CLAD, PLATED OR COATED:
7208.2		Other, in coils, not further worked than hot-rolled, pickled:
7208.25.00	32	Of a thickness of 4.75mm or more
7208.26.00	33	Of a thickness of 3mm or more but less than 4.75mm
7208.27.00	34	Of a thickness of less than 3mm
7208.3		Other, in coils, not further worked than hot-rolled:
7208.36.00	35	Of a thickness exceeding 10mm
7208.37.00	36	Of a thickness of 4.75mm or more but not exceeding 10mm
7208.38.00	37	Of a thickness of 3mm or more but less than 4.75mm
7208.39.00	38	Of a thickness of less than 3mm
7208.5		Other, not in coils, not further worked than hot-rolled:
7208.53.00	42	Of a thickness of 3mm or more but less than 4.75mm
7208.54.00	43	Of a thickness of less than 3mm
7208.9		Other
7208.90.00	30	Other
7211		FLAT-ROLLED PRODUCTS OF IRON OR NON-ALLOY STEEL, OF A WIDTH OF LESS THAN 600 mm, NOT CLAD, PLATED OR COATED:
7211.1		Not further worked than hot-rolled:
7211.14.00	40	Other, of a thickness of 4.75mm or more
7211.19.00	41	Other

Table 1: Tariff classification details

The goods subject to the anti-dumping measures do not include hot rolled sheet that is 4.75mm (3/16th of an inch) thick or more as it is considered to be plate.

2. Background to the anti-dumping measures

The anti-dumping measures were initially imposed by public notice on 20 December 2012 by the then Minister for Home Affairs following consideration of *International Trade Remedies Report No. 188* (REP 188).⁴ The original investigation and the imposition of the anti-dumping measures resulted from an application made under section 269TB of the Act by BlueScope Steel Limited (BlueScope) and BlueScope Steel (AIS) Pty Ltd representing the Australian industry producing like goods to the goods subject to the anti-dumping measures.

³ These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes are for reference only and do not form part of the goods description. Please refer to the goods description for detail regarding goods subject to the anti-dumping measures.

⁴ Refer to [ACDN 2012/166](#).

The commission has conducted several cases into the goods. A summary of these cases is set out below.

- Investigation 188 (the original investigation), finalised on 20 December 2021, imposed interim dumping duties on imports of hot rolled coil sheet (HRC) from Japan, the Republic of Korea, Malaysia and Taiwan.⁵
- Reinvestigation 209, finalised on 17 July 2013, amended the anti-dumping measures applying to imports of HRC from Japan.⁶
- Continuation inquiry 400, finalised on 16 December 2017, continued the measures applying to imports of HRC from Taiwan. The measures applying to imports of HRC from Japan, the Republic of Korea and Malaysia were allowed to expire.⁷
- Review 454, finalised on 18 September 2018, led to the variable factors applying to imports of HRC from Taiwan being varied.⁸
- Review 528, finalised on 16 September 2020, also led to the variable factors applying to imports of HRC from Taiwan being varied.⁹

In review 528, all exporters from Taiwan were found not to be dumping. Following the finalisation of the review, all exporters were subject to a floor price.

Further details on the goods and existing measures is available on the Dumping Commodity Register on the commission's website (www.adcommission.gov.au).

3. Application for continuation of the anti-dumping measures

Division 6A of Part XVB of the Act sets out, among other things, the procedures to be followed in dealing with an application for the continuation of anti-dumping measures.

In accordance with section 269ZHB(1), I published a notice on the commission's website on 5 October 2021.¹⁰ The notice invited the following persons to apply for the continuation of the anti-dumping measures:

- the person whose application under section 269TB resulted in the anti-dumping measures (section 269ZHB(1)(b)(i)) or
- persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the anti-dumping measures (section 269ZHB(1)(b)(ii)).

On 27 November 2021, an application for the continuation of the anti-dumping measures was received from BlueScope. A non-confidential version of the application is available on the commission's public record.¹¹

Having regard to the application, the original investigation and the public record for the original investigation, I am satisfied that BlueScope is the person under

⁵ Refer to Final Report [REP 188](#) and [ACDN 2012/66](#).

⁶ Refer to Final Report [REP 209](#) and [ADN 2013/49](#).

⁷ Refer to Final Report [REP 400](#) and [ADN No. 2017/166](#).

⁸ Refer to Final Report [REP 454](#) and [ADN No. 2018/126](#).

⁹ Refer to Final Report [REP 528](#) and [ADN No. 2020/092](#).

¹⁰ [Anti-Dumping Notice \(ADN\) No. 2021/129](#) refers.

¹¹ EPR 594, document 1.

section 269ZHB(1)(b)(i) because its application under section 269TB resulted in the existing anti-dumping measures.

4. Consideration of application under section 269ZHD(1)

Pursuant to section 269ZHD(1), I must reject an application for the continuation of anti-dumping measures if I am not satisfied of one or more of the matters referred to in section 269ZHD(2). These are:

- the application complies with section 269ZHC (section 269ZHD(2)(a)) and
- there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures to which the application relates might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent (section 269ZHD(2)(b)).

5. Assessment under section 269ZHD(2)(a) - compliance with section 269ZHC

I consider that the application complies with the requirements of section 269ZHC. The application:

- is in writing
- in a form approved by me for the purposes of this section
- contains the information that the form requires
- is signed in the manner indicated by the form and
- was lodged in a manner approved under section 269SMS, being by email to the commission's email address provided in the instrument under section 269SMS.¹²

6. Assessment under section 269ZHD(2)(b) – reasonable grounds

In its application BlueScope claims that:

- Exporters from Taiwan have maintained distribution links with the Australian market and this would enable them to recommence exporting larger quantities of the goods to Australia in the absence of measures.
- The imposition of a range of anti-dumping, countervailing, security, safeguard and anti-circumvention measures by other jurisdictions would influence the future export orientation of HRC destinations where measures did not apply.
- Producers in Taiwan maintain significant production capacity which, coupled with the significant excess global steel production capacity, indicates that these exporters will seek to offload excess production by exporting HRC to Australia at dumped and injurious levels.
- Following the variation of the measures of Review 528, the volume of imports from Taiwanese exporters has increased and dumping has recurred.
- There is a dumping margin of 29% for the period from September 2020 to August 2021 using import data from International Steel Statistics

¹² A copy of the instrument can be found on the commission's website at www.adcommission.gov.au.

Bureau for export prices and relevant cost of production data sourced from MEPS International Ltd and converted to AUD for the normal value.

- Australia is an important market for Taiwanese exporters, evidenced in how the major producers have maintained market share and distribution links in Australia following the imposition of measures in December 2012, and subsequent reviews and inquiries.
- If measures were allowed to expire, the Australian industry would suffer, with recurrence of, material injury.¹³

In assessing BlueScope's application, I have considered information provided in the application, import data from the Australian Border Force (ABF) import database and MEPS International Ltd steel prices relating to HRC manufactured in Taiwan. I have further considered the findings in Investigation 188, Continuation 400, Review 454 and Review 528 where referenced by BlueScope in its application.

I have examined importation trends based on data sourced from ABF import database. This analysis indicates that exporters from Taiwan have continued to export the goods to Australia since the imposition of the first anti-dumping measures in 2012, and that the volumes are consistently substantial. The commission's analysis of the ABF data is contained in **Confidential Appendix 1**.

I consider that this information demonstrates that there appear to be reasonable grounds for asserting that exporters from Taiwan have maintained distribution links into the Australian market and have the capacity to recommence exporting larger volumes to Australia.

I have calculated the estimated dumping margins for the period from 1 October 2020 to 30 September 2021 using estimated normal values based on data from MEPS International Ltd and export prices established from the ABF import database. Based on these estimated dumping margins contained in **Confidential Appendix 1**, I consider that there appear to be reasonable grounds for asserting that future exports from Taiwan are likely to be dumped.

The original investigation indicated that price is a major factor in customers' purchasing decision. Evidence provided in Continuation 400 found that price remained a key consideration as Australian produced goods and imported goods have similar end uses, meet similar specifications and standards, and compete directly with each other in the same market. It appears reasonable to me that, as the Australian industry has previously set prices with reference to import prices, the Australian industry remains susceptible to price injury from dumped imports.

Should the measures expire, it appears reasonable to assert that exporters from Taiwan would obtain a price advantage over the Australian industry due to dumping, incentivising them to increase volume and market share. Such a price advantage may result in reduced sales volumes and market share to the Australian industry, requiring BlueScope to reduce its prices or prevent BlueScope from increasing prices in order to compete with dumped imports. Volume and price injury would in turn likely be detrimental to other economic

¹³ EPR 594, document 1.

factors such as profits, profitability and revenue. Given the substitutable nature of the domestic like good, there appear to be reasonable grounds for asserting that any injury to the Australian industry will be material.

Having regard to the application, BlueScope's claims and other relevant information set out in this notice, I am satisfied that, in accordance with section 269ZHD(2)(b), there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.

I have therefore decided to not reject the application.

7. This continuation inquiry

For the purpose of this inquiry, I will examine the period from 1 January 2021 to 31 December 2021 (the inquiry period) to determine whether dumping has occurred and whether the variable factors relevant to the determination of duty have changed.

Following my inquiry, I will recommend to the Minister for Industry, Energy and Emissions Reduction (Minister) whether the dumping duty notice should:

- (i) remain unaltered or
- (ii) cease to apply to a particular exporter or to a particular kind of goods or
- (iii) have effect in relation to a particular exporter or to exporters generally, as if different variable factors had been ascertained or
- (iv) expire on the specified expiry day.

8. Proposed model control code structure

The 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.¹⁴

On 9 August 2018, the commission advised that a MCC structure would be implemented in new investigations, reviews of exporters generally or continuation inquiries for cases initiated after this date.¹⁵ In developing the MCC structure the commission will have regard to differences in physical characteristics that give rise to distinguishable and material differences in price. The commission has proposed the following MCC structure for this inquiry taking into account BlueScope's exporter visit briefing¹⁶ and the China Steel Corporation verification report¹⁷ in Review 454:

¹⁴ Guidance on the commission's approach to model matching is in the Dumping and Subsidy Manual, available at www.adcommission.gov.au.

¹⁵ Guidance regarding the commission's application of an MCC structure is provided in [ADN 2018/128](#).

¹⁶ [Document 10](#) on the [EPR for Review 454 refers](#).

¹⁷ [Document 14](#) on the [EPR for Review 454 refers](#).

Item	Category	Sub-category	Identifier	Sales data	Cost data
1	Quality	Prime	P	Mandatory	Not applicable
		Non-Prime	N		
2	Form	Coil	C	Mandatory	Mandatory
		Sheet	S		
3	Surface condition	As rolled	A	Mandatory	Mandatory
		Pickled (with or without oil)	PI		
4	Standard/Grade	HA1(S) / G250 / HA250 / SPHC / SS400 (AS1594 / JIS G3131 / JIS G3101)	1	Mandatory	Mandatory
		G300 / HA300 (AS1594)	2		
		G350 / HA350 / SS490 (AS1594 / JIS G3106)	3		
		HW350 / SMA490 / 'Corton' (AS1594 / JIS G3114)	4		
		Other	5		
5	Thickness (BMT)	<1.6mm	T1	Mandatory	Mandatory
		=>1.6mm to <2.0mm	T2		
		=>2.0mm to <4.75mm	T3		
6	Width	<=1000mm	W1	Mandatory	Mandatory
		>1000mm	W2		

Table 2: Model control codes

Proposals to modify the proposed MCC structure should be raised as soon as is practicable, but no later than **10 February 2022**.

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).

9. Public record

I must maintain a public record for this inquiry. The Electronic Public Record (EPR) on the commission's website (www.adcommission.gov.au) contains, among other things, a copy of all non-confidential submissions from interested parties. Documents published on the EPR can be provided upon request to interested parties.

10. Submissions

Interested parties, as defined in section 269T(1), are invited to lodge written submissions concerning the continuation of the measures, no later than the close of business on **10 February 2022**, being 37 days after publication of this notice. The commission's preference is to receive submissions by email to investigations4@adcommission.gov.au.

Submissions may also be addressed to:

The Director, Investigations 4
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Submissions may be faxed to +61 3 8539 2499.

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

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
- (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').

11. 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. I will place the SEF on the public record on or before **26 April 2022**¹⁸, that is, within 110 days after the publication of this notice, or by such later date as I may allow in accordance with section 269ZHI(3). The SEF will set out the essential facts on which I propose to base a recommendation to the Minister concerning the continuation of the anti-dumping measures.

Interested parties are invited to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record. Submissions received in response to the SEF within 20 days of the SEF being placed on the public record will be taken into account in completing my report and recommendation to the Minister.

¹⁸ Since day 110 falls on Sunday the SEF due date will be the next working day being Tuesday 26 April 2022 (noting that Monday 25 April is Anzac day).

12. Report to the Minister

I will make a recommendation to the Minister in a report on or before **8 June 2022**, that is, within 155 days after the date of publication of this notice, or such later date as I may allow in accordance with section 269ZHI(3).

The Minister must make a declaration within 30 days after receiving the report, or if the Minister considers there are special circumstances, such longer period, ending before the specified expiry day, as the Minister considers appropriate. If the Minister receives the report less than 30 days before the specified expiry day, the Minister must make the declaration before that day.

13. Contact

Enquiries about this notice may be directed to the Case Manager via email at investigations4@adcommission.gov.au.

Dr Bradley Armstrong PSM
Commissioner
Anti-Dumping Commission
4 January 2022