

# PUBLIC RECORD



**Australian Government**  
**Anti-Dumping Commission**

---

## **EXEMPTION INQUIRY EX0009**

**ZINC COATED (GALVANISED) STEEL  
EXPORTED TO AUSTRALIA FROM THE  
PEOPLE'S REPUBLIC OF CHINA, THE  
REPUBLIC OF KOREA AND TAIWAN**

**REPORT TO THE MINISTER**

**PRECISION COMPONENTS AUSTRALIA  
PTY LTD**

**OCTOBER 2013**

**PUBLIC RECORD**

Exemption Inquiry – Galvanised steel exported from China, Korea and Taiwan

# PUBLIC RECORD

## 1 TABLE OF CONTENTS

<b>1</b>	<b>TABLE OF CONTENTS</b> .....	<b>2</b>
<b>2</b>	<b>Summary and recommendations</b> .....	<b>3</b>
2.1	Recommendation .....	3
2.2	Application of law to facts .....	3
2.2.1	Authority to make decision .....	3
2.2.2	Application .....	3
2.2.3	Initiation of inquiry.....	3
2.3	Findings and conclusions .....	4
<b>3</b>	<b>Background</b> .....	<b>5</b>
3.1	Original investigation .....	5
3.2	Exemption inquiry .....	5
<b>4</b>	<b>The “goods subject to measures” and the “goods subject to the application for exemption”</b> .....	<b>6</b>
4.1	The goods subject to measures.....	6
4.2	Tariff classification .....	7
4.3	Goods subject to the application for exemption.....	7
4.3.1	Uses for the goods .....	7
<b>5</b>	<b>Galvanised steel subject to TCO</b> .....	<b>8</b>
5.1	Assessment .....	8
5.2	Conclusion.....	8
<b>6</b>	<b>ATTACHMENTS</b> .....	<b>9</b>

# PUBLIC RECORD

# PUBLIC RECORD

## 2 Summary and recommendations

This inquiry is in response to an application by Precision Components Australia Pty Ltd (Precision) requesting an exemption from dumping duty and countervailing duty (collectively, the **measures**) under sections 8 and 10 of the *Customs Tariff (Anti-Dumping) Act 1975*<sup>1</sup> (the Dumping Duty Act) in relation to the export of zinc coated (galvanised) steel from the People's Republic of China (China), the Republic of Korea (Korea) and Taiwan.

This report sets out the facts on which the Minister for Industry (the Minister) may rely on to exempt goods from measures.

### 2.1 Recommendation

The Anti-Dumping Commission (the Commission) has found that for the goods (refer to **section 4.3**) the subject of Precision's application, a Tariff Concession Order (TCO) under Part XVA of the *Customs Act 1901* (the Act) is in force. Accordingly, the Minister can be satisfied that the conditions of subsections 8(7)(b) and 10(8)(aa) of the Dumping Duty Act for granting an exemption are met.

The Commission recommends the Minister exempt from measures for galvanised steel, the goods to which TC 1309160 applies, and that the Minister signs the instrument at **Attachment 1**.

### 2.2 Application of law to facts

#### 2.2.1 Authority to make decision

Subsections 8(7) and 10(8) of the Dumping Duty Act set out, *inter alia*, the matters to be considered by the Minister in deciding whether to exempt goods from dumping duty and countervailing duty.

#### 2.2.2 Application

On 13 June 2013, Precision wrote to the Commission requesting an exemption from measures in relation to its imports of galvanised steel (**Confidential Attachment 1**). As the investigation into whether a dumping and/or countervailing duty notice should be published was still underway at that stage, the application was not accepted. Subsequent to the publication of the dumping duty and countervailing duty notices, the Commission accepted Precision's request for an exemption.

Precision has applied for an exemption under subsections 8(7)(b) and 10(8)(aa) of the Dumping Duty Act. That is:

“that a Tariff Concession Order under Part XVA of the *Customs Act 1901* in respect of the goods is in force”<sup>2</sup>

#### 2.2.3 Initiation of inquiry

After examining the application, the Commission was satisfied that:

---

<sup>1</sup> A reference to a division, section or subsection in this report is a reference to a provision of the *Customs Tariff (Anti-Dumping) Act 1975* unless otherwise specified.

<sup>2</sup> Subsections 8(7)(b) and 10(8)(aa) of the *Customs Tariff (Anti-Dumping) Act 1975*

## **PUBLIC RECORD**

- the claims put forward in the application warranted further inquiry;
- that an exemption inquiry should commence; and
- that a final report and recommendation to the Minister presenting evidence on which the Minister may rely to exercise his power to exempt goods from measures under sections 8 and 10 of the Dumping Duty Act be prepared.

### **2.3 Findings and conclusions**

The Commission has found that BlueScope Steel Limited (BlueScope), the sole Australian manufacturer, was granted a TCO for the type of galvanised steel subject to Precision's exemption application. The conditions for granting an exemption are therefore satisfied.

## 3 Background

### 3.1 Original investigation

In August 2013, the Commission completed an investigation into:

- the alleged dumping of galvanised steel exported to Australia from China, Korea and Taiwan, which commenced on 5 September 2012; and
- the alleged subsidisation of galvanised steel exported to Australia from China, which commenced on 26 November 2012.

The Commission reported its findings and recommendations to the Attorney-General. The Attorney-General accepted the Commission's recommendation that galvanised steel had been exported at dumped and subsidised prices and that dumping and subsidisation had caused material injury to the Australian industry. A dumping duty notice and countervailing duty notice in respect of the goods was published on 5 August 2013.

Anti-Dumping Notice (ADN) No. 2013/66 contains details of the measures, including a description of the goods subject to measures.

The reasons for the Attorney-General's decision in this case are contained in Reports 190 and 193 (REP 190 and REP 193).

### 3.2 Exemption inquiry

On 8 August 2013 (after the notices were published), the Commission accepted Precision's letter as an application for an exemption of measures.

The Commission sent the sole Australian manufacturer, BlueScope, an invitation to respond to Precision's application on 9 September 2013 and requested that a response be received no later than 23 September 2013.

BlueScope responded on 9 September stating that it did not object to the granting of the exemption requested by Precision (**Confidential Attachment 2**).

# PUBLIC RECORD

## 4 The “goods subject to measures” and the “goods subject of the application for exemption”

### 4.1 The goods subject to measures

The imported goods subject to anti-dumping measures are described as:

*“flat rolled products of iron and non-alloy steel of a width less than 600mm and, equal to or greater than 600mm, plated or coated with zinc”<sup>3</sup>.*

Galvanised steel of any width is included.

The amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared ( $\text{g/m}^2$ ) with the prefix being Z (*Zinc*) or ZF (*Zinc converted to a Zinc/Iron alloy coating*). Common coating masses used for zinc coating are: Z350, Z275, Z200, Z100, and for zinc/iron alloy coating are: ZF100, ZF80 and ZF30 or equivalents based on international standards and naming conventions.

Trade and other names often used to describe galvanised steel include:

- “GALVABOND®” steel;
- “ZINCFORM®” steel;
- “GALVASPAN®” steel;
- “ZINCHITEN®” steel;
- “ZINCANNEAL” steel;
- “ZINCSEAL” steel;
- Galv;
- GI;
- Hot Dip Zinc coated steel;
- Hot Dip Zinc/iron alloy coated steel; and
- Galvanneal.

#### *Product Treatment*

The anti-dumping measures cover galvanised steel whether or not including any (combination of) surface treatment, for instance; whether passivated or not passivated, (often referred to as chromated or unchromated), oiled or not oiled, skin passed or not skin passed, phosphated or not phosphated (for zinc iron alloy coated steel only).

#### *Goods excluded from investigation scope*

Painted galvanised steel, pre-painted galvanised steel, electro-galvanised plate steel and corrugated galvanised steel are not covered by the anti-dumping measures.

---

<sup>3</sup> Galvanised Steel Application, page 10.

# PUBLIC RECORD

## 4.2 Tariff classification

Galvanised steel is classified to tariff subheadings 7210.49.00 (and statistical codes 55, 56, 57 and 58) and 7212.30.00 (and statistical code 61) of Schedule 3 to the *Customs Tariff Act 1995*.

The general rate of duty is currently 5% for goods imported under these tariff subheadings. Imports from China are subject to the DCS duty rate which is free. Imports from Korea and Taiwan are subject to the DCT duty rate which is 5%.

## 4.3 Goods subject of the application for exemption

The goods the subject of this application for exemption are:

“galvanised steel used in the passenger motor vehicle industry subject to Tariff Concession Order (TCO) 1309160.”

Precision states that BlueScope applied for a TCO on behalf of Precision for the goods the subject of this application, which was subsequently granted.

TCO 1309160 covers the following:

Steel, flat rolled, non-alloy, hot dipped galvanized zinc coated, in coils, having ALL of the following:

- (a) Yield strength NOT less than 120MPa and NOT greater than 180MPa;
- (b) Tensile strength NOT less than 260 MPa and NOT greater than 350MPa;
- (c) Total elongation NOT less than 37%;
- (d) Total coating mass NOT less than 90g/m<sup>2</sup>;
- (e) Thickness of 0.80mm and width 1,640mm

For the purposes of this Order, tolerances allowable for specification (e) are:

- (a) Thickness +/- 10%
- (b) Width +/- 1%

### 4.3.1 Uses for the goods

Precision advised in its application that the galvanised steel the subject of its application is used for a specific purpose in the passenger motor vehicle industry.

## **PUBLIC RECORD**

### **5 Galvanised steel subject to TCO**

#### **5.1 Assessment**

The Commission has found that on 5 June 2013, TC 1309160 came into effect following an application from BlueScope that identified certain specifications of galvanised steel. The relevant TCO and tariff classification is TC 1309160 (7210.49.00).

#### **5.2 Conclusion**

The Commission recommends that the Minister exempt these goods from interim dumping duty and interim countervailing duty, under paragraphs 8(7)(b) and 10(8)(aa) of the Dumping Duty Act on the basis that a TCO in respect of the goods is in force.



## PUBLIC RECORD

### 6 ATTACHMENTS

<b>Attachment 1</b>	Instrument
<b>Confidential Attachment 1</b>	Precision's application
<b>Confidential Attachment 2</b>	BlueScope's response to the questionnaire