

# PUBLIC RECORD



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

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## **EXEMPTION INQUIRY EX0016**

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

**APPLICANT:  
ONESTEEL AUSTRALIAN TUBE MILLS PTY LTD**

**JUNE 2014**

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## 2 SUMMARY AND RECOMMENDATIONS

This inquiry is in response to an application by OneSteel Australian Tube Mills Pty Ltd (OneSteel) 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* (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.

The report sets out the facts on which the Parliamentary Secretary to the Minister for Industry (Parliamentary Secretary) 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 OneSteel's application, a Tariff Concession Order (TCO) under Part XVA of the *Customs Act 1901* (the Act) is in force. Accordingly, the Parliamentary Secretary 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 Commissioner of the Anti-Dumping Commission, (the Commissioner) recommends the Parliamentary Secretary exempt from measures galvanised steel to which TC 1328432 applies, and that the Parliamentary Secretary signs the instrument at **Appendix 1** to give effect to this decision.

The Commission recommends the exemption instrument take effect from 18 December 2013, being the date the application was lodged.

### 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 Parliamentary Secretary in deciding whether to exempt goods from dumping duty and countervailing duty.

#### 2.2.2 Application

On 18 December 2013, OneSteel wrote to the Commission requesting an exemption from measures in relation to its imports of certain galvanised steel (**Confidential Attachment 1**). The Commissioner accepted OneSteel's application for an exemption.

The application requested an exemption from the measures under subsections 8(7)(b) and 10(8)(aa) of the Dumping Duty Act, based on the grounds

“that a Tariff Concession Order under Part XVA of the *Customs Act 1901* in respect of the goods is in force”<sup>1</sup>

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<sup>1</sup> Subsections 8(7)(b) and 10(8)(aa) of the Dumping Duty Act

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## **2.2.3 Initiation of inquiry**

After examining the application, the Commissioner was satisfied that:

- 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 Parliamentary Secretary presenting evidence on which the Parliamentary Secretary 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:

- the TCO came into effect on 20 August 2013 and is in force;
- the TCO applies to a sub-set of goods subject to the measures;
- the Dumping Duty Act states that the Parliamentary Secretary may exempt goods if a TCO is in force; and
- the grounds for granting an exemption for the exemption goods under the Dumping Duty Act are therefore satisfied.

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## 3 BACKGROUND TO MEASURES

### 3.1 Original investigation

The measures, in the form of dumping and countervailing duty notices, were initially imposed on galvanised steel by public notice on 5 August 2013 by the relevant Minister following consideration of the International Trade Remedies Branch Report to the Minister No. 190 and 193 (REP 190 and REP 193). These measures apply as follows:

- a dumping duty notice in respect of galvanised steel exported by all exporters from China, Korea and Taiwan;<sup>2</sup> and
- a countervailing duty notice in respect of galvanised steel exported from China by all exporters except two.<sup>3</sup>

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

### 3.2 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>4</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.

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<sup>2</sup> On 26 April 2013, the Chief Executive Officer (CEO) of Australian Customs and Border Protection Service terminated the dumping investigation as far as it related to Union Steel Co. Ltd from Korea and Sheng Yu Co. Ltd and Ta Fong Steel Co. Ltd from Taiwan.

<sup>3</sup> The two exporters are Angang Steel Company Limited and ANSC TKS Galvanising Co. Ltd. The CEO terminated the countervailing investigation as far as it related to those two exporters on 17 June 2013.

<sup>4</sup> Galvanised steel application, page 10.

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## *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.

### **3.3 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 a special rate of duty, which is free. Imports from Korea and Taiwan are subject to a duty rate of 5%.

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## 4 EXEMPTION APPLICATION

### 4.1 Goods subject of the application for exemption

On 18 December 2013, the Commissioner accepted OneSteel's letter as an application for an exemption of measures.

The goods the subject of this application for exemption are:

“galvanised steel subject to Tariff Concession Order 1328432.”

TC 1328432 covers the following:

COILS, non-alloy steel, hot rolled, zinc coated, complying with American Society for Testing and Materials Standard A653/A653M-11 (ASTM A653/A653M-11), having ALL of the following:

- (a) thickness NOT less than 2.75 mm and NOT greater than 6.0 mm;
- (b) width NOT less than 784 mm and NOT greater than 1 263 mm;
- (c) minimum yield strength NOT less than 330 Mpa;
- (d) minimum tensile strength NOT less than 430 Mpa;
- (e) inside diameter NOT less than 711 mm and NOT greater than 813 mm;
- (f) zinc coating mass NOT less than 0.080 kg/m<sup>2</sup> per side;
- (g) weight NOT less than 14 metric tonnes;
- (h) chemical composition by weight of ALL of the following:
  - (i) carbon content NOT greater than 0.20%;
  - (ii) manganese content NOT less than 0.30% and NOT greater than 0.90%;
  - (iii) phosphorus content NOT greater than 0.03%;
  - (iv) sulphur content NOT greater than 0.03%;
  - (v) chromium content less than 0.30%;
  - (vi) molybdenum content less than 0.08%;
  - (vii) aluminium content NOT greater than 0.10%;
  - (viii) copper content NOT greater than 0.25%;
  - (ix) nickel content NOT greater than 0.25%;
  - (x) titanium content NOT greater than 0.04%;
  - (xi) vanadium content less than 0.10%;
  - (xii) silicon content NOT greater than 0.45%

### 4.2 Exemption Inquiry

On 18 December 2013, OneSteel wrote to the Commission requesting an exemption from measures in relation to its imports of certain galvanised steel (**Confidential Attachment 1**). The Commissioner accepted OneSteel's application for an exemption.

OneSteel included in its application an email from Bluescope, the sole Australian manufacturer, stating it did not object to the application for an exemption. The Commission emailed BlueScope on 20 December 2013 to confirm the statement, which Bluescope did (**Confidential Attachment 2**). The Commission verified that

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the TCO specified by OneSteel was in force and also verified the date of effect of the TCO, which was 20 August 2013.



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### 5 ATTACHMENTS

<b>Appendix 1</b>	Instrument
<b>Confidential Attachment 1</b>	ATM's application for an exemption
<b>Confidential Attachment 2</b>	Email from BlueScope in response to exemption application lodged by ATM