



Australian Government
Anti-Dumping Commission

ANTI-CIRCUMVENTION INQUIRIES

NUMBER 290 AND 298

EXPORTS OF SLIGHTLY MODIFIED GOODS TO AUSTRALIA

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

EXPORTER QUESTIONNAIRE

Periods of inquiry: KOREA AND TAIWAN
1 JULY 2011 – 31 MARCH 2015

CHINA
1 JULY 2011 TO 31 MAY 2015

Response due by: **27 July 2015**

CASE CONTACT

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RETURN OF QUESTIONNAIRE

By email: operations2@adcommission.gov.au

By mail
(on CD-ROM or USB): Attn: Director, Operations 2
Anti-Dumping Commission
GPO BOX 9839
CANBERRA CITY ACT 2601

1. BACKGROUND

1.1. Original investigation and measures

On 5 August 2013, following consideration of *Anti-Dumping Commission Report No. 190*, the then Attorney-General published a dumping duty notice and a countervailing duty notice imposing anti-dumping measures in the form of interim dumping duty (IDD) and interim countervailing duty (ICD) on zinc coated steel of iron or non-alloy steel (galvanised steel) exported to Australia from the People's Republic of China (China), the Republic of Korea (Korea) and Taiwan.

The dumping duty notice covers all exporters of galvanised steel from the China, Korea and Taiwan except for Union Steel Co., Ltd (Union Steel Korea) from Korea; Sheng Yu Co., Ltd (Sheng Yu) from Taiwan; and Ta Fong Steel Co., Ltd (Ta Fong) from Taiwan.

The countervailing duty notice covers all exporters of galvanised steel from China except for Angang Steel Company Limited (ANSTEEL) and ANSC TKS Galvanising Co., Ltd (TAGAL).

1.2. Background to anti-circumvention inquiries

1.2.1. Investigation 290

On 1 April 2015, BlueScope Steel Limited (BlueScope), the sole Australian producer of galvanised steel, lodged an application under s.269ZDBC(1) of the *Customs Act 1901* (the Act)¹ for an anti-circumvention inquiry in relation to galvanised steel exported from Korea and Taiwan.

In its application, BlueScope alleged that the applicable anti-dumping measures in respect of galvanised steel from Korea and Taiwan were being circumvented by importers and exporters of the goods through the slight modification of those goods. Specifically, BlueScope alleged that galvanised steel that would otherwise be subject to the anti-dumping measures, was being slightly modified through the addition of alloys to those goods, which allows for those goods to no longer be considered galvanised steel of **iron or non-alloy** steel, but rather of alloyed steel.

In its application, BlueScope highlighted that it considers galvanised steel including the alloying element of boron has been imported and circumvented the anti-dumping measures. BlueScope identified that other alloys (such as chromium) may also have been used in such a modification.

Following consideration of this application, the Commissioner of the Anti-Dumping Commission (the Commissioner) decided to not reject the application, and an anti-circumvention inquiry into the slight modification of galvanised steel exported from Korea and Taiwan was initiated on 5 May 2015.

¹ All legislative references in this document refer to provisions of the Act unless specifically stated otherwise.

Details of the Commissioner's consideration of this application are in *Consideration Report 290*.

1.2.2. Investigation 298

On 7 May 2015, BlueScope lodged an application under s.269ZDBC(1) for an anti-circumvention inquiry in relation to galvanised steel exported from China.

As with the application lodged in relation to Korea and Taiwan, BlueScope alleged the circumvention of anti-dumping measures through the slight modification (alloy-adding) of galvanised steel exported from China.

Following consideration of this second application, the Commissioner decided to not reject the application, and an anti-circumvention inquiry into the slight modification of galvanised steel exported from China was initiated on 1 June 2015.

Details of the Commissioner's consideration of this application are in *Consideration Report 298*.

1.2.3. Inquiry process

The anti-circumvention inquiries will examine whether any exporters of galvanised steel from China, Korea or Taiwan have engaged in a circumvention activity where there is a slight modification of goods exported to Australia, as outlined in subsection 48(2) of the *Customs (International Obligations) Regulation 2015*.

The alleged circumvention goods exported to Australia during the period 1 July 2011 to 31 March 2015 will be examined to determine whether the circumvention activity has occurred in relation to goods exported from Korea and Taiwan.

The alleged circumvention goods exported to Australia from China during the period 1 July 2011 to 31 May 2015 will be examined to determine whether the circumvention activity has occurred.

Unless the inquiry is terminated earlier, after concluding the inquiry, the Commissioner will provide a report and recommendations to the Parliamentary Secretary to the Minister for Industry and Science (the Parliamentary Secretary).

This report will recommend to the Parliamentary Secretary that, pursuant to subsection 269ZDBG(1) of the Act, the original dumping duty notice and countervailing duty notice in respect of galvanised steel:

- remain unaltered; or
- be altered following a finding that circumvention activity in relation to the original notice/s has occurred; and
- the alterations to be made

After considering the report and any other information that the Parliamentary Secretary considers relevant, the Parliamentary Secretary may leave the original notice unaltered or alter the original notice, specifying different goods that are

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subject to the notice, and/or altering variable factors in respect of certain exporters subject to the notice.

The Commission's inquiry will be carried out under the provisions of the Part XVB of the Act.

2. THE GOODS AND THE CIRCUMVENTION GOODS

2.1. The goods subject to anti-dumping measures (the goods)

The goods subject to the dumping duty notice and the countervailing duty notice (the goods) 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.*

For the purposes of this questionnaire, the goods will be referred to as '**non-alloy galvanised steel**' or as '**the goods**'.

2.1.1. Additional product information

Further to the above description of the goods, the following additional information may assist in identifying the goods:

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 (g/m²) 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 or further generic names often used to describe the goods the subject of the application 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
- Galvanneal

The amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m²) with the prefix being Z (Zinc) or ZF (Zinc converted to a Zinc/Iron alloy coating). The common coating masses used for zinc coating are: Z350, Z275, Z200/Z180, Z100, and for zinc/iron alloy coatings are ZF100, ZF80 and ZF30 or equivalents based on international standards and naming conventions.

Surface treatments can include but not be limited to; 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).

There are a number of relevant International Standards for zinc coated products that cover their own range of products via specific grade designations, including the recommended or guaranteed properties of each of these product grades.

These relevant standards are noted below in Table A-3.1 "Relevant International Standards for zinc coated steel".

2.1.2. Tariff classifications of the goods

The goods are classified to tariff subheadings:

- 7210.49.00 (statistical codes 55, 56, 57 and 58); and
- 7212.30.00 (statistical code 61)

of Schedule 3 to the *Customs Tariff Act 1995* (Tariff Act).

The general rate of duty is 5% for goods imported under these tariff subheadings. Imports from China are subject to the DCS duty rate which is free. Imports from Korea are subject to the DCT duty rate which is 3% per the Korea-Australia Free Trade Agreement (KAFTA) and Taiwan are subject to the DCT duty rate which is 5%.

2.2. The goods subject to the inquiries (the circumvention goods)

The goods subject to the anti-circumvention inquiries (the circumvention goods) are described as:

*Flat rolled iron or steel products (**whether or not containing alloys**) of a width less than 600mm and, equal to or greater than 600mm, plated or coated with zinc.*

For the purposes of this questionnaire, the circumvention goods are referred to as '**alloyed galvanised steel**' or as '**the circumvention goods**'.

IMPORTANT: the circumvention goods are galvanised steel that includes any alloy(s) and not only galvanised steel that contains boron. Please answer questions in this questionnaire in relation to the circumvention goods regarding any type of alloyed galvanised steel manufactured and/or sold by your company.

2.2.1. Tariff classifications of the circumvention goods

The alloyed galvanised steel is classified to tariff subheadings:

- 7225.92.00 (statistical code 38); and
- 7226.99.00 (statistical code 71)

of Schedule 3 to the Tariff Act.

The general rate of duty is 5% for goods imported under these tariff subheadings. Imports from China are subject to the DCS duty rate which is free. Imports from Korea are subject to the DCT duty rate which is 3% per the KAFTA and Taiwan are subject to the DCT duty rate which is 5%.

2.3. Identifying and classifying the goods and the circumvention goods

The notes to Chapter 72 (iron and steel) of Schedule 3 of the Tariff Act provide that, in order for a product to be considered of 'other alloy' steel (required to be classified to the above codes relating to alloyed galvanised steel), the below must be satisfied:

Steels not complying with the definition of stainless steel and containing by weight one or more of the following elements in the proportion shown:

- *0.3% or more of aluminium*
- *0.0008% or more of boron*
- *0.3% or more of chromium*
- *0.3% or more of cobalt*
- *0.4% or more of copper*
- *0.4% or more of lead*
- *1.65% or more of manganese*
- *0.08% or more of molybdenum*
- *0.3% or more of nickel*
- *0.06% or more of niobium*
- *0.6% or more of silicon*
- *0.05% or more of titanium*
- *0.3% or more of tungsten (wolfram)*
- *0.1% or more of vanadium*
- *0.05% or more of zirconium*
- *0.1% or more of other elements (except sulphur, phosphorus, carbon and nitrogen), taken separately.*

Galvanised steel that does not meet these requirements should be classified to 7210.49.00 (statistical codes 55, 56, 57 and 58) and 7212.30.00 (statistical code 61) and are considered to be non-alloy galvanised steel.

3. INSTRUCTIONS

3.1. Why you have been asked to fill out this questionnaire?

The Commission is responsible for conducting the inquiries into alleged circumvention activities to determine whether those activities have occurred.

The Commission has identified your company as a possible exporter alloyed galvanised steel, and will examine your exports during the inquiry periods to determine whether circumvention of the measures has occurred.

3.2. What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information if deemed necessary, the Commission may be required to rely on information supplied by other parties (possibly information supplied by the Australian industry) to assess if circumvention of the measures has occurred.

It is in your interest, therefore, to provide a complete and accurate submission, capable of verification.

3.3. Due date for response

You are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page. There is a statutory time limit imposed for the inquiries. The Commission may not be able to consider submissions received after the due date.

If you cannot lodge your submission by the due date please advise the inquiries' case manager as soon as possible.

3.4. Confidential and non-confidential submissions

You are required to lodge one confidential version (for official use only) and one non-confidential version (for public record) of your response by the due date.

Please ensure that each page of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record.

Please note, Australia's anti-dumping and countervailing legislation requires that to the extent that information given to the Commission is claimed to be confidential or whose publication would adversely affect a business or commercial interest, the person giving the information must ensure that a summary of that information contains sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

The legislation allows that a person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information. However, such a summary would add considerably to an interested party's understanding of information contained in a document.

As provided for in Australia's anti-dumping and countervailing legislation, all submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a non-confidential summary, please contact the inquiries' case manager.

Further advice on providing non-confidential information to the Commission can be found in Australian Customs Dumping Notice (ACDN) 2012/42, available on the Commission's website.

3.5. Exporter's declaration

Chapter 6 requires you to make a declaration that the information contained in your submission is complete and correct. Alternatively, if you did not export the circumvention goods during the period of inquiry, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.

3.6. Verification of the information that you supply

The Commission may seek to verify the information provided in your submission.

This verification may take the form of written requests for additional information or an in-person verification visit with your company at its premises.

The purpose of verification is to authenticate the information submitted in response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be complete and accurate.

If an in-person visit is considered necessary, during that visit we will want to examine in detail your company's records in respect of the goods and the circumvention goods and the goods and will ask for copies of documents relating to the manufacture and sale of those goods. We will need to consult with your staff, particularly your export sales people. We may also need to see your factory, in which case we will need to consult with your operational managers.

After gathering the information we will prepare a report of the visit. We will provide you with a draft of the report and then respond to any questions you have. We will ask you to prepare a non-confidential copy of the report for the public record.

3.7. If you do not manufacture the circumvention goods

You may supply but not produce or manufacture the circumvention goods (for example, you are a trading company, broker, or vendor dealing in the circumvention goods).

In such cases it is important that you forward a copy of this questionnaire to the relevant manufacturers **immediately**. You should also inform the inquiries' case officer of the contact details for these manufacturers.

You should also **complete those sections of the questionnaire that you are reasonably able to complete**. If, for example, you are unable to supply details of production costs, you should clearly explain why the section does not apply to your company.

3.8. Some general instructions for preparing your response

- When answering the questionnaire please carefully read all instructions. The Commission requires a response to *all* sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- We recommend that you retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help us to verify the information.
- Where applicable, clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

3.9. Provision of electronic data

- It is important that information is submitted in electronic format where directed.
- Electronic data should be emailed, or submitted on a CD-ROM or USB.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file). Excel files must be compatible to the USA version.
- An Excel workbook, ***Exporter Questionnaire – galvanised steel AC*** accompanies this questionnaire and forms a template for your response to the data requested. The workbook is referred to throughout this questionnaire as appropriate. This workbook should be completed and used to provide the requested data where possible.
- If you cannot present electronic data in the requested format contact the investigation case officer as soon as possible.

3.10. Further information

Before you respond to the questionnaire you should read the key documents available on the Commission's website and public record in relation to these inquiries (www.adcommission.gov.au) including:

- BlueScope's applications for the inquiries;
- Consideration Reports 290 and 298; and
- the Anti-Dumping notices notifying of the inquiries.

If you require further assistance, or you are having difficulties completing your submission, please contact the inquiries' case manager.

4. QUESTIONS FOR COMPLETION

4.1. Identity and communication

4.1.1. Company contact

Please nominate a person within your company who can be contacted for the purposes of this inquiry:

Head Office:

Name: Dongkuk Steel Mill Co., Ltd.(DSM)
Position in the company: Kwang Bum(Kevin) Park
Manager / International Trade Affairs Team
Address: 8th Floor, 19, Eulji-ro 5-gil, Jung-gu, Seoul, Korea
Zip 100-210
Telephone: + 82 2 317 1466
Facsimile number: + 82 2 317 1188
E-mail address of contact person: kwangbum.park@dongkuk.com

Factory:

Address: 102, Sinseon-ro, Nam-gu, Busan
Telephone: + 82 2 317 1466
Facsimile number: + 82 2 317 1188
E-mail address of contact person: kwangbum.park@dongkuk.com

4.1.2. Representative of the company for the purpose of inquiry

If you wish to appoint a representative to assist you in this inquiry, provide the following details:

Name:
Address:
Telephone:
Facsimile/Telex number:
E-mail address of contact person:

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this inquiry may be freely released to, or discussed with, that representative.

4.1.3. Company information

- a) What is the legal name of your business? What kind of entity is it (e.g. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

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The legal name of the entity is "Dongkuk Steel Mill Co., Ltd.". It is a company and now with merger of Union Steel Co., Ltd. from 1 January 2015. Business name of goods "Union Steel" and produced only at Busan Nam-gu manufacturing plant.

- b) Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.
- c) Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

Manufacture and sell.

- d) If your business does not perform all of the following functions in relation to the circumvention goods, then please provide names and addresses of the companies which perform each function:
 - produce or manufacture
 - sell in the domestic market
 - export to Australia, and
 - export to countries other than Australia.

DSM does perform all the functions.

5. EXPORTER'S DECLARATION

I hereby declare that.....(company) have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

I hereby declare that.....(company) did not, during the period of inquiry, export alloyed galvanised steel and therefore have not completed the attached questionnaire.

Name : **Kwang Bum (Kevin) Park**.....

Signature : *Kwang Bum Park*.....

Position in

Company : **Manager of International Trade Affairs Team**

Date : **7 July 2015**.....