



**VIETNAM EXPORTER VISITS BRIEFING
JANUARY 2015 – PUBLIC FILE**

Exporter Visit Briefing for Zinc Coated (Galvanised) Steel Imported from India and Vietnam

Introduction

BlueScope welcomes the opportunity to brief the Anti-Dumping Commission (“ADC”) prior to completing exporter visits in India and Vietnam.

It is important for the ADC to understand aspects of the goods description that will impact the verification process. These issues include:

[Goods description issues]

The exporter questionnaire responses have highlighted variations as to how Indian and Vietnamese exporters describe their galvanised steel products / models.

Appropriate model matching will be the key issue to ensuring a fair comparison between the domestic and exported goods.

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Contents

This briefing will cover the following:

1. Country Details – VIETNAM
2. Model Matching Exercise
3. Exporter Questionnaire Analysis: Section E – Fair Comparison
4. Prior ADC Investigations – Adjustments made by the ADC to Normal Values

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1. Country Details - VIETNAM

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FY2014 Estimated Galvanised Steel Import Volumes by Mill

[Estimated galvanised steel import volumes from Vietnam for the 12 month period ending June 2014]

BSL estimate the majority of imported galvanised steel material for FY2014 was in the thickness ranges:

- 0.5mm or more but less than 1.5mm (HS code 7210.49.00.56); and
- 1.5mm or more but less than 2.5mm (HS code 7210.49.00.57).

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Indicative Vietnam Export Freight Cost (mill to FOB export point)*

[Confidential mill to wharf freight, containerisation, stevedoring and other costs associated with export sales]

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List of Vietnam Subsidies (as identified per the Canada Border Services Agency 'Statement of Reasons' for Certain Oil Country Tubular Goods – August 2014)

- Program 1. Land-Use Levy Exemptions or Reductions
- Program 2. Land Rent Exemptions or Reductions
- Program 3. Tax Exemptions and Reductions for Encouraged Sectors
- Program 4. Tax Exemptions and Reductions for Investment in Disadvantaged Regions
- Program 5. Tax Exemptions and Reductions for Investments in Economic Zones or High-Tech Industrial Parks
- Program 6. Tax Exemptions and Reductions for Foreign-Invested Enterprises
- Program 7. Additional Income Tax Preferences for Exporters
- Program 8. Accelerated Depreciation of Fixed Assets
- Program 9. Preferential Provisions for Carry-forward of Losses
- Program 10. Exemption of Import Tax on Equipment and Machinery Imported to Create Fixed Assets
- Program 11. Export Support Loans at Preferential Rates
- Program 12. Excessive Duty Exemptions for Imported Raw Materials for Exported Goods
- Program 13. Import Duty Exemption on Equipment and Machinery Imported to Create Fixed Assets
- Program 14. Interest Rate Support Program under the State Bank of Vietnam
- Program 15. Preferential Lending under the VietBank Export Loan Program
- Program 16. Grants to Firms that Employ More than 50 Employees
- Program 17. Assistance to Enterprises Facing Difficulties due to Objective Reasons
Acquisition of State Assets at Less Than Fair Market Value

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2. Model Matching Exercise

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Key Product Features and Characteristics that impact price:

1. Thickness
2. Coating Mass
3. Grade (or termed 'quality' in Asia)
4. Width (<600mm is usually a 'slit' product)
5. Packing (export vs domestic)
6. Length (sheet product)

Total Price = Base price plus applicable price extras

– General 'rule of thumb'

- The thinner the product the higher the price
- The higher the coating mass the higher the price
- Commercial forming grades are the 'base' quality
- Around 900mm – 1220mm is usually the 'base' width
- Around 1800mm – 3000mm is usually the 'base' length
- Extra processing (sheet and narrow slit coils) add cost
- The smaller the pack size the higher the price & export packs cost more than domestic packaging

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Key Product Features and Characteristics that impact price (cont.):

[Confidential BlueScope galvanised steel thickness, width and coating mass classes]

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MODEL MATCH IN THE FOLLOWING SEQUENCE:

[Model matching process]

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1. By GRADE

AS1397		JIS3302
BSL BRAND	GRADE	GRADE
GALVABOND G2 ZINCANNEAL G2	G2	SGCC / SGHC
GALVABOND G3N	G3	SGCD1

AS1397		JIS3302
BSL BRAND	GRADE	GRADE
ZINCFORMG250	G250	SGC340 / SGH340
ZINCFORMG300	G300	SGC400 / SGH400 SGC440 / SGH440
ZINCFORMG350	G350	SGC490 / SGH490
ZINCHITENG450	G450	
ZINCHITENG500	G500	
ZINCHITENG550	G550	SGC570

AS/NZS 1397

Steel sheet and strip, Hot dip zinc coated or aluminium/zinc coated

JIS 3302

Hot dip zinc coated steel sheet and strip

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2. By THICKNESS (same coating class)

[Confidential model-matching thickness parameters and zinc coating costs]

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2. By THICKNESS (same coating class) (cont.)

Thickness Terminology

[Thickness terminology details]

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3. By COATING MASS (same thickness class)

[Confidential model-matching coating mass parameters]

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Other Important Model Matching Considerations:

1. Australian Galvanised Steel Market – BlueScope Sales Metrics FY2014

[Confidential BlueScope galvanised steel sales details]

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Other Important Model Matching Considerations (cont.):

[Other considerations]

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Other Important Model Matching Considerations (cont.):

[Other considerations]

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3. Exporter Questionnaire Analysis: Section E – Fair Comparison

[Confidential BlueScope analysis of Exporter Questionnaire responses]

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4. ITR 190 Investigation Normal Value Adjustments

[Confidential BlueScope analysis of ITR 190 Normal Value adjustments]