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Australian Government
**Australian Customs and
Border Protection Service**

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

RECORD OF MEETING

1. Meeting details:

Date and time: Monday 10 December 2012, 10.00am – 1.00pm

Location: 41-43 Bourke Road, Alexandria, New South Wales

2. Meeting participants:

<i>The Australian Customs and Border Protection Service (Customs and Border Protection)</i>	<i>BlueScope Steel Limited (BlueScope) and consultants</i>
<i>Joanne Reid – Director, Operations 2 Christie Sawczuk – Manager, Operations 2</i>	<i>Alan Gibbs, Development Manager – International Trade Stuart Bell, Manager – Finance Steve Gregson, Manager Manufacturing Markets Matt Hennessy, National Sales Manager Distribution Chad Uphill, Senior Finance Analyst John O'Connor, John O'Connor & Associates Pty Ltd</i>

3. Meeting purpose:

- The purpose of the meeting was to clarify the goods under investigation¹ and like goods and discuss issues raised by stakeholders in relation to these issues. The meeting was requested by Customs and Border Protection.
 - In preparation for the meeting, Customs and Border Protection provided BlueScope with a summary of the key issues for discussion (**Non-Confidential Attachment 1** refers).

4. Matters discussed:

- Customs and Border Protection provided background to the meeting, including that a number of interested parties have made submissions in relation to the scope of the goods under investigation and like goods. A number of interested parties claimed that BlueScope cannot manufacture or will not supply certain galvanised steel and aluminium zinc coated steel products. These interested parties are seeking exclusions of certain goods from the investigation scope or indicated that they will be seeking exemptions from any anti-dumping measures imposed.

¹ This covers the concurrent dumping and countervailing investigations for two commodities, galvanised steel and aluminum zinc coated steel.

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- Customs and Border Protection provided background in relation to exclusions and exemptions from anti-dumping measures, and the separate inquiry processes.
- Customs and Border Protection sought BlueScope's advice (and supporting information and documentation, where relevant) regarding the scope of the goods under investigation (as described in the applications) and like goods, including:
 - Painted and un-painted galvanised steel;
 - BlueScope confirmed that painted / pre-painted galvanised steel was not covered by the applications.
 - Similarities and variances in the description of the goods and like goods in the galvanised steel and aluminium zinc coated steel applications;
 - BlueScope confirmed that it was intended that both applications cover all grades and finishes (i.e. surface treatments) of the goods.
 - The exclusion of aluminium zinc coated steel at widths less than 600mm from the applications;
 - BlueScope confirmed that these products are not covered by the applications and that [REDACTED] [confidential commentary pertaining to the market for widths less than 600mm].
 - Tariff Concession Orders (TCOs) in respect of galvanised steel and other related TCO issues.
 - BlueScope provided an update regarding its review of current work relating to TCO's. BlueScope advised that it continues to work with its customers that will be impacted by the revocation of the existing TCO's as well as those customers that legitimately require future TCO's.
- Customs and Border Protection advised that an Australian Customs Dumping Notice would be published to clarify the scope of the goods under investigation;
 - Highlighting that this notice would not alter the description of the goods as described in the applications but rather that it would confirm the intent of the applications and clarify any ambiguities and inconsistencies.
- Customs and Border Protection also sought BlueScope's views regarding stakeholder claims that BlueScope was unable to manufacture and/or supply certain galvanised steel and aluminium zinc coated steel products, as detailed below:
 - Limitations on BlueScope's production capabilities (i.e. minimum and maximum widths and thicknesses) and capacity;
 - BlueScope confirmed it is capable of manufacturing galvanised steel and aluminium zinc coated steel to maximum widths of 1550mm and 1235mm respectively (supporting documentation was provided) (**Confidential Attachment 1** refers).
 - BlueScope confirmed that it cannot produce galvanised steel or aluminium zinc coated steel at thicknesses below 0.3mm. Maximum thicknesses for both products were also discussed, as these vary depending on product widths (supporting documentation was provided, Confidential Attachment 1 refers).
 - Notwithstanding these product dimension constraints, BlueScope advised that it was usually able to manufacture and supply substitutable galvanised and aluminium zinc coated steel products for imported goods with widths or thicknesses outside its own production capability (and that these would be considered like goods to the goods under investigation).

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- Tailor welded galvanised steel;
 - BlueScope explained the production process and technical properties for these products. BlueScope advised that these products have specific end use applications in the automotive market segment.
 - BlueScope confirmed that it cannot manufacture tailor welded galvanised steel, however that it manufactures galvanised steel which may be further processed to produce welded steel (whether in sheets or customised form).
 - Customs and Border Protection advised that it will further investigate this issue.
- Zero / non-spangled;
 - BlueScope advised that it manufactures suppressed (or minimised) spangled galvanised steel that is substitutable for zero spangled products.
 - Notwithstanding the above, BlueScope advised that it does not manufacture zero-spangled galvanised steel which is solely used for the exterior (i.e. exposed skin panels) of automobiles.
 - BlueScope advised that zero-spangled galvanised steel which is solely used as exposed skin panels for the exterior of automobiles is not easily identifiable in import data, as these products would be imported under the general tariff classifications for galvanised steel.
 - Customs and Border Protection advised that it will further investigate this issue.
- Hot rolled substrate coated steel;
 - BlueScope advised that [REDACTED] *[confidential commentary on BlueScope's production capabilities]*.
 - BlueScope explained the different production processes in respect of hot rolled galvanised steel and cold rolled galvanised steel.
 - BlueScope explained that as required by Australian steel standards, the chemical properties of hot and cold rolled galvanised steel are the same, (BlueScope provided supporting evidence in relation to this claim, **Non-Confidential Attachment 2** refers).
 - However BlueScope advised that there is a cost variance between these products.
- Un-chromated aluminium zinc coated steel;
 - BlueScope advised that it manufactured and supplied un-chromated aluminium zinc coated steel to domestic customers in the investigation period.
 - BlueScope disputed claims by stakeholders that it offered un-chromated aluminium zinc coated steel at non-commercial prices. BlueScope advised that it offered supply of this product on terms it considered were representative of commercially viable terms.
 - BlueScope stated that stakeholders had claimed that it offered un-chromated aluminium zinc coated steel (that is unpainted) at a price comparable to a painted coated steel product (which is supplied at higher prices). In the absence of specific sales details, BlueScope disputed this claim and also advised that prices of painted galvanised steel and aluminium zinc coated steel vary significantly.
 - Customs and Border Protection requested domestic sales data in order to assess BlueScope's claims in respect of un-chromated aluminium zinc coated steel.
 - Customs and Border Protection advised that it will further investigate this issue.

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- BlueScope also provided an overview of the pre-painted galvanised and pre-painted aluminium zinc coated steel market in Australia. BlueScope noted that these products are mostly supplied directly and indirectly to the following sub-market segments: roof and walling, rainwater goods and cool room panels.
- General;
 - Customs and Border Protection advised it would be seeking further information and supporting evidence in relation to claims made by stakeholders for exemptions from anti-dumping measures;
 - This will provide BlueScope and other interested parties with an opportunity to respond to these claims.
 - BlueScope advised that it was willing to assist Customs and Border Protection with exemption inquiries and work with domestic customers with legitimate exemption claims in order to support downstream Australian manufacturers.
 - Customs and Border Protection will publish findings in respect of any exemption inquiries as appropriate.

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Non-Confidential Attachment 1 - issues raised by stakeholders in relation to the goods the subject of the galvanized steel and aluminium zinc coated steel dumping investigations and like goods.

Issue no.	Product	Key issues	Related submission / report	Stakeholder claims	BlueScope's counter claims
#1	Both products	BlueScope's manufacturing capability and capacity - maximum and minimum product widths and thicknesses. (Exclusion of goods outside BlueScope's production capability and capacity).	* B&R Enclosures (B&R) (submission dated 15 October 2012). *China Iron and Steel Association (CISA) (submission dated 1 November 2012). *Ford Motor Company of Australia Limited (Ford) (submission dated 31 October 2012).	1. B&R (submission dated 15 October 2012) * B&R stated that "B&R require material equivalent to BlueScope's 'Zincanneal 2S Z100' 1.95mm thick by 1500mm wide coil. The maximum width available from BlueScope is 1400mm" page 2 refers. Also that "BlueScope do not either have the capability or capacity to manufacture certain products" page 2 refers. 2. CISA (submission dated 1 November 2012) * The CISA refer to the hot rolled coil investigation and Statement of Essential Fact findings regarding production capabilities for steel, including product range. * The CISA stated that BlueScope would not be able to manufacture galvanized steel and aluminium zinc coated steel at widths greater than 1550mm (and refer to the B&R claims). CISA noted that coated steel products manufactured to widths greater than 1550mm are predominately supplied to the automotive industry. * CISA seek an exemption for the imported goods which fall outside the range of production capability of BlueScope. 3. Ford (submission dated 31 October 2012) * Ford submitted that "material outside of BSL's manufacturing capabilities must be omitted from anti-dumping measures" page 1 refers. Ford stated that "Much of the coated steel used in Ford vehicles is below the minimum thickness (and sometimes maximum width) that BSL can produce" page 1 refers.	BlueScope (submission dated 14 November) * BlueScope claimed that it "can produce a wide range of galvanized steel products to a width of 1525 mm at its Westernport facility" page 1 refers. * In respect of the Ford submission, BlueScope note that Ford do not "detail the specifications of coated steel...that should be excluded from the investigation" page 3 refers.
#2	Galvanized steel	Tailor welded galvanized steel. (Seeking exclusion of goods).	* GM Holden Limited (Holden) (submission dated 15 October 2012).	1. Holden (submission dated 15 October 2012) * Holden advised that certain "tailor welded" galvanized Steel is not produced by the Applicant and there is no facilities available in Australia for producing those goods" and it "believes those goods should be excluded from the Investigation" page 1 refers. * No specific product specifications / ranges or examples were provided by Holden in its submission.	BlueScope (submission dated 14 November 2012) * BlueScope stated that "further information on the specifications of the tailor welded galvanized steel is required to assess the claim that it is not available from BlueScope" page 3 refers.
#3	Galvanized steel	Non-zero spangled galvanized steel. (Whether non spangled galvanized steel is subject to the investigation and whether it is a like good).	* POSCO (submission dated 23 November 2012).	1. POSCO (submission dated 23 November 2012) * "The Complainant does not produce zero spangle GI, nor any other form of steel that may be used for the exterior of automobiles". "The Complainant's production processes are not set up to produce zero-spangle GI, because the Complainant's main market is the construction market. Only zero-spangle is used for the exterior of a car, because a spangle distorts the application of the paint...Therefore, the Complaint's product cannot be used for the exterior of automobiles" page 12 refers.	Not available.
#4	Galvanized steel	Hot rolled versus cold coated steel (Whether hot rolled galvanized steel is subject to the investigation and whether it is a like good to cold rolled coated steel).	* One Steel Pty Ltd (One Steel) (submission dated 27 November 2012).	1. OneSteel (submission dated 27 November 2012) * OneSteel claimed that "the mechanical properties of standard BlueScope cold rolled galvanized coil grades have been unsuitable for the manufacture of RHS to AS1163 C450 PLUS. This is ATM's standard specification/grade for RHS. The key reason for this is the lower elongation/yield strength properties and questionable suitability for Structural applications" pages 1-2 refer. * Furthermore, that "BlueScope's standard cold rolled galvanized coil grades have lower elongation (ductility) than the Hot Rolled Coil grades TF360 or ATM 360 that ATM uses for the manufacture of Structural Pipe and RHS to AS 1163 C450 PLUS" page 1 refers.	Not available.

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<p>#5</p>	<p>Aluminium zinc coated steel</p>	<p>Unchromated aluminium zinc coated steel (Whether unchromated aluminium zinc coated steel should be excluded from the investigation scope). Unchromated product - a raw material input for painted aluminium zinc coated steel (and is used as feed for a continuous coating line).</p>	<p>* Ace Gutters Coil Coaters Pty Ltd (Ace Gutters)(submissions dated 14 and 30 November 2012). * OneSteel Coil Coaters Importer Visit Report (October 2012). * One Steel (submission dated 27 November 2012).</p>	<p>1. <i>Ace Gutters (submission dated 14 November 2012)</i></p> <p>* Ace Gutters claimed BlueScope do not ""produce for sale" plain unchromated aluminium zinc coated steel suitable for use ...(by Ace Gutters) on a continuous coating line" page 2 refers.</p> <p>* Ace Gutters stated that "the application in providing a description of like goods, does not distinguish between chromatid or unchromated processes" page 2 refers.</p> <p>* Ace Gutters sought clarification regarding whether BlueScope's applications intended to cover unchromated product and if confirmed by BlueScope indicated they would seek an s.8(7) exemption from measures.</p> <p>2. <i>Ace Gutters (submission dated 30 November 2012)</i></p> <p>* Ace Gutters claimed that "GALVALUME steel must be excluded from the description of like goods"....on the basis that "BlueScope does not supply GALVALUME steel to any third party and it has not offered to sell GALVALUME steel on commercial terms to any competitor or unrelated party in Australia" page 2 refers.</p> <p>* Ace Gutters reiterated that BlueScope do not manufacture plain unchromated aluminium zinc coated steel.</p> <p>3. <i>OneSteel (submission dated 27 November 2012)</i></p> <p>* OneSteel Coil Coaters also claim they have not been able to source supply from BlueScope of unchromated aluminium zinc coated steel.</p>	<p><i>BlueScope (submission dated 14 November 2012)</i></p> <p>* BlueScope stated that it "does produce plain unchromated zinc aluminium coated steel that is suitable as input feed for any continuous coating line. This produce has a registered brand name - GALVALUME steel (and is used to feed BlueScope's five paint lines in operation throughout Australia)" page 2 refers.</p> <p>* BlueScope confirmed in its submission that the application included the unchromated product and referred to the product with the registered brand name "Galvalume". BlueScope stated that this product is available for purchase by any paint line operator.</p>
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