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

R E P O R T

CUSTOMS ACT 1901 - PART XVB

INTERNATIONAL TRADE REMEDIES BRANCH

**PRELIMINARY AFFIRMATIVE DETERMINATION
(PAD) REPORT NO. 190 (DUMPING ONLY)**

**ZINC COATED (GALVANISED) STEEL AND ALUMINIUM
ZINC COATED STEEL**

EXPORTED FROM

**THE PEOPLE'S REPUBLIC OF CHINA, THE REPUBLIC OF
KOREA AND TAIWAN**

6 FEBRUARY 2013

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2 ABBREVIATIONS & SHORTENED FORMS

Abbreviation / short form	Full reference
ABS	Australian Bureau of Statistics
ACDN	Australian Customs Dumping Notice
the Act	Customs Act 1901
the applicant	BlueScope Steel Limited
AD Agreement	World Trade Organisation Agreement on Anti-Dumping
AS	Australian Standard
BlueScope	BlueScope Steel Limited
BMT	base metal thickness
China	People's Republic of China
CON 190	International Trade Remedies Branch Consideration Report 190
Customs and Border Protection	Australian Customs and Border Protection Service
the Division	Division 2 of Part XVB of the Customs Act 1901
EXW	ex-works
FAS	free-along- side ship
FIS	free-into-store
FOB	free-on-board
GOC	Government of China
the goods	the goods subject to the applications (zinc coated (galvanised) steel and zinc aluminium coated steel)
HRC	hot rolled coil
NIP	non-injurious price
ITRB	International Trade Remedies Branch
Korea	The Republic of Korea
The Minister	the Minister for Home Affairs
REP 177	International Trade Remedies Branch Report 177 regarding hollow structural sections
REP 188	International Trade Remedies Branch Report 188 regarding hot rolled coil
SEF	statement of essential facts
SIE	state invested enterprises
SOE	state owned asset enterprise
TMRO	Trade Measures Review Officer
USP	unsuppressed selling price
WTO	World Trade Organisation

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3 SUMMARY AND PRELIMINARY DECISIONS

3.1 Background

This PAD Report No. 190 (PAD 190) publishes the reasons underlying the Delegate of the Chief Executive Officer (CEO) of the Australian Customs and Border Protection Service (Customs and Border Protection) decisions under section (s)¹.269TD of the *Customs Act 1901* (the Act)² to make Preliminary Affirmative Determinations (PADs) and for Customs and Border Protection to take dumping securities in relation to two dumping investigations as follows:

- zinc coated (galvanised) steel exported to Australia from the People's Republic of China (China), the Republic of Korea (Korea) and Taiwan (Investigation No. 190a); and
- aluminium zinc coated steel exported to Australia from China, Korea and Taiwan (Investigation No. 190b).

While a combined PAD report has been prepared, two PADs (PAD No. 190a and PAD No. 190b) have been made.

The preliminary findings and conclusions and provisional calculations discussed in this report are made for the purpose of the PADs. These preliminary findings, conclusions and calculations are based on information available at the time of making the PADs and may change between the time of the publication of the PADs and the publication of the statements of essential facts (SEF) for both investigations.

3.2 Dumping PADs and provisional dumping measures

In making the PADs, the CEO has determined that there appears to be sufficient grounds for the publication of dumping duty notices in relation to:

- galvanised steel exported to Australia from China, Korea and Taiwan; and
- aluminium zinc coated steel exported to Australia from China, Korea and Taiwan.

The CEO considers that Customs and Border Protection should require and take securities under s.42 of the Act in respect of interim dumping duty that may become payable in relation to certain galvanised steel and certain aluminium zinc coated steel from China, Korea and Taiwan, being satisfied that it is necessary to do so to prevent material injury to the Australian industry occurring while the investigations continue.

The dumping securities will be applicable to imports of galvanised steel and aluminium zinc coated steel from China, Korea and Taiwan entered for home consumption on or after **6 February 2013**.

At this stage, dumping securities will not be taken in respect of galvanised steel exported to Australia by the following exporters:

¹ The terms section (s) and subsection are used interchangeably in this report.

² References to any section or subsection shall be references to sections or subsections of the *Customs Act 1901* unless otherwise specified.

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Korea

- Union Steel Co., Ltd (Union Steel);

Taiwan

- Sheng Yu Steel Co. Ltd (Sheng Yu); and
- Yieh Phui Enterprise Co. Ltd (Yieh Phui Enterprise).

At this stage, dumping securities will not be taken in respect of aluminium zinc coated steel exported to Australia by:

China

- Angang Steel Company Limited (Angang Steel); and

Korea

- Union Steel Co., Ltd (Union Steel).

The following determination and public notice give effect to the Delegate of the CEO's decisions:

- the determinations for PAD No. 190a (**Confidential Attachment 1** refers) and PAD No. 190b (**Confidential Attachment 2** refers); and
- the public notice (**Non-Confidential Attachment 1** refers).

3.3 Countervailing PADs

At this stage, PADs in respect of the investigations into the alleged subsidisation of galvanised steel and aluminium zinc coated steel exported from China have not been made.

3.4 Application of law to facts

Division 2 of Part XVB of the Act sets out procedures for the consideration of anti-dumping matters by the CEO.

3.4.1 The role of the CEO of Customs and Border Protection

The CEO may make a PAD, at any time after 60 days from the date of initiation of an investigation, after having regard to the application concerned and any submissions concerning the publication of the notice that are received within 40 days after the date of initiation of the investigation and any other matters the CEO considers relevant, if satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice or that it appears that there will be sufficient grounds subsequent to the importation of the goods into Australia.

If the CEO makes a PAD, Customs and Border Protection may, at the time of the PAD or at any later time during the investigation, require and take securities³ in respect of interim dumping duty that may become payable if the officer of Customs and Border Protection taking the securities is satisfied that it is necessary to do so to

³ Under s.42 of the Act.

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prevent material injury to an Australian industry occurring while the investigation continues.

If the CEO makes a PAD, public notice of this decision must be given. If Customs and Border Protection decides to require and take securities, the CEO must also give public notice of this decision.

The CEO's powers have been delegated to certain officers of the International Trade Remedies Branch.

3.4.2 Matters of which the CEO must be satisfied before making a PAD

Customs and Border Protection's preliminary assessments that formed the basis of the decisions to make PADs in respect of galvanised steel and aluminium zinc coated steel exported from China, Korea and Taiwan are detailed in section 2.5. The preliminary assessments are indicative and based on the information available at the time of making the PADs and may change.

3.5 Preliminary assessments

3.5.1 Australian industry and like goods (to the goods under consideration) (chapter 6 of this report)

There is an Australian industry producing like goods (galvanised steel and aluminium zinc coated steel) to the goods the subject of the investigations and these like goods are wholly manufactured in Australia by BlueScope Steel Limited (BlueScope).

3.5.2 Dumping (chapter 8 of this report)

(i) Galvanised steel

Customs and Border Protection has preliminarily assessed in respect of galvanised steel that:

- a market situation existed in the domestic market for galvanised steel in China during the investigation period such that selling prices in that market are not suitable for normal value purposes;
- galvanised steel exported to Australia from China, Korea and Taiwan during the investigation period was dumped;
- galvanised steel exported by Yieh Phui Enterprise was dumped but this dumping was negligible;
- galvanised steel exported by Union Steel and Sheng Yu Steel was not dumped; and
- the volume of dumped goods from these countries, and the dumping margins for all exporters (except Union Steel, Sheng Yu Steel and Yieh Phui Enterprise) were not negligible.

Customs and Border Protection's preliminary assessment of dumping margins for galvanised steel exported from China, Korea and Taiwan is tabulated below:

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Country	Manufacturer / exporter ^{4*}	Preliminary dumping margin
China	Angang Steel	13.9%
	ANSC-TKS Galvanizing Co., Ltd (Angang TAGAL)	23.1%
	Wuhan Iron and Steel Company Limited (Wuhan)	19.7%
	Yieh Phui Technomaterial Co., Ltd (Yieh Phui Technomaterial)	11.0%
	<i>Selected non-cooperating exporters</i>	55.3%
Korea	Dongbu Steel Co Ltd (Dongbu Steel)	3.2%
	POSCO	11.4%
	Union Steel	<2%
	<i>Selected non-cooperating exporters</i>	20.1%
Taiwan	Chung Hung Steel Corporation (Chung Hung)	10.3%
	Sheng Yu Steel	<2%
	Yieh Phui Enterprise	<2%
	<i>Selected non-cooperating exporters</i>	11.8%

Figure 1: Preliminary dumping margins for galvanised steel

At this stage dumping securities will not be taken in respect of the exporters that were preliminarily found not to be dumping or if the dumping found was negligible.

(ii) Aluminium zinc coated steel

Customs and Border Protection has preliminarily assessed in respect of aluminium zinc coated steel that:

- a market situation existed in the domestic market for aluminium zinc coated steel in China during the investigation period such that selling prices in that market are not suitable for normal value purposes;
- aluminium zinc coated steel exported to Australia from China, Korea and Taiwan during the investigation period was dumped;
- aluminium zinc coated steel exported by Angang Steel and Union Steel was dumped but that this dumping was negligible; and
- the volume of dumped goods from these countries, and the dumping margins for all exporters (excluding Angang Steel and Union Steel) were not negligible.

Customs and Border Protection's preliminary assessment of dumping margins for aluminium zinc coated steel exported from China, Korea and Taiwan is tabulated below:

⁴ The manufacturers / exporters listed in figure 1 may supply the goods directly or indirectly through traders.

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Country	Manufacturer / exporter ⁵	Preliminary dumping margin
China	Angang Steel	<2%
	Union Steel China Co., Ltd (Union Steel China)	11.6%
	Yieh Phui Technomaterial	4.6%
	<i>Selected non-cooperating exporters</i>	19.3%
Korea	Dongbu Steel	5.8%
	Union Steel	<2%
	<i>Selected non-cooperating exporters</i>	5.8%
Taiwan	Sheng Yu Steel	2.1%
	Yieh Phui Enterprise	4.0%
	<i>Selected non-cooperating exporters</i>	4.0%

Figure 2: Preliminary dumping margins for aluminium zinc coated steel

At this stage dumping securities will not be taken in respect of the exporters that were preliminarily found not to be dumping or if the dumping found was negligible.

3.5.3 Injury (chapter 9 of this report)

Customs and Border Protection has preliminarily found that in the investigation period the Australian industry producing like goods experienced injury in the form of:

(i) Galvanised steel

- loss of sales volume;
- reduced market share;
- reduced sales revenues;
- price depression;
- price suppression;
- reduced profit and profitability;
- reduced return on investment (ROI);
- reduced ability to raise capital for re-investment; and
- reduced employment.

(ii) Aluminium zinc coated steel

- loss of sales volume;
- reduced sales revenues;
- price depression;
- price suppression; and
- reduced profit and profitability.
- reduced ROI;
- reduced ability to raise capital for re-investment; and
- reduced employment.

⁵ The manufacturers / exporters listed in figure 2 may supply the goods directly or indirectly through traders.

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3.5.4 Causation (chapter 10 of this report)

Customs and Border Protection has preliminary assessed that dumping of galvanised steel and aluminium zinc coated steel has caused material injury to the Australian industry.

4 BACKGROUND

4.1 Applications seeking dumping measures

On 3 August 2012, applications⁶ were lodged on behalf of BlueScope requesting that the Minister for Home Affairs (the Minister) publish dumping duty notices in respect of:

- galvanised steel⁷ exported to Australia from China, Korea and Taiwan; and
- aluminium zinc coated steel⁸ exported to Australia from China, Korea and Taiwan.

BlueScope alleges that the Australian industry has suffered material injury caused by galvanised steel and aluminium zinc coated steel exported to Australia from China, Korea and Taiwan at dumped prices.

(i) Galvanised steel

BlueScope claimed that material injury in respect of galvanised steel commenced in 2010-11⁹. The application identified the injurious effects as:

- loss of sales volume;
- reduced market share;
- reduced revenues;
- price undercutting;
- price depression;
- price suppression;
- reduced profits;
- reduced profitability;
- reduced ROI;
- reduced ability to raise capital for re-investment; and
- reduced employment.

(ii) Aluminium zinc coated steel

BlueScope claimed that material injury in respect of aluminium zinc coated steel commenced in 2010-11¹⁰ and has been exacerbated in 2011-12. The application identified the injurious effects as:

- loss of sales volume;
- reduced market share;
- reduced revenues;

⁶ *Application for Dumping Duties for Galvanised Steel exported from China, Korea and Taiwan* (Galvanised Steel Application) received on 3 August 2012; and *Application for Dumping Duties for Aluminium Zinc Coated Steel exported from China, Korea and Taiwan* (Aluminium Zinc Coated Steel Application) received on 3 August 2012.

⁷ Refer to the full description of the goods in section 5.1.1 of this report.

⁸ Ibid.

⁹ The applicant claims that the dumping of galvanised steel commenced prior to this period (in 2008-09).

¹⁰ The applicant claims that the dumping of aluminium zinc coated steel commenced prior to this period (in 2008-09).

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- price undercutting;
- price depression;
- price suppression;
- reduced profits;
- reduced profitability;
- reduced ROI;
- reduced ability to raise capital for re-investment; and
- reduced employment.

On 17 August 2012¹¹ and 27 August 2012 additional information and data was received in respect of the applications. As a result, Customs and Border Protection restarted the 20 day period for considering the applications.

4.2 Initiation of dumping investigations

On 5 September 2012, following consideration of the applications, the CEO decided not to reject the applications and Customs and Border Protection initiated separate investigations. Public notification of initiation of the investigations was made in *The Australian* newspaper on 5 September 2012. Australian Customs Dumping Notice (ACDN) No. 2012/40 provides further details of the investigations and is available on Customs and Border Protection's website at www.customs.gov.au.

In respect of both investigations:

- the investigation period¹² for the purpose of assessing dumping is 1 July 2011 to 30 June 2012; and
- the injury analysis period for the purpose of determining whether material injury has been caused to the Australian industry is from 1 July 2007.

4.3 SEF and final report due dates

The initiation notice advised that the SEF for the investigations would be placed on the public record by 24 December 2012, however, the Delegate of the CEO was satisfied that the prescribed 110 days to place the SEF on the public record for the investigations was likely to be insufficient and requested that the Minister extend the publication timeframes.

The Minister under s. 269ZH1 of the Act extended the deadline for the publication of the SEF for the dumping investigations to **16 March 2013**. ACDN 2012/63 was issued on 21 December 2012 notifying the Minister's decision.

Interested parties will be invited to make submissions to Customs and Border Protection in response to the SEF within 20 days of the SEF being placed on the public record. Final recommendations will be made in reports to the Minister due on or before **30 April 2013**.

¹¹ Additional information relating to minor issues was also provided on 20 and 21 August 2012.

¹² S. 269T(1) refers.

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4.4 Applications seeking countervailing measures

On 18 October 2012, applications¹³ were lodged on behalf of BlueScope requesting that the Minister publish countervailing duty notices in respect of:

- galvanised steel exported to Australia from China; and
- aluminium zinc coated steel exported to Australia from China.

On 2 November 2012, additional information and data was received in respect of the applications. As a result, Customs and Border Protection restarted the 20 day period for considering the applications.

On 26 November 2012, following consideration of the applications, the CEO decided not to reject the applications and Customs and Border Protection initiated separate investigations. Public notification of initiation of the investigations was made in *The Australian* on 26 November 2012. ACDN No. 2012/56 provides further details of the investigations and is available on Customs and Border Protection's website at www.customs.gov.au.

The earliest date PADs can be made in respect of the countervailing investigations was day 60 of the investigations (i.e. 26 January 2013). At this stage, PADs in respect of the alleged subsidisation of the goods have not been made, but may be made at a later date.

¹³ *Application for Countervailing Duties for Galvanised Steel exported from China, Korea and Taiwan* received on 18 October 2012; and *Application for Countervailing Duties for Aluminium Zinc Coated Steel exported from China, Korea and Taiwan* received on 18 October 2012.

5 ABILITY TO MAKE A PAD AND TAKE SECURITIES

5.1 Ability to make a PAD

At any time not earlier than 60 days after the date of initiation of an investigation as to whether there are sufficient grounds for the publication of a dumping duty notice in respect of goods the subject of an application, the CEO may, if he or she is satisfied:

- that there appears to be sufficient grounds for the publication of such a notice; or
- that it appears that there will be sufficient grounds for the publication of such a notice subsequent to the importation into Australia of such goods;

make a PAD under s.269TD of the Act to that effect.

In deciding whether to make a PAD, the CEO must have regard to the application concerned, and to any submissions concerning publication of the notice that are received by Customs and Border Protection within 40 days after the date of initiation of the investigation. The CEO may also have regard to any other matters that the CEO considers relevant. The CEO is not obliged to have regard to any submission received after day 40 if to do so would prevent the timely consideration of whether or not to make a PAD.

5.2 Ability to take securities

As discussed at section 2.4.1, Customs and Border Protection may, at the time of making a PAD or at any later time during the investigation after a PAD is made, require and take securities under s.42 of the Act in respect of interim duty that may become payable if the officer of Customs and Border Protection taking the securities is satisfied that it is necessary to do so to prevent material injury to an Australian industry occurring while the investigations continue.

5.3 Information considered

In making the PADs in respect of galvanised steel (PAD 190a) and aluminium zinc coated steel (PAD No. 190b), Customs and Border Protection has had regard to:

- the applications for the dumping duty notices;
- submissions and questionnaire responses (verified and unverified) after the date of initiation of the investigations; and
- other matters that the CEO considered relevant.

6 THE GOODS UNDER INVESTIGATION

6.1 The goods under investigation

Following the initiation of the investigations a number of interested parties sought clarification regarding goods that are subject to the investigations. Following consultation with BlueScope, Customs and Border Protection issued ACDN No. 2012/62¹⁴ to provide clarification regarding the goods that are covered by the investigations. This ACDN did not alter the description of the goods as described in the applications. Section 5.1.1 regarding the description of the goods reflects information provided in the applications and clarified by ACDN 2012/62.

6.1.1 Description

(i) Galvanised steel

The imported goods the subject of the galvanised steel application are:

“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”¹⁵.

The goods the subject of this application (the goods) are generically called galvanised steel (referring to zinc coated steel). The application covers galvanised steel of any width. The application stated that 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.

Coating mass

The galvanised steel application noted that 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 applicant claims that the 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.

¹⁴ ACDN 2012/62 is available on Customs and Border Protection’s website at www.customs.gov.au.

¹⁵ Galvanised Steel Application, page 10.

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Product treatment

The galvanised steel application covers 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 and electro-galvanised plate steel are not covered by the application and subsequent investigation.

(ii) Aluminium zinc coated steel

The imported goods the subject of the aluminium zinc coated steel application are:

“flat rolled products of iron and non-alloy steel of a width equal to or greater than 600mm, plated or coated with aluminium-zinc alloys, not painted whether or not including resin coating”¹⁶.

The goods the subject of this application are generically called aluminium zinc coated steel. The application stated that trade and other names often used to describe aluminium zinc coated steel, include:

- ZINCALUME® steel;
- GALVALUME® steel;
- Aluzinc, Supalume, Superlume, ZAM, GALFAN;
- Zinc aluminium coated steel;
- Aluminium zinc coated steel;
- Alu-Zinc Steel sheet in Coils;
- Al/Zn; and
- Hot Dipped 55% Aluminium-Zinc Alloy coated steel sheet in coil.

The application noted that the amount of aluminium zinc coating on the steel is described as its coating mass and is nominated in g/m² with the prefix being AZ (*Aluminium Zinc*). The applicant claims that the common coating masses used are: AZ200, AZ150, AZ100, and AZ70.

Product treatment

The aluminium zinc coated steel application covers aluminium zinc coated steel whether or not including any (combination of) surface treatment, for instance; whether passivated or not passivated, (often referred to as chromated or unchromated), resin coated or not resin coated (often referred to as Anti Finger Print (AFP) or not AFP), oiled or not oiled, skin passed or not skin passed.

Goods excluded from investigation scope

Painted aluminium zinc coated steel and pre-painted aluminium zinc coated steel are not covered by the application and subsequent investigation.

¹⁶ Aluminium Zinc Coated Steel Application, page 10.

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6.1.2 Product standards

The applications stated that:

“Typically each Australian and International Standard has a range of steel grades nominated as Commercial, Formable or Structural grades. The commercial/formable grades are those with mechanical properties suitable for general pressing and forming whereas the structural grades are those with guaranteed minimum properties that structural engineers utilize in the design of their final product designs”¹⁷.

Australia

The applications stated that the Australian and New Zealand Standard Industrial Classification Code applicable to galvanised steel and aluminium zinc coated steel is category 2711.

International

The applications stated that there are a number of relevant International Standards for galvanised steel and aluminium zinc coated steel products (figures 3 and 4 refer) that cover a range of products through specific grade designations, including the recommended or guaranteed properties of each of these product grades.

(i) Galvanised steel

International Standards	Product Grade Names
General and Commercial Grades	
AS/NZS 1397	G1, G2
ASTM A 653/A 653M	CS type A, B and C
EN10346	DX51D, DX52D
JIS 3302	SGCC, SGHC
Forming, Pressing & Drawing Grades	
AS/NZS 1397	G3
ASTM A 653/A 653M	FS, DS type A and B
EN10346	DX53D, DX54D
JIS 3302	SGCD, SGCD,
Structural Grades	
AS/NZS 1397	G250, G300, G350, G450, G500, G550
ASTM A 653/A 653M	33 (230), 37 (255), 40 (275), 50 (340), 55 (380), 80 (550)
EN10346	S220GD, S250GD, S280GD, S320GD, S350GD, S550GD
JIS 3302	SGC340, SGC400, SGC440, SGC490, SGC570 SGH340, SGH400, SGH440, SGH490, SGH570

Figure 3: International Standards for galvanised steel¹⁸

¹⁷ Galvanised Steel Application, page 12.

¹⁸ Galvanised Steel Application, page 11.

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(ii) Aluminium zinc coated steel

International Standards	Product Grades
<i>General and Commercial Grades</i>	
AS/NZS 1397	G1, G2
ASTM A792	CS, type A, B and C
EN10346	DX51D, DX52D
JIS 3321	SGLCC
<i>Forming, Pressing & Drawing Grades</i>	
AS/NZS 1397	G3
ASTM A792	FS, DS
EN10346	DX53D, DX54D
JIS 3321	SGLCD, SGLCDD
<i>Structural Grades</i>	
AS/NZS 1397	G250, G300, G350, G450, G500, G550
ASTM A792	33 (230), 37 (255), 40 (275), 50 (340), 55 (380), 80 (550)
EN10346	S220GD, S250GD, S280GD, S320GD, S350GD, S550GD
JIS 3321	SGLC400, SGLC440, SGLC490, SGLC570

Figure 4: International Standards for aluminium zinc steel¹⁹

6.1.3 Tariff classifications

(i) Galvanised steel

The application stated that 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* (Tariff Act).

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%.

Customs and Border Protection notes that the applications did not specify that tariff concession orders (TCOs) in respect of the goods were applicable.

(ii) Aluminium zinc coated steel

The application stated that aluminium zinc coated steel is classified to tariff subheading 7210.61.00 (and statistical codes 60, 61, and 62) of Schedule 3 to the Tariff Act.

The general rate of duty is currently 5% for goods imported under this tariff subheading. 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%.

6.1.4 Tariff Concession Orders

The report does not discuss the TCOs that have been, are or could be applicable to imports of galvanised steel and aluminium zinc coated steel, as these considerations

¹⁹ Aluminium Zinc Coated Steel Application, page 11.

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are not relevant to making PADs. However, these issues will be investigated by Customs and Border Protection and considered in the SEF for the investigations.

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7 PRELIMINARY AUSTRALIAN INDUSTRY AND LIKE GOODS ASSESSMENT

7.1 Preliminary assessment

Customs and Border Protection has preliminarily assessed that, based on the verified and unverified information and data available at the time of making the PADs, there is an Australian industry producing like goods to the goods the subject of the applications and that these goods are wholly manufactured in Australia.

7.2 Locally produced like goods

Subsections 269T(2) and 269T(3) of the Act specify that, for goods to be regarded as being produced in Australia, they must be wholly or partly manufactured in Australia. In order for the goods to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

Subsection 269T(1) of the Act defines like goods as:

“goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration”.

7.3 Australian industry

BlueScope is a fully-integrated flat steel product manufacturer with large capital intensive manufacturing operations at Springhill and Port Kembla in New South Wales (NSW) and Western Port in Victoria (VIC). During the investigation period, BlueScope manufactured galvanised steel and aluminium zinc coated steel at both its Springhill (Port Kembla) and Western Port plants.

BlueScope manufactures hot rolled coil (HRC) in Australia from liquid steel, via flat steel production. As Western Port no longer has a hot strip mill, hot rolled steel is transported from Port Kembla by sea or rail to be further processed into galvanised steel and aluminium zinc coated steel. The steel production process is capital intensive and BlueScope does not use imported steel in the manufacture of the goods.

On 22 August 2011, BlueScope’s board announced a restructure of its business and the closure of its export business. The restructure included the closure of No. 6 Blast Furnace at Port Kembla, the Western Port hot strip mill and the Western Port No. 5 Coating Line. In October 2011, the No. 5 Coating Line was closed; this was one of BlueScope’s two aluminium zinc coating lines.

Sections 6.3.1 and 6.3.2 below detail BlueScope’s manufacturing process in respect of both galvanised steel and aluminium zinc coated steel. This process is described as two stages covering the production process for HRC and the conversion of HRC into the goods.

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7.3.1 Stage 1 – HRC

The main raw materials used in the production of steel are iron ore, coal and fluxes (limestone and dolomite). The raw materials are fed into the top of the blast furnace in predetermined proportions and sequences. Air, which is heated to about 1200°C, is blown into the blast furnace. This causes the coke to burn, producing carbon monoxide which creates the required chemical reaction. The iron ore is reduced to molten iron by removing the oxygen. Molten iron and slag is periodically drained from the blast furnace and the molten iron is transported to the steelmaking area.

The basic oxygen steelmaking (BOS) process creates liquid steel from molten iron, scrap steel and alloying materials. The BOS vessel is charged and a lance that blows 99% pure oxygen onto the steel and iron causes the temperature to rise to about 1700°C. This melts the scrap, lowers the carbon content of the molten iron and helps remove unwanted elements. Samples are tested and computer analyses of the steel are done to ensure the desired chemistry is achieved. The steel can be further refined by adding alloying materials which give the steel special properties required by the customer. The liquid steel is cast into slabs of various dimensions so that it can be rolled.

In the investigation period BlueScope manufactured HRC on either of two hot strip mills. The slab is reheated in a furnace to obtain consistent temperature of around 1200°C. The heated slab is reduced in thickness by passing through a set of five or six rolling mill stands to produce HRC of the desired thickness and widths. The HRC is then transferred to the Springhill and Western Port coating mills.

7.3.2 Stage 2 - conversion process - coated steel with zinc and aluminum zinc

(i) Pickling

HRC is pickled to remove scale (iron oxide) formed during the hot rolling process. The HRC is unwound, side trimmed to the customers required width and passed through a bath of 70°C hydrochloric acid, washed, dried and recoiled.

(ii) Cold rolling

The pickled HRC is cold rolled to reduce the steel thickness. The cold rolling process is conducted at room temperature. The cold rolling process involves passing the HRC through a number of rolling mill stands to progressively reduce the thickness without changing the width. For example, a 1,200 metre coil of 2.5 mm thickness could be reduced to 0.5 mm thickness and 6,000 metres long. During the process the grain structure is elongated, making the steel hard and springy. This intermediate steel product is known as a Cold Rolled Fully Hard (CRFH) product.

(iii) Metal coating

The cold rolled coil is cleaned to remove any oils from the cold rolling process and any traces of surface oxide and is then annealed in an inert atmosphere furnace. Where formability is the prime requirement, the coil is fully annealed. Where high strength and limited formability is required, the coil is partially annealed.

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The clean and annealed coil then passes from the furnace through a molten metal bath of the required composition where the molten metal chemically bonds to the steel surface. Thinner gauges of galvanised steel are coated with oil, but thicker gauges are produced bare. Aluminum zinc coated steel can be supplied with a range of surface treatments (passivation coating and a resin coating) to protect the service or supplied skin passed and without surface treatment for feed for paint lines.

7.3.3 Preliminary assessment – Australian industry and production process

In respect of galvanised steel and aluminum zinc coated steel, Customs and Border Protection has preliminarily assessed that BlueScope is the sole producer of galvanised steel and aluminium zinc coated steel in Australia and wholly manufactures the goods.

7.4 Like goods

(i) Galvanised steel

BlueScope stated that they manufacture flat rolled products of iron and non-alloy steel, of widths less than 600mm and widths equal to or greater than 600mm, plated or coated with zinc. The application states that galvanised steel manufactured by BlueScope is marketed under the trade names “GALVABOND®”, “ZINCFORM®”, “GALVSPAN®”, “ZINCHITEN®” and “ZINCANNEAL” steel. These products are sold into the Australian market direct to manufacturing customers and via distributors.

BlueScope considers the locally produced goods are like products to the imported plated or coated flat rolled products of iron or steel, plated or coated with zinc. BlueScope submitted that:

“(a) Physical likeness

- *Products made locally by BlueScope have a physical likeness to the goods exported from China, Korea and Taiwan (the countries under reference);*
- *BlueScope’s locally produced galvanised steel and the imported goods are manufactured to Australian and International Standards;*

(b) Commercial likeness

- *Australian industry galvanised steel competes directly with imported galvanised steel in the Australian market;*

(c) Functional likeness

- *Both the locally produced and imported galvanised steel have comparable or identical end-uses; and*

(d) Production likeness

- *Locally produced and imported galvanised steel are manufactured in a similar manner and via similar production processes.*

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On this basis, BlueScope considers its locally-produced galvanised steel is “alike” to the imported goods, and possess the same essential characteristics as the imported galvanised steel”²⁰.

(ii) Aluminium zinc coated steel

BlueScope stated that they manufacture flat rolled products of iron and non-alloy steel, of a width equal to or greater than 600mm, plated or coated with aluminium-zinc alloys (whether or not including resin coating).

The application states that aluminium zinc coated steel manufactured by BlueScope is marketed under the trade names “ZINCALUME®” and “TRUECORE®” steel. These products are sold into the Australian market direct to manufacturing customers and via distributors.

BlueScope considers the locally produced goods are considered to be like products to the imported plated or coated flat rolled products of iron or steel, plated or coated with aluminium-zinc alloys. BlueScope submitted that:

“(a) Physical likeness

- *Products made locally by BlueScope have a physical likeness to the goods exported from China, Korea and Taiwan (the countries under reference);*
- *BlueScope’s locally produced aluminium zinc coated steel and the imported goods are manufactured to Australian and International Standards;*

(b) Commercial likeness

- *Australian industry aluminium zinc coated steel competes directly with imported aluminium zinc coated steel in the Australian market;*

(c) Functional likeness

- *Both the locally produced and imported aluminium zinc coated steel have comparable or identical end-uses; and*

(d) Production likeness

- *Locally produced and imported aluminium zinc coated steel are manufactured in a similar manner and via similar production processes.*

On this basis, BlueScope considers its locally-produced aluminium zinc coated steel is “alike” to the imported goods, and possess the same essential characteristics as the imported aluminium zinc coated steel”²¹.

²⁰ Galvanised Steel Application, pages 12-13.

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7.4.1 Stakeholders claims in respect of like goods - at PAD stage

A number of stakeholders, including importers (i.e. OneSteel Australian Tubes Mill Pty Ltd), end users (i.e. Ace Gutters Coil Coaters Pty Ltd), exporters and their representatives (i.e. POSCO and the Chinese Iron and Steel Association) have made submissions to the investigations in respect of like goods and the goods under investigation. These stakeholders claim that BlueScope cannot or do not manufacture and / or supply specific types of galvanised steel and aluminium zinc coated steel (for example, products with certain widths or thicknesses). These stakeholders also submit that the scope of the goods under investigation is too exhaustive.

This report does not discuss the claims made in these submissions in detail, as for the purposes of making PADs Customs and Border Protection has preliminarily assessed that BlueScope manufacture like goods to the goods under consideration (section 6.4.2 refers). Customs and Border Protection is investigating and considering these issues.

Certain importers have also indicated that if anti-dumping measures are imposed they will be seeking an exemption from interim dumping duties under s.8(7) of the *Customs Tariff (Anti-dumping) Act 1975*.

As exemptions may only be applied subsequent to the publication of a dumping duty notice, these claims are not relevant to making PADs. Customs and Border Protection will investigate any exemption applications that are supported by sufficient evidence, and is currently investigating a number of such claims.

7.4.2 Preliminary assessment - like goods

Customs and Border Protection has preliminarily assessed that BlueScope has demonstrated in relation to galvanised steel and aluminium zinc coated steel that:

- *physical likeness* - the primary physical characteristics of imported and locally produced goods are similar (both are manufactured to achieve mechanical properties designated by Australian and international standards);
- *commercial likeness* - the imported and locally produced goods are commercially alike, directly competitive and are sold to common customers;
- *functional likeness* - the imported and locally produced goods are functionally alike as they have the same end-uses; and
- *production likeness* - the imported and locally produced goods are manufactured in a similar manner.

Customs and Border Protection preliminarily considers that BlueScope produces like goods that are identical to, or have characteristics closely resembling, the goods.

²¹ Aluminium Zinc Coated Steel Application, pages 12-13.

8 AUSTRALIAN MARKETS

8.1 Background

In its applications, BlueScope submitted that in the Australian markets:

- galvanised steel is supplied into the building and construction, manufacturing, automotive and transport primary market sectors; and
- aluminium zinc coated steel is supplied into the building and construction and manufacturing primary market sectors.

BlueScope stated that the end use application of each product varies within the primary market sectors. It claimed that locally produced and imported goods are used interchangeably across a variety of applications in the Australian market.

8.1.1 Market segmentation and demand variability²²

BlueScope stated that in the Australian market the key market segments for galvanised steel and aluminum zinc coated steel are the building and construction industry segment (largest consumer by volume) and the smaller manufacturing industry segment.

(i) Galvanised steel

BlueScope stated that in the building and construction industry examples of end use applications for galvanised steel include; commercial and industrial buildings light structural sections (purlins and girts); structural sections for carports, sheds and garages; plastering and ceiling accessories; garage door tracks; structural nail-plates, post stirrups, frame connectors and bracing for timber frames.

BlueScope stated that in the manufacturing industry examples of end use applications for galvanised steel include; feedstock as input for pipe and tube manufacture; air-conditioning ducting; cable trays; components in domestic appliances; hot water system components; electrical meter cabinets; tool-boxes; meter boxes; grain silos components and general manufactured articles.

BlueScope also advised that galvanised steel is supplied to automotive components (i.e. brakes parts) and Original Equipment Manufacturer (OEM) automotive markets.

The application claims that end users (and end use applications) in the key market segments are the predominant drivers of demand for galvanised steel.

²² In CON 190 Customs and Border Protection indicated that BlueScope's claims regarding market segmentation and demand variability as provided in the applications appeared very similar for galvanised steel and aluminium zinc coated steel. Customs and Border Protection noted that further investigation regarding similarities and differences in the market segments and demand factors and the degree of substitutability between galvanised and aluminium zinc coated steel was required. Customs and Border Protection is investigating these issues.

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(ii) Aluminum zinc coated steel

BlueScope stated that in the building and construction industry examples of end use applications for aluminum zinc coated steel include; roll formed roof and wall cladding; rain water guttering and down-pipes; roof flashing and trims; residential roof trusses; residential roofing battens; ceiling battens; residential house framing; wall structural sections; office wall framing; garden sheds; and garage door panels.

BlueScope stated that in the manufacturing industry examples of end use applications for aluminum zinc coated steel include; components in domestic appliances; hot water system components; cabinets; flues; ducting; grain silos and general manufactured articles.

BlueScope advised that aluminum zinc coated steel is not usually supplied to the auto components and OEM automotives market segments.

The application claims that the predominant drivers of demand for aluminum zinc coated steel in the two key Australian market segments include:

- *“residential construction, specifically, residential new dwelling construction, and investment in residential alterations and additions construction;*
- *commercial and industrial construction; and*
- *substitution into markets previously dominated by other materials including replacing timber for residential framing and replacing zinc coated steel products for structural framing in commercial / industrial internal partitioning and walling market²³”.*

(iii) Both products

BlueScope stated that there are a variety of factors that influence demand variability for galvanised steel and aluminum zinc coated steel within the Australian market, including:

- seasonal fluctuations;
 - impacts on agriculture, such as silos depending on season;
 - building industry Christmas closures;
 - wet versus dry season in tropical climates;
- factors contributing to overall market growth or decline;
 - availability of capital for infrastructure spending;
 - general macro-economic factors such as bank interest rates;
 - global and domestic business and consumer confidence;
- government regulation;
 - standards – international manufacturers do not always manufacture to the same standards as Australian manufacturers (BlueScope claim that this is commonly not apparent until installation);

²³ Aluminium Zinc Coated Steel Application, page 17.

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- policy – major government spending on infrastructure (i.e. the school building revolution);
- new home rebates – which can stimulate demand;
- short term pricing volatility;
 - pressure on Australian manufacturing to compete with imported finished products;
 - pressure and influence on purchasing decisions for inventory levels; and
 - which is evident primarily in the indirect distribution channel; and influenced through global steel capacity utilisation.

8.1.2 Marketing

As discussed at section 6.4, BlueScope sells galvanised steel and aluminum zinc coated steel under several brand names. BlueScope stated that different brands were sold into different market sectors and that this enabled BlueScope to develop marketing strategies that targeted particular market sectors.

(i) Galvanised steel

GALVABOND® is the largest selling brand of galvanised steel and is a commercial grade suitable for forming, pressing and drawing. This product has the typical spangled surface that forms as the zinc coating dries. ZINCANNEAL® is a similar product but the zinc coating is subjected to direct fire gas furnace post exiting the coating bath and consequently the surface has a much finer crystalline structure. GALVSPAN® is the second largest selling brand of galvanised steel and is aimed at the construction market for the production of purlins and girts. The vast majority of sales of this brand have a zinc coating mass of 350 g/m². ZINCHITEN® is a structural product that can have the same structural properties, but is typically sold with a lower coating mass. GALVAFORM® is a brand specially developed for the automotive sector and DECKFORM® was developed specifically for the steel decking market.

(ii) Aluminum zinc coated steel

ZINCALUME® and TRUECORE® are the main brands of aluminium zinc coated steel. ZINCALUME® is the largest selling brand. TRUECORE® may have the same structural properties but it is targeted to the house framing market. It is produced in limited sizes to suit the framing market and is coated with a blue tinted resin.

8.1.3 Market distribution

(i) Galvanised steel

BlueScope stated that a large proportion of total galvanised steel sales are made directly to the domestic building product manufacturing industry. Customers in this industry roll form the galvanised steel into building products such as structural sections for commercial buildings, garages and sheds. The building product manufacturers then distribute the manufactured products to builders. If these customers require slit coils it is supplied from the service centres. BlueScope stated that typically delivery is made four to five weeks after the order is placed, but there

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are many common sizes that may be delivered within two or three days. Smaller quantities are sold directly to customers in the automotive (car and component manufacturers), manufacturing and pipe and tube sectors. The balance is sold through distributors.

(ii) Aluminum zinc coated steel

BlueScope advised that a significant proportion of aluminum zinc coated steel sales are made directly to the domestic building product manufacturing industry. Customers in this industry roll form the steel into building products such as building cladding. The building product manufacturers subsequently distribute the manufactured products to builders. BlueScope stated that the majority of the balance is sold through distributors and only a very small volume is sold into other market sectors.

(iii) Both products

BlueScope stated that distributors and resellers may offer a range of services such as smaller parcels of product, along with credit facilities and further processing (such as sheeting, slitting and blanking). Distributors normally purchase imports or BlueScope's products, but some purchase from both sources.

BlueScope and importers of galvanised steel and aluminum zinc coated steel compete in all states and territories in Australia and across each segment via the same distribution channels in order to sell product into the market.

8.1.4 Market size

Customs and Border Protection has preliminarily estimated the size of the Australian markets for galvanised steel and aluminium zinc coated steel using import data from Customs and Border Protection's import data base and verified and unverified data provided by BlueScope, importers and exporters. Customs and Border Protection notes the following issues with the accuracy of data sets:

- Product finishes (for example, whether aluminium zinc coated steel is painted or unpainted) are not easily identifiable in the data sets. As product finishes cannot be easily identified in the data used to estimate market volumes, it is likely that some painted products which are outside the scope of the goods may be included in import volumes. The inclusion of these products may inflate import volumes and therefore Australian market sizes; and
- Specific production dimensions (including exact width and thickness of the goods) are not discernable in data sets. While the tariff subheadings and statistical codes provide indicative parameters regarding width and thickness of imported products, they provide guidance only in determining exact product dimensions of the imported goods.

Notwithstanding these issues, for the purposes of this report, Customs and Border Protection considers that the import data available is sufficient for estimating import volumes to preliminarily assess the Australian market sizes for galvanised steel and aluminium zinc coated steel.

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(i) Galvanised steel

The following graph depicts Customs and Border Protection's estimate of the Australian market size for galvanised steel using data from its import database and BlueScope's verified sales data. Customs and Border Protection estimates that in 2011-12 the size of the Australian market for galvanised steel was approximately 630,000 tonnes.

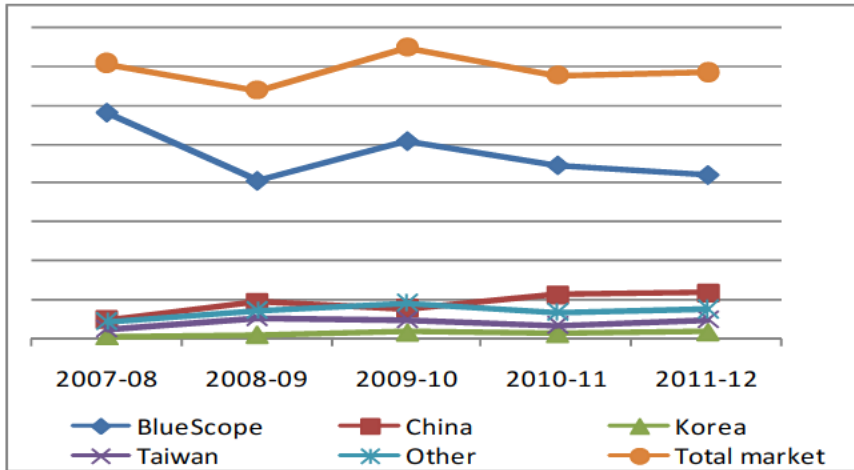


Figure 5: Australian market for galvanised steel - 2007-08 to 2011-12

The graph above shows that the total Australian market size for galvanised steel remained relatively constant (showing a marginal increase) from 2010-11 to 2011-12.

(ii) Aluminium zinc coated steel

The following graph depicts Customs and Border Protection's estimate of the Australian market size for aluminium zinc coated steel using data from its import database and BlueScope's verified sales data. Customs and Border Protection estimates that in 2011-12 the size of the Australian market for aluminium zinc coated steel was approximately 220,000 tonnes.

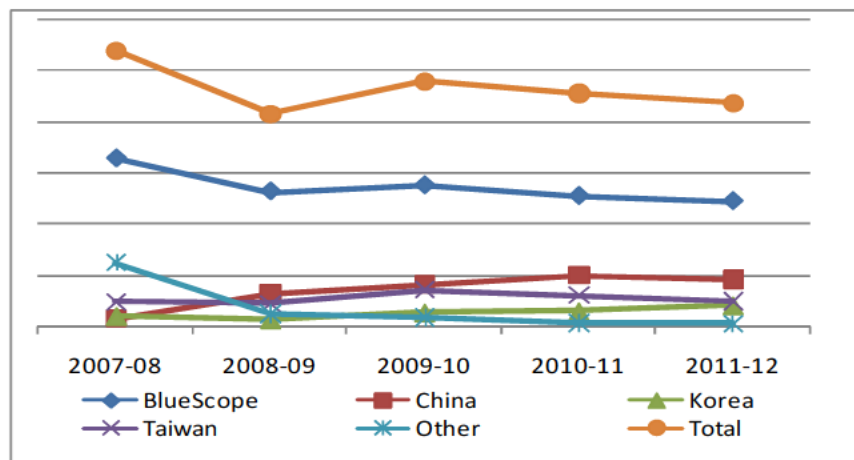


Figure 6: Australian market for aluminium zinc coated steel - 2007-08 to 2011-12

The graph above shows that the total Australian market size for aluminium zinc coated steel continually decreased during 2009-10 to 2011-12.

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9 PRELIMINARY DUMPING ASSESSMENT

9.1 Preliminary assessment

Customs and Border Protection is satisfied that based on the verified and unverified information and data available at the time of making the PADs, exports of galvanised steel and aluminium zinc coated steel exported from China, Korea and Taiwan were dumped during the investigation period.

(i) Galvanised steel

Customs and Border Protection makes a preliminary assessment that:

- a market situation existed in the domestic market for galvanised steel in China during the investigation period such that selling prices in that market are not suitable for normal value purposes;
- galvanised steel exported to Australia from China, Korea and Taiwan during the investigation period was dumped;
- galvanised steel exported by Yieh Phui Enterprise was dumped but this dumping was negligible;
- galvanised steel exported by Union Steel and Sheng Yu Steel was not dumped; and
- the volume of dumped goods from these countries, and the dumping margins for all exporters (except Union Steel, Sheng Yu Steel and Yieh Phui Enterprise) were not negligible.

Preliminary dumping margins for galvanised steel are tabulated below:

Country	Manufacturer / exporter	Preliminary dumping margin
China	Angang Steel	13.9%
	Angang TAGAL	23.1%
	Wuhan	19.7%
	Yieh Phui Technomaterial	11.0%
	<i>Selected non-cooperating exporters</i>	55.3%
Korea	Dongbu Steel	3.2%
	POSCO	11.4%
	Union Steel	<2%
	<i>Selected non-cooperating exporters</i>	20.1%
Taiwan	Chung Hung Steel	10.3%
	Sheng Yu Steel	<2%
	Yieh Phui Enterprise	<2%
	<i>Selected non-cooperating exporters</i>	11.8%

Figure 7: Preliminary dumping margins for galvanised steel

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(ii) Aluminium zinc coated steel

Customs and Border Protection makes a preliminary assessment that:

- a market situation existed in the domestic market for aluminium zinc coated steel in China during the investigation period such that selling prices in that market are not suitable for normal value purposes;
- aluminium zinc coated steel exported to Australia from China, Korea and Taiwan during the investigation period was dumped;
- aluminium zinc coated steel exported by Angang Steel and Union Steel was dumped but that this dumping was negligible; and
- the volume of dumped goods from these countries, and the dumping margins for all exporters (excluding Angang Steel and Union Steel) were not negligible.

Preliminary dumping margins for aluminium zinc coated steel are tabulated below:

Country	Manufacturer / exporter	Preliminary dumping margin
China	Angang Steel	<2%
	Union Steel China	11.6%
	Yieh Phui Technomaterial	4.6%
	<i>Selected non-cooperating exporters</i>	19.3%
Korea	Dongbu Steel	5.8%
	Union Steel	<2%
	<i>Selected non-cooperating exporters</i>	5.8%
Taiwan	Sheng Yu Steel	2.1%
	Yieh Phui Enterprise	4.0%
	<i>Selected non-cooperating exporters</i>	4.0%

Figure 8: Preliminary dumping margins for aluminium zinc coated steel

As discussed previously, the preliminary export prices, preliminary normal values and preliminary dumping margins determined for the PADs are based on available information at the time of the PADs. These preliminary calculations are indicative only and as further verified information becomes available the preliminary calculations may change.

9.2 Preliminary treatment of exporters

9.2.1 Properly documented exporter questionnaire responses

For the purposes of the PADs information and data was used from exporter questionnaire responses for galvanised steel and aluminium zinc coated steel submitted by the following exporters:

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Country	Companies	Visited by Customs and Border Protection (Yes / No)
China	Angang Steel	Yes
	Angang TAGAL	Yes
	Wuhan	No
	International Economic and Trading Corporation Wugang Group (IETW)	No
	Union Steel China	Yes
	Yieh Phui Technomaterial	Yes
Korea	Dongbu Steel	Yes
	POSCO	Yes (meeting only)
	Union Steel	Yes
Taiwan	Chung Hung Steel	Yes
	Sheng Yu Steel	Yes
	Yieh Phui Enterprise	Yes
	Asiazone Co., Limited (Asiazone)	Yes

Figure 9: Exporters / suppliers that provided data and information used for the PADs to assess dumping

In late 2012 and January 2013 Customs and Border Protection completed verification visits at the premises of several exporters (as shown at figure 9), to verify information / data provided in exporter questionnaire responses. In respect of these visits, Customs and Border Protection is in the process of finalising exporter visit reports, including dumping margin assessments. As the majority of visit reports and dumping margin calculations were not finalised at the time of considering the PADs, in order to prevent material injury to the Australian industry from continuing to occur during the course of the investigations, the following has been used to assess dumping²⁴:

- information / data from exporter questionnaire responses (verified and un-verified information);
- additional data provided by exporters during verification visits that occurred in 2012 (verified information); and
- preliminary analysis and assessments in draft and final exporter visit reports (verified information).

For exporter visit reports that have not been finalised and placed on the public record at the time of considering the PADs, the dumping margins determined for these final visit reports (based on verified, revised and accurate information) will replace and update the preliminary dumping margins assessed for the PADs. It is therefore possible that the level of dumping securities will be revised at a later date.

9.2.2 Insufficient exporter questionnaire responses

Exporter questionnaire responses were also submitted by Ta Fong Steel Co., Ltd (a Taiwanese exporter of galvanised steel) and Jiangyin Zongcheng Steel Co., Ltd (a Chinese exporter of aluminium zinc coated steel). However based on the information provided in the questionnaire responses, Customs and Border Protection was unable to make a reasonable assessment of dumping. For the purposes of the PADs,

²⁴ This dumping assessment is solely for the purposes of the PADs.

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exporter specific rates for these exporters have not been assessed. This approach may change pending the provision of further information and clarification from these exporters.

9.3 Determination of normal values – China (both products)

9.3.1 Particular market situation

In its application, BlueScope submitted that domestic prices of galvanised steel and aluminium zinc coated steel in China are not suitable for the determination of normal values under s269TAC(1) as a particular market situation in relation to those goods renders those domestic selling prices unsuitable.

In its recent investigation into dumping of hollow structural sections (HSS) exported from China, Customs and Border Protection found that a particular market situation existed in the Chinese iron and steel industry that rendered domestic selling prices of HSS unsuitable for the determination of normal value (Report 177 (REP 177) refers²⁵). In particular, Customs and Border Protection found that the Chinese government influences distorted the selling prices of HRC, the main raw material used in the manufacture of HSS.

The Government of China's (GOC's) response to the market situation questionnaire for the galvanised steel and aluminium zinc coated steel investigations is not due until 8 February 2013. However, galvanised steel and aluminium zinc coated steel producers form part of the iron and steel industry in China and HRC is the main raw material used in the production of those goods. Based on these facts and the findings in REP 177²⁶, Customs and Border Protection considers it reasonable at this stage of the investigation to consider that the GOC influences in the iron and steel industry identified in REP 177 continue to exist in the Chinese domestic market such that HRC selling prices do not reflect competitive market costs.

During the current investigations Customs and Border Protection has found that some exporters of galvanised steel and aluminium zinc coated steel to Australia are 'integrated producers'. This means that rather than purchasing HRC they manufacture their own HRC from raw materials such as iron ore, coke or coking coal and scrap. Customs and Border Protection considers that due to the nature of the government influences as set out in REP 177 the HRC production inputs and/or transfer prices for HRC would equally be affected and not reflect competitive market costs.

Customs and Border Protection therefore preliminarily considers that a particular market situation exists in relation to domestic sales of galvanised steel and aluminium zinc coated steel exported to Australia from China rendering domestic prices of those goods unsuitable for determining a normal value. Normal values should be constructed under s269TAC(2)(c) of the Act.

²⁵ A detailed assessment of the market situation in China for HSS is contained in Appendix A to REP177.

²⁶ It is noted that on 14 January 2013 the Minister, following a recommendation from the Review Officer, asked Customs and Border Protection to reinvestigate the market situation findings in REP177. The reinvestigation report is due to the Minister on 14 April 2013.

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9.3.2 Approach to replacing HRC costs

The construction of normal value under s269TAC(2)(c) of the Act has been undertaken in accordance with the conditions of Regulation 180,181 and 181A of the *Customs Regulations 1926*.

Regulation 180(2) requires that if an exporter keeps records in accordance with generally accepted accounting principles and those records reasonable reflect competitive market costs associated with the production of like goods then the cost of production must be worked out using the exporter's records.

Customs and Border Protection's preliminary view is that HRC prices are affected by GOC influences and do not reasonable reflect competitive market costs.

The issue of an appropriate benchmark for HRC costs was discussed in Appendix C of REP 177. That report discussed three options for determining a benchmark, in order of preference based on World Trade Organisation (WTO) Appellate Body findings:

- private domestic prices;
- import prices; and
- external benchmarks.

(i) Private domestic prices

In REP 177 Customs and Border Protection found that private prices of HRC were equally affected by government influence and therefore not suitable. Customs and Border Protection's preliminary assessment of data submitted by cooperating exporters in the galvanised steel and aluminium zinc coated steel investigations shows that there is no significant difference between HRC prices from SIE and private suppliers. Customs and Border Protection considers that private domestic prices of HRC in China are still not suitable for determining a competitive market cost free from government influence.

(ii) Import prices

In REP 177 Customs and Border Protection found that import prices were not suitable as a benchmark due to the lack of import penetration of HRC and the likelihood that import prices were equally affected by the government influences on domestic prices. Although the GOC response to the questionnaire in relation to HRC imports has not yet been submitted, the data supplied by cooperating exporters in the current investigations shows that no HRC was imported by those exporters during the investigation period. Customs and Border Protection considers that import prices are still not suitable for determining a competitive market cost of HRC.

(iii) External benchmarks

Customs and Border Protection has preliminarily determined that an appropriate benchmark for HRC costs in China is the weighted average domestic HRC price paid by cooperating exporters of galvanised steel and aluminium zinc coated steel from

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Korea²⁷ and Taiwan²⁸, at comparable terms of trade and conditions of purchase to those observed in China.

It was observed that some Korean and Taiwanese exporters use hot rolled band (HRB) as well as HRC for the production of galvanised steel and aluminum zinc coated steel exported to Australia. Some Chinese exporters also purchase HRB. HRB is not skin passed and exhibited only a minor price difference to HRC used for the manufacture of galvanised steel and aluminum zinc coated steel during the investigation period. For the purpose of the benchmark, all HRB purchases were included.

One cooperating Korean exporter reported its HRC purchases by differentiating between HRC that was produced using the electric arc furnace method and HRC produced using the blast furnace method. The different types of HRC exhibited minor price differences in the investigation period. It is not clear from the questionnaire responses from Chinese exporters what type of HRC is purchased for the production of galvanised steel and aluminum zinc coated steel. As such for the purpose of calculating the preliminary benchmark, all HRC purchases were included.

One cooperating Taiwanese exporter purchased HRC from three different domestic producers at different delivery terms. Two suppliers provided ex-works (EXW) prices while the third supplier provided free alongside ship (FAS) delivered price. Upon further enquiry, the exporter clarified that the FAS term used in the data provided in its response to the exporter questionnaire is inclusive of delivery costs and that the delivery of HRC was by truck. The exporter also confirmed that the supplier of HRC was located adjacent to the exporter's production facility. It was also noted that all three Taiwanese cooperating exporters purchased some HRC from one common domestic supplier. There were minor price differences between delivered HRC prices by the two cooperating exporters when compared to the FAS price for this exporter. It was also noted that there was minor price difference between EXW and FAS prices for the HRC supplied to this exporter. Therefore, for the purpose of calculating the preliminary benchmark, FAS and EXW delivery terms for this exporter were treated as delivered prices.

From the responses to the exporter questionnaire provided by three cooperating non-integrated Chinese exporters, two exporters provided HRC purchase data inclusive of delivery costs while the third exporter had both delivered and EXW terms. The delivery cost for HRC for this exporter was calculated as a weighted average cost per tonne, using the difference between the EXW and delivered prices per tonne multiplied by the quantity. An upward adjustment was made to all EXW HRC purchases during the investigation period. For the purpose of calculating the preliminary benchmark, all HRC purchases by the cooperating exporters were adjusted to delivered prices.

²⁷ Dongbu Steel and Union Steel.

²⁸ Chung Hung Steel, Yieh Phui Enterprise and Sheng Yu Steel.

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9.3.3 Calculation of uplift

(i) Non-integrated cooperating exporters

To determine the amended competitive market costs for non-integrated Chinese exporters, Customs and Border Protection compared the benchmark prices to purchases of HRC by those exporters to arrive at a percentage difference to be applied to the raw materials cost recorded in the exporters' records. In each case, application of this benchmark resulted in an uplift to exporters' costs, i.e. the actual HRC costs incurred by galvanised steel and aluminum zinc coated steel exporters for HRC were lower than the benchmark amount.

(ii) Integrated cooperating exporters

As stated above, integrated manufacturers of galvanised steel and aluminium zinc coated steel do not purchase HRC but manufacture it themselves from other raw materials such as iron ore, coke or coking coal and scrap steel. At this stage of the investigation Customs and Border Protection does not have sufficient information to determine what a competitive market cost might be for each individual raw material. However, as set out in REP177, the GOC influences in the iron and steel industry are wide ranging and affect competitive market supply of raw material inputs to HRC also. Customs and Border Protection has observed that some of the cooperating integrated exporters of galvanised steel and aluminium zinc coated steel also sell HRC to some of the non-integrated producers. Because this selling price is said not to reflect a competitive market cost to the purchaser, and has been substituted by a benchmark, this leads to an inference that the HRC manufacture costs of the integrated producers also do not reflect competitive market costs. In the absence of

- sufficient information to establish a benchmark for each of the raw material inputs to HRC; and
- sufficiently detailed cost records from the cooperating exporters in their questionnaire responses to make the adjustment at this level,

it is considered reasonable to make the substitution at the HRC level for integrated producers at the PAD stage.

Therefore, for cooperating integrated Chinese exporters the weighted average percentage uplift found in relation to the cooperating non-integrated exporters was applied to their recorded costs to manufacture HRC.

(iii) Non-cooperating exporters

The methodology for calculating the normal value for non-cooperating exporters is discussed at sections 8.4.5 and 8.9.4.

9.4 Galvanised steel - China

9.4.1 Angang Steel

Preliminary export prices for direct and indirect exports by Angang Steel (including through Angang entities in the Angang Group of companies) were established pursuant to s.269TAB(1)(a) of the Act using the invoiced export price, by product

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model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values for domestic sales by Angang Steel were established in accordance with s.269TAC(2)(c) of the Act using Angang Steel's weighted average cost to make and sell (CTMS) data (revised for raw material cost uplift), by product model, and an amount for profit based on recoverable domestic sales of like goods. To ensure the comparability of preliminary normal values to preliminary export prices, a positive adjustment of 4% was made to normal values in relation to the residual export VAT expense that is incurred for export sales but not domestic sales.

The preliminary dumping margin for galvanised steel exported by Angang Steel was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Angang Steel is 13.9%.

9.4.2 Angang TAGAL

Preliminary export prices for exports by Angang TAGAL were established pursuant to s.269TAB(1)(a) of the Act using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values for domestic sales by Angang TAGAL were established in accordance with s.269TAC(2)(c) of the Act using Angang TAGAL's weighted average CTMS data (revised for raw material cost uplift), by product model, and an amount for profit based on recoverable domestic sales of like goods. To ensure fair comparison, a positive adjustment of 4% was made to normal values in relation to the residual export VAT expense that is incurred for export sales but not domestic sales.

The preliminary dumping margin for galvanised steel exported by Angang TAGAL was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Angang TAGAL is 23.1%.

9.4.3 Wuhan

Preliminary export prices for direct and indirect exports by Wuhan (supplied through IETW and other Wugang entities) were established pursuant to s.269TAB(1)(a) of the Act using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values for domestic sales by Wuhan were established in accordance with s.269TAC(2)(c) of the Act using Wuhan weighted average CTMS data (revised for raw material cost uplift), by product model, and an amount for profit based on profitable domestic sales of like goods. To ensure fair comparison, a positive adjustment of 4% was made to normal values in relation to the residual export VAT expense that is incurred for export sales but not domestic sales. An

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positive adjustment for selling, general and administrative expenses for IETW was also made to normal values.

The preliminary dumping margin for galvanised steel exported by Wuhan (supplied through IETW) was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Wuhan / IETW is 19.7%.

9.4.4 Yieh Phui Technomaterial

Preliminary export prices for exports by Yieh Phui Technomaterial were established pursuant to s.269TAB(1)(a) of the Act using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values for domestic sales by Yieh Phui Technomaterial were established in accordance with s.269TAC(2)(c) of the Act using Yieh Phui Technomaterial's weighted average CTMS data (revised for raw material cost uplift), by product model, and an amount for profit based on recoverable domestic sales of like goods. To ensure fair comparison, a positive adjustment of 4% was made to normal values in relation to the residual export VAT expense that is incurred for export sales but not domestic sales.

The preliminary dumping margin for galvanised steel exported by Yieh Phui Technomaterial was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Yieh Phui Technomaterial is 11.0%.

9.4.5 Selected non-cooperating exporters

Preliminary export prices for export sales by all selected non-cooperating Chinese exporters were established in accordance with s.269TAB(3) of the Act, as sufficient information for these exporters has not been furnished. Specifically, Customs and Border Protection used the lowest weighted average export prices for the entire investigation period from the selected co-operating exporters, excluding any part of that price that relates to post-exportation charges.

Preliminary normal values for domestic sales by all selected non-cooperating Chinese exporters were established in accordance with s.269TAC(6) of the Act, as sufficient information for these exporters has not been furnished. Specifically, Customs and Border Protection used the highest weighted average normal values for the entire investigation period from the selected cooperating exporters.

The preliminary dumping margins for galvanised steel for selected non-cooperating Chinese exporters were established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for selected non-cooperating Chinese exporters is 55.3%.

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9.5 Galvanised steel - Korea

9.5.1 Dongbu Steel

Preliminary export prices for galvanised steel export sales by Dongbu Steel were established in accordance with s.269TAB(1)(a) of the Act, using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values for galvanised steel domestic sales by Dongbu Steel were established in accordance with s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the ordinary course of trade (OCOT). To ensure fair comparison, the following adjustments were made to normal values:

Negative

- domestic packing;
- domestic inland freight;
- domestic warranty costs;
- domestic warehousing; and
- domestic credit terms.

Positive

- export packing;
- export inland freight;
- export handling, loading and ancillary costs; and
- bank charges.

The preliminary dumping margin for exports by Dongbu Steel was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Dongbu Steel is 3.2%.

9.5.2 POSCO

Preliminary export prices for exports by:

- POSCO direct sales were established in accordance with s.269TAB(1)(a) of the Act, using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation; and
- POSCO indirect sales through traders were established in accordance with s.269TAB(1)(c) of the Act, by product model, having regard to all the circumstances of the exportation.

Preliminary normal values for domestic sales by POSCO were established in accordance with:

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- for certain models, s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the OCOT; and
- for certain models, s.269TAC(2)(c) of the Act using POSCO's weighted average CTMS data, by product model, and for certain models an amount of profit based on domestic sales of like goods made in the OCOT.

To ensure fair comparison, the following adjustments were made to normal values:

Negative

- domestic packing;

Positive

- export packing; and
- export inland freight and inland transportation.

The preliminary dumping margin for galvanised steel exported by POSCO was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for POSCO is 11.4%.

9.5.3 Union Steel

Preliminary export prices for exports by Union Steel were established pursuant to s.269TAB(1)(a) of the Act using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values for galvanised steel domestic sales by Union Steel were established in accordance with s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the OCOT.

To ensure fair comparison, the following adjustments were made to normal values:

Negative

- domestic packing;
- domestic inland transportation; and
- domestic credit;

Positive

- export packing; and
- export credit and bank charges.

The preliminary dumping margin for galvanised steel for exports by Union Steel was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Union Steel is 0.7%.

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9.5.4 Selected non-cooperating exporters

Preliminary export prices for galvanised steel export sales by all selected non-cooperating Korean exporters were established in accordance with s.269TAB(3) of the Act, as sufficient information for these exporters has not been furnished. Specifically, Customs and Border Protection used the lowest weighted average export prices for the entire investigation period from the selected co-operating exporters, excluding any part of that price that relates to post-exportation charges.

Preliminary normal values for domestic sales by all selected non-cooperating Korean exporters were established in accordance with s.269TAC(6) of the Act, as sufficient information for these exporters has not been furnished. Specifically, Customs and Border Protection used the highest weighted average normal values for the entire investigation period from the selected cooperating exporters.

The preliminary dumping margins for galvanised steel for selected non-cooperating Korean exporters were established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for selected non-cooperating Korean exporters is 20.1%.

9.6 Galvanised steel - Taiwan

9.6.1 Chung Hung Steel

Preliminary export prices for Chung Hung Steel for:

- direct exports were established in accordance with s.269TAB(1)(a) of the Act, using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation; and
- indirect exports through traders were established in accordance with s.269TAB(1)(c) of the Act, by product model, having regard to all the circumstances of the exportation.

Preliminary normal values for domestic sales by Chung Hung Steel were established in accordance with:

- for certain models, s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the OCOT; and
- for certain models, s.269TAC(2)(c) of the Act using Chung Hung Steel's weighted average CTMS data, by product model, and for certain models an amount of profit based on domestic sales of like goods made in the OCOT.

To ensure fair comparison, the following adjustments were made to normal values:

Negative

- domestic packing;

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Positive

- export packing;
- export commission and trade fee;
- export bank charges; and
- export inland freight and inland transportation.

The preliminary dumping margin for galvanised steel exported by Chung Hung Steel was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Chung Hung Steel is 10.3%.

9.6.2 Sheng Yu Steel

Preliminary export prices for galvanised steel exported by Sheng Yu Steel were established in accordance with s.269TAB(1)(a) of the Act, using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values for domestic sales by Sheng Yu Steel were established in accordance with s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the OCOT.

To ensure fair comparison the following adjustments were made:

Negative

- domestic inland freight;
- domestic packaging;
- domestic warranty;
- timing differences (as appropriate)

Positive

- export inland freight;
- export packaging;
- export expenses;
- timing differences (as appropriate)

The preliminary dumping margin for galvanised steel for Sheng Yu Steel was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Sheng Yu Steel is -1.1%.

9.6.3 Yieh Phui Enterprise

Preliminary export prices for Yieh Phui Enterprise for:

- indirect exports through Asiazone were established in accordance with s.269TAB(1)(a) of the Act, using the invoiced export price, by product model,

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less any expenses that represent a charge for any matter arising after exportation; and

- indirect exports through other traders were established in accordance with s.269TAB(1)(c) of the Act, having regard to all the circumstances of the exportation.

Preliminary normal values for domestic sales by Yieh Phui Enterprise were established in accordance with:

- for certain models, s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the OCOT; and
- for certain models, s.269TAC(2)(c) of the Act using Yieh Phui Enterprise's weighted average CTMS data, by product model, and for certain models an amount of profit based on domestic sales of like goods made in the OCOT.

To ensure fair comparison, the following adjustments were made to normal values:

Negative

- domestic inland freight;
- domestic packaging;
- domestic warranty;
- specification adjustment (to account for variances in coating mass, width and thickness, as required);

Positive

- direct export expenses;
- selling, general and administrative expenses in respect of Asiazone
- specification adjustment (to account for variances in coating mass, width and thickness, as required).

The preliminary dumping margin for galvanised steel for Yieh Phui Enterprise was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Yieh Phui Enterprise is 1.3%.

9.6.4 Selected non-cooperating exporters

Preliminary export prices for galvanised steel export sales by all selected non-cooperating Taiwanese exporters were established in accordance with s.269TAB(3) of the Act, as sufficient information for these exporters has not been furnished. Specifically, Customs and Border Protection used the lowest weighted average export prices for the entire investigation period from the selected co-operating exporters, excluding any part of that price that relates to post-exportation charges.

Preliminary normal values for galvanised steel domestic sales by all selected non-cooperating Taiwanese exporters were established in accordance with s.269TAC(6) of the Act, as sufficient information for these exporters has not been furnished. Specifically, Customs and Border Protection used the highest weighted average

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normal values for the entire investigation period from the selected cooperating exporters.

The preliminary dumping margins for galvanised steel for selected non-cooperating Taiwanese exporters were established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for selected non-cooperating Taiwanese exporters is 11.8%.

9.7 Volume of dumped exports

Customs and Border Protection preliminarily assessed that the volume of galvanised steel exported from each of the nominated countries that were dumped over the investigation period is each greater than 3% of the total import volumes of galvanised steel over the investigation period and is therefore not a negligible volume.

9.8 Galvanised steel - dumping margin summary

Customs and Border Protection's preliminary calculation of export prices, preliminary normal values and preliminary dumping margins in respect of galvanised steel are at **Confidential Appendix 1**.

These preliminary calculations are indicative and based on the information available at the time of making the PADs. As further verified information becomes available, these preliminary calculations may change, especially as verification visit reports for exporters are finalised.

9.9 Aluminium zinc coated steel - China

9.9.1 Angang Steel

Preliminary export prices for aluminium zinc coated steel exported by Angang Steel (including through Angang entities in the Angang Group of companies) were established pursuant to s.269TAB(1)(a) of the Act using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values for domestic sales by Angang Steel were established in accordance with s.269TAC(2)(c) of the Act using Angang Steel's weighted average CTMS data (revised for raw material cost uplift), by product model, and an amount for profit based on recoverable domestic sales of like goods. To ensure the comparability of preliminary normal values to preliminary export prices, a positive adjustment of 4% was made to normal values in relation to the residual export VAT expense that is incurred for export sales but not domestic sales.

The preliminary dumping margin for aluminium zinc coated steel exported by Angang Steel was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Angang Steel is 1.5%.

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9.9.2 Union Steel China

Preliminary export prices for aluminium zinc coated steel exported by Union Steel China were established pursuant to s.269TAB(1)(a) of the Act using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values for domestic sales by Union Steel China were established in accordance with s.269TAC(2)(c) of the Act using Union Steel China's weighted average CTMS data (revised for raw material cost uplift), by product model, and an amount for profit based on recoverable domestic sales of like goods. To ensure fair comparison, a positive adjustment of 4% was made to normal values in relation to the residual export VAT expense that is incurred for export sales but not domestic sales.

The preliminary dumping margin for aluminium zinc coated steel exported by USC was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Union Steel China is 11.6%

9.9.3 Yieh Phui Technomaterial

Preliminary export prices for exports by Yieh Phui Technomaterial were established pursuant to s.269TAB(1)(a) of the Act using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values for domestic sales by Yieh Phui Technomaterial were established in accordance with s.269TAC(2)(c) of the Act using Yieh Phui Technomaterial's weighted average CTMS data (revised for raw material cost uplift), by product model, and an amount for profit based on recoverable domestic sales of like goods. To ensure fair comparison, a positive adjustment of 4% was made to normal values in relation to the residual export VAT expense that is incurred for export sales but not domestic sales.

The preliminary dumping margin for aluminium zinc coated steel exported by Yieh Phui Technomaterial was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Yieh Phui Technomaterial is 4.6%.

9.9.4 Selected non-cooperating exporters

Preliminary export prices for export sales by all selected non-cooperating Chinese exporters were established in accordance with s.269TAB(3) of the Act, as sufficient information for these exporters has not been furnished. Specifically, Customs and Border Protection used the lowest weighted average export prices for the entire investigation period from the selected co-operating exporters, excluding any part of that price that relates to post-exportation charges.

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Preliminary normal values for aluminium zinc coated steel domestic sales by all selected non-cooperating Chinese exporters were established in accordance with s.269TAC(6) of the Act, as sufficient information for these exporters has not been furnished. Specifically, Customs and Border Protection used the highest weighted average normal values for the entire investigation period from the selected cooperating exporters.

The preliminary dumping margins for aluminium zinc coated steel for selected non-cooperating Chinese exporters were established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for selected non-cooperating Chinese exporters is 19.3%.

9.10 Aluminium zinc coated steel - Korea

9.10.1 Dongbu Steel

Preliminary export prices for exports by Dongbu Steel were established in accordance with s.269TAB(1)(a) of the Act, using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values for domestic sales by Dongbu Steel were established in accordance with s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the OCOT. To ensure fair comparison, the following adjustments were made to normal values:

Negative

- domestic packing;
- domestic inland freight;
- domestic warranty costs;
- domestic warehousing; and
- domestic credit terms.

Positive

- export packing;
- export inland freight;
- export handling, loading and ancillary costs; and
- bank charges.

The preliminary dumping margin for aluminium zinc coated steel exported by Dongbu Steel was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Dongbu Steel is 5.8%.

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9.10.2 Union Steel

Preliminary export prices for exports by Union Steel were established pursuant to s.269TAB(1)(a) of the Act using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

Preliminary normal values for domestic sales by Union Steel were established in accordance with s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the OCOT.

The preliminary dumping margin for aluminium zinc coated steel exported by Union Steel was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Union Steel is -0.8%.

9.10.3 Selected non-cooperating exporters

Preliminary export prices for aluminium zinc coated steel export sales by all selected non-cooperating Korean exporters were established in accordance with s.269TAB(3) of the Act, as sufficient information for these exporters has not been furnished. Specifically, Customs and Border Protection used the lowest weighted average export prices for the entire investigation period from the selected co-operating exporters, excluding any part of that price that relates to post-exportation charges.

Preliminary normal values for aluminium zinc coated steel domestic sales by all selected non-cooperating Korean exporters were established in accordance with s.269TAC(6) of the Act, as sufficient information for these exporters has not been furnished. Specifically, Customs and Border Protection used the highest weighted average normal values for the entire investigation period from the selected cooperating exporters.

The preliminary dumping margins for aluminium zinc coated steel for selected non-cooperating Korean exporters were established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for selected non-cooperating Korean exporters is 5.8%.

9.11 Aluminium zinc coated steel - Taiwan

9.11.1 Sheng Yu Steel

Preliminary export prices for exports by Sheng Yu Steel were established in accordance with s.269TAB(1)(a) of the Act, using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation.

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Preliminary normal values for domestic sales by Sheng Yu Steel were established in accordance with s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the OCOT.

To ensure fair comparison the following adjustments were made:

Negative

- domestic inland freight;
- domestic packaging;
- domestic warranty;
- timing differences (as appropriate)

Positive

- export inland freight;
- export packaging;
- export expenses;
- timing differences (as appropriate)

The preliminary dumping margin for aluminium zinc coated steel exported by Sheng Yu Steel was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Sheng Yu Steel is 2.1%.

9.11.2 Yieh Phui Enterprise

Preliminary export prices for Yieh Phui Enterprise for:

- indirect exports through Asiazone were established in accordance with s.269TAB(1)(a) of the Act, using the invoiced export price, by product model, less any expenses that represent a charge for any matter arising after exportation; and
- indirect exports through other traders were established in accordance with s.269TAB(1)(c) of the Act, having regard to all the circumstances of the exportation.

Preliminary normal values for domestic sales by Yieh Phui Enterprise were established in accordance with:

- for certain models, s.269TAC(1) of the Act using sales in the domestic market that were arm's length transactions and sold at prices that were in the OCOT; and
- for certain models, s.269TAC(2)(c) of the Act using Yieh Phui Enterprise's weighted average CTMS data, by product model, and for certain models an amount of profit based on domestic sales of like goods made in the OCOT.

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To ensure fair comparison, the following adjustments were made to normal values:

Negative

- domestic inland freight;
- domestic packaging;
- domestic warranty;
- specification adjustment (to account for variances in coating mass, with and thickness, as required);

Positive

- direct export expenses;
- selling, general and administrative expenses in respect of Asia zone
- specification adjustment (to account for variances in coating mass, with and thickness, as required).

The preliminary dumping margin for aluminium zinc coated steel for exports by Yieh Phui Enterprise was established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for Yieh Phui Enterprise is 4.0%.

9.11.3 Selected non-cooperating exporters

Preliminary export prices for aluminium zinc coated steel export sales by all selected non-cooperating Taiwanese exporters were established in accordance with s.269TAB(3) of the Act, as sufficient information for these exporters has not been furnished. Specifically, Customs and Border Protection used the lowest weighted average export prices for the entire investigation period from the selected cooperating exporters, excluding any part of that price that relates to post-exportation charges.

Preliminary normal values for aluminium zinc coated steel domestic sales by all selected non-cooperating Taiwanese exporters were established in accordance with s.269TAC(6) of the Act, as sufficient information for these exporters has not been furnished. Specifically, Customs and Border Protection used the highest weighted average normal values for the entire investigation period from the selected cooperating exporters.

The preliminary dumping margins for aluminium zinc coated steel for selected non-cooperating Taiwanese exporters were established in accordance with s.269TACB(2)(a) of the Act, by comparing the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period. The preliminary dumping margin for selected non-cooperating Taiwanese exporters is 4.0%.

9.12 Volume of dumped exports

Customs and Border Protection preliminarily assessed that the volume of aluminium zinc coated steel exported from each of the nominated countries that were dumped

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over the investigation period is each greater than 3% of the total import volumes of aluminium zinc coated steel over the investigation period and is therefore not a negligible volume.

9.13 Aluminium zinc coated steel - dumping margin summary

Customs and Border Protection's preliminary calculation of export prices, preliminary normal values and preliminary dumping margins for aluminium zinc coated steel are at **Confidential Appendix 1**.

These preliminary calculations are indicative and based on the information available at the time of making the PADs. As further verified information becomes available, these preliminary calculations will change, especially as verification visit reports for exporters are finalised.

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10 PRELIMINARY INJURY ASSESSMENT

10.1 Preliminary assessment

Customs and Border Protection has preliminarily assessed that, based on verified information and data, the Australian industry (BlueScope) appears to have experienced injury in respect of both galvanised steel and aluminium zinc coated steel.

10.2 Legislative framework

Under s.269TG of the Act, one of the matters that the Minister must be satisfied of to publish a dumping duty notice is that because of the dumping, material injury has been or is being caused or is threatened to the Australian industry producing like goods.

10.3 Injury claims

(i) Galvanised steel

See section 3.1(i) for BlueScope's injury claims in respect of galvanised steel.

(ii) Aluminium zinc coated steel

See section 3.1(ii) for BlueScope's injury claims in respect of aluminium zinc coated steel.

10.4 Commencement of injury

BlueScope claims that in respect of galvanised steel and aluminium zinc coated steel, material injury to the Australian industry caused by dumped imports commenced in 2010-11 and has been exacerbated in 2011-12.

10.5 Preliminary injury approach

The preliminary injury analysis detailed in this section is based on the verified financial information submitted by BlueScope and import data from Customs and Border Protection's import database.

BlueScope provided production, cost and sales data for "total" galvanised steel and "total" aluminium zinc coated steel products (as covered by the goods descriptions). As BlueScope manufacture and supply a wide range of like goods at varying widths and thicknesses, production, cost and sales data was also provided for key products, representing products with the highest sales volumes.

For the purposes of the PADs in assessing the economic condition of the Australian industry, aggregate product data has been used. Micro-analysis covering individual or a range of product specifications will be considered for the investigations.

Customs and Border Protection's preliminary analysis of the economic condition of the industry and injury factors for galvanised steel and aluminium zinc coated steel are presented separately within this section.

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10.6 Cumulation of injury

Subsection 269TAE(2C) of the Act provides for consideration of the cumulative effect of exports from different countries, if, after having regard to:

- the conditions of competition between the exported goods; and
- the conditions of competition between the exported goods and the like goods that are domestically produced;

the Minister is satisfied that it is appropriate to consider the cumulative effects.

For the purposes of making the PADs, Customs and Border Protection has preliminarily assessed that in respect of galvanised steel and aluminium zinc coated steel, in respective markets, the conditions of competition between imported and domestically produced like goods appear to be similar.

BlueScope claimed that it has been unable to increase prices to recover increased costs as a result of price undercutting by imports of galvanised steel and aluminium zinc coated steel from each of the nominated countries.

The information contained in Customs and Border Protection's imports database identified several importers of galvanised steel and aluminium zinc coated steel imported from a number of the nominated countries (which was confirmed during visits to importers). Customs and Border Protection considers that this indicates that the products are used by the same or similar customers.

As discussed at section 6.1, Customs and Border Protection has preliminarily assessed that for galvanised steel and aluminium zinc coated steel and the respective imported goods that the goods are alike, have similar specifications, have similar end-uses, and compete in the same primary market segments.

Customs and Border Protection preliminarily considers that it is appropriate to consider the cumulative effect of the dumped imports.

10.7 Volume effects

10.7.1 Sales volume

(i) Galvanised steel

The following graph shows BlueScope's sales volumes for galvanised steel from 2007-08 to 2011-12.

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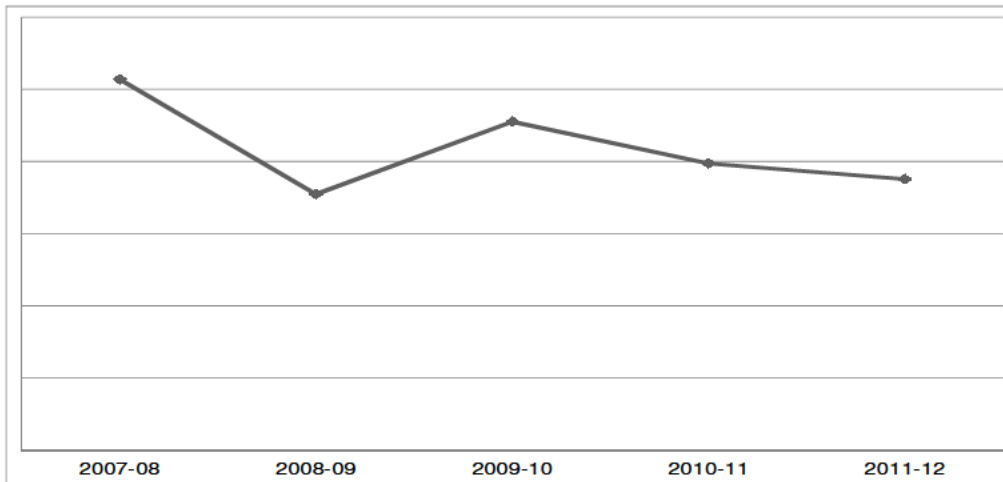


Figure 10: BlueScope's sales volume (tonnes) – galvanised steel – 2007-08 to 2011-12

This graph shows that BlueScope's domestic sales volumes of galvanised steel continually decreased since 2009-10.

(ii) Aluminium zinc coated steel

The following graph shows BlueScope's sales volumes for aluminium zinc coated steel for 2007-08 to 2011-12.

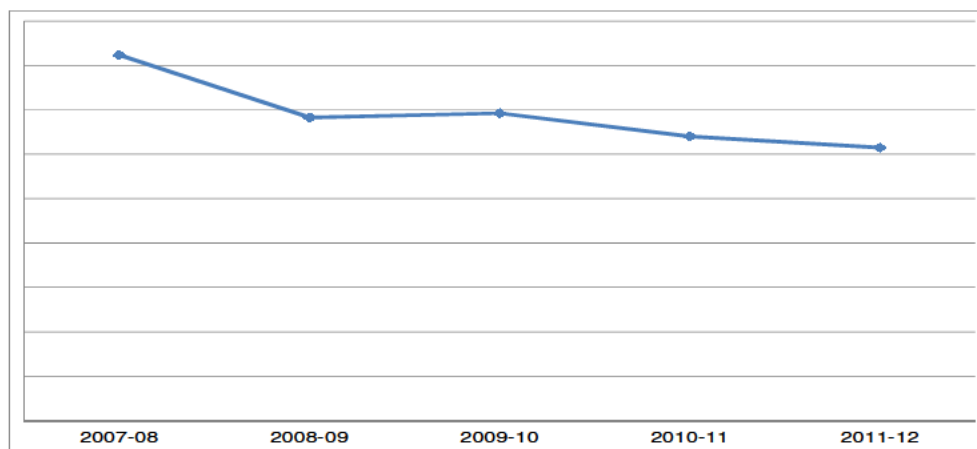


Figure 11: BlueScope's sales volume (tonnes) – aluminium zinc coated steel – 2007-08 to 2011-12

This graph shows that BlueScope's domestic sales volumes of aluminium zinc coated steel continually decreased since 2009-10. It appears that BlueScope's sales volume for aluminium zinc coated steel and galvanised steel reflect similar trends.

10.7.2 Market shares

(i) Galvanised steel

The following graph shows movements in market shares including BlueScope's market share, in the Australian market for galvanised steel for 2007-08 to 2011-12.

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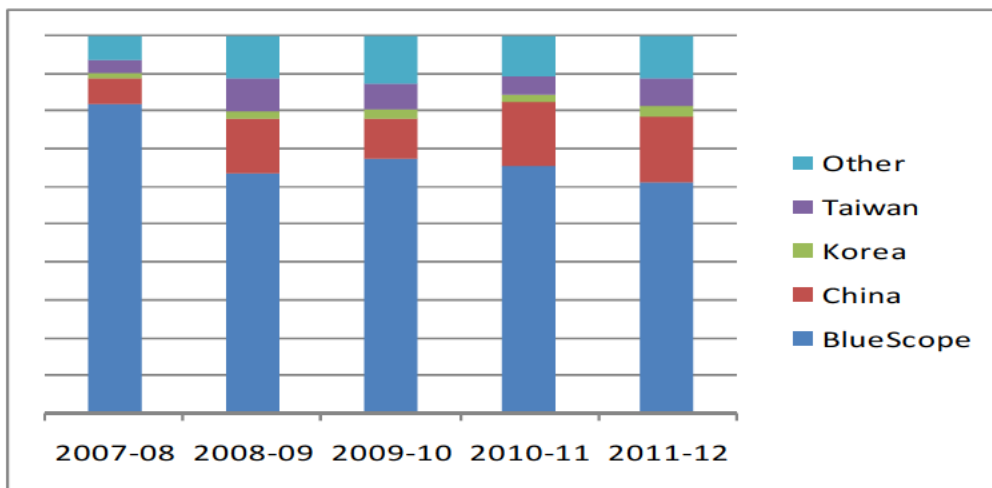


Figure 12: Market shares – galvanised steel – 2007-08 to 2011-12

This graph shows that BlueScope's market share in the Australian market for galvanised steel continually decreased since 2009-10, reflecting BlueScope's trends for sales volumes. During this period, the market share of total imports from China, Korea and Taiwan increased. Although, there has been variation in market shares held by each of the nominated countries, with the largest market share represented by imports from China.

(ii) Aluminium zinc coated steel

The following graph shows movements in market shares including BlueScope's market share, in the Australian market for aluminium zinc coated steel for 2007-08 to 2011-12.

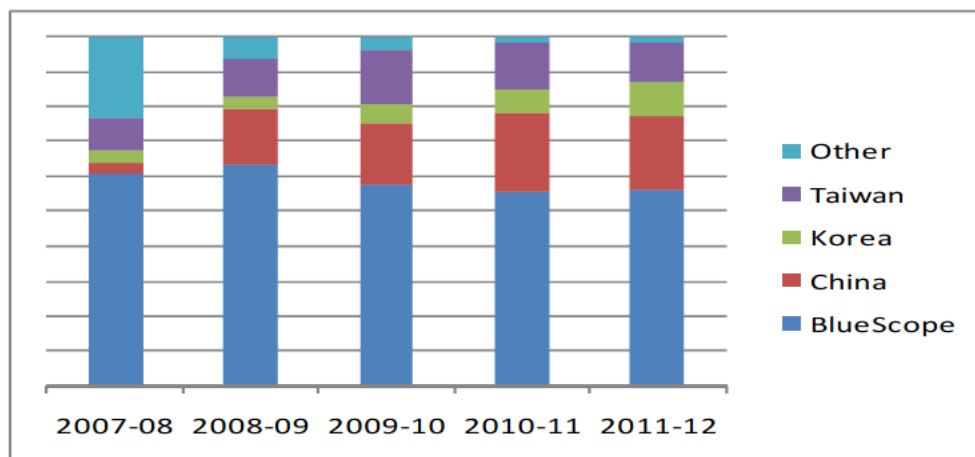


Figure 13: Market shares – aluminium zinc coated steel – 2007-08 to 2011-12

This graph shows that BlueScope's market share in the Australian market for aluminium zinc coated steel has remained relatively constant since 2009-10, in a declining market. During this period, the market share of total (aggregate) imports from China, Korea and Taiwan increased from 2008-09 to 2009-10 and has remained constant since 2009-10. Although, there has been variation in market shares held by each of the nominated countries, with the largest market share represented by imports from China. Imports from China decreased in 2011-12.

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10.8 Price effects

10.8.1 Price depression and price suppression

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between revenues and costs.

(i) Galvanised steel

The following graphs show movements in BlueScope's total and unit revenues (reflecting net prices less rebates and discounts) and costs in respect of galvanised steel for 2007-08 to 2011-12.

Total revenue and costs

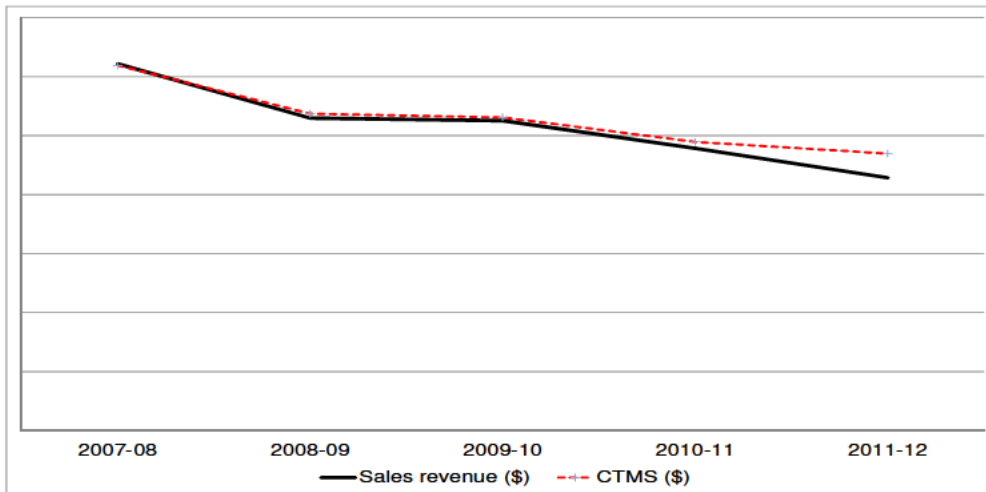


Figure 14: BlueScope's total sales revenue and costs – galvanised steel – 2007-08 to 2011-12

Unit revenue and costs (AUD (\$) per tonne)

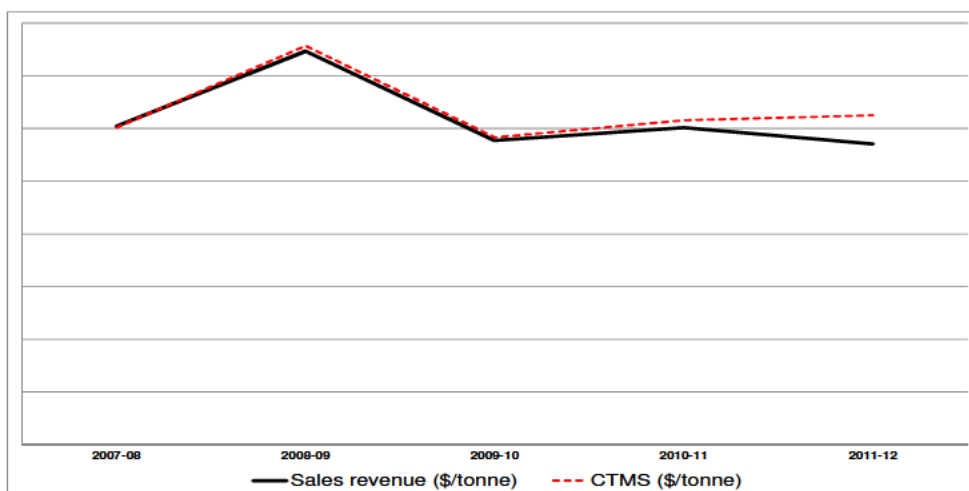


Figure 15: BlueScope's unit sales revenue and costs – galvanised steel – 2007-08 to 2011-12

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The graphs show:

- total sales revenue decreased continually since 2007-08 and unit sales revenue decreased in 2011-12, which indicates price depression; and
- sales revenue and costs in respect of galvanised steel followed similar trends until 2011-12 as costs increased above revenue, which indicates price suppression (this trend was apparent for total (figure 14 refers) and unit values (figure 15 refers)).

(ii) Aluminium zinc coated steel

The following graphs show movements in BlueScope's total and unit revenues (reflecting net prices less rebates and discounts) and costs in respect of aluminium zinc coated steel for 2007-08 to 2011-12.

Total revenue and costs

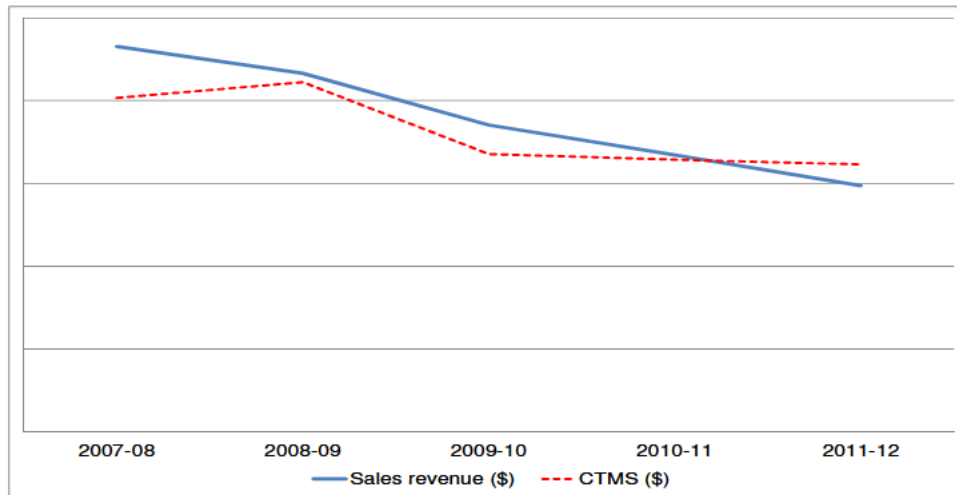


Figure 16: BlueScope's total sales revenue and costs – aluminium zinc coated steel – 2007-08 to 2011-12

Unit revenue and costs (AUD (\$) per tonne)

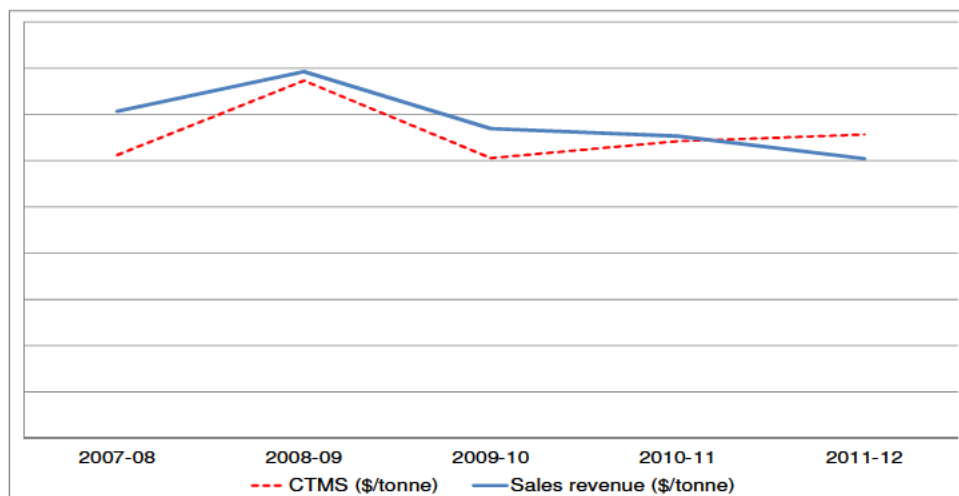


Figure 17: BlueScope's unit sales revenue and costs – aluminium zinc coated steel – 2007-08 to 2011-12

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The graphs show:

- total sales revenue decreased continually since 2007-08 and unit sales revenue decreased in 2011-12, which indicates price depression; and
- sales revenue and costs in respect of aluminium zinc coated steel followed similar trends until 2009-10 and during 2011-12 costs increased above revenue, which indicates price suppression (this trend was apparent for total (figure 16 refers) and unit values (figure 17 refers)).

10.9 Profit effects

(i) Galvanised steel

The following graph shows movements in BlueScope's profit and profitability in respect of galvanised steel for 2007-08 to 2011-12.

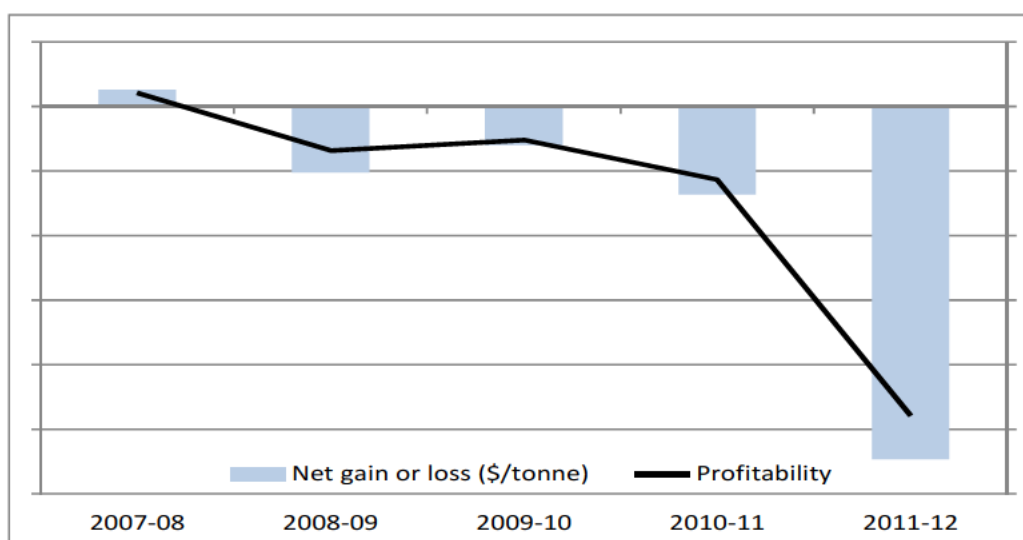


Figure 18: BlueScope's profit and profitability – galvanised steel – 2007-08 to 2011-12

This graph shows a significant decrease in BlueScope's profit and profitability in respect of galvanised steel since 2009-10, with an exponential decrease occurring in 2011-12.

(ii) Aluminium zinc coated steel

The following graph shows movements in BlueScope's profit and profitability in respect of aluminium zinc coated steel for 2007-08 to 2011-12.

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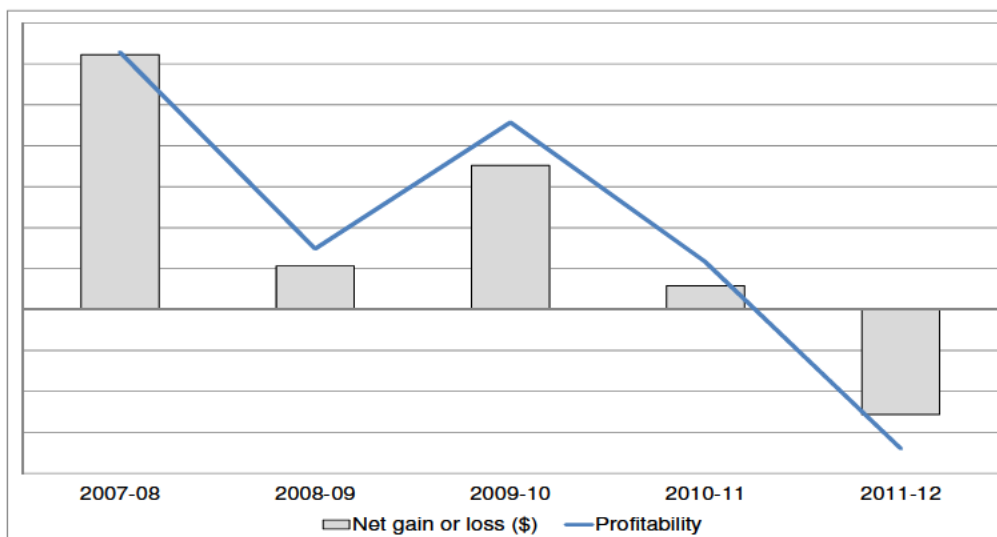


Figure 19: BlueScope's profit and profitability – aluminium zinc coated steel – 2007-08 to 2011-12

This graph shows a significant decrease in BlueScope's profit and profitability in respect of galvanised steel since 2009-10, with an exponential decrease occurring in 2011-12.

10.10 Summary of major injury indicators

Based on the preliminary analysis detailed above, there appear to be reasonable grounds to support the claim that BlueScope has experienced injury (in respect of the major indicators) from 2010-11 to 2011-12 in the form of:

(i) Galvanised steel

- loss of sales volume;
- reduced market share;
- reduced sales revenues;
- price depression;
- price suppression;
- reduced profit and profitability;

(ii) Aluminium zinc coated steel

- loss of sales volume;
- reduced sales revenues;
- price depression;
- price suppression; and
- reduced profit and profitability.

10.11 Other injury factors

For the purposes of making the PADs Customs and Border Protection has not summarised its preliminary assessment in respect of other injury factors in this report. Customs and Border Protection preliminary assessments as detailed in CON 190 (section 8.11 refers) and the *BlueScope Australian Industry Visit Report (dated*

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October 2012) (BlueScope visit report) (section 9.3 refers) should be read in conjunction with this report.

Customs and Border Protection has preliminarily assessed that there appears to be reasonable grounds to support the claim that BlueScope have experienced injury in the form of:

(i) Galvanised steel

- reduced revenues;
- reduced ROI;
- reduced production capacity; and
- reduced employment.

However it is also evident the closure of BlueScope's metal coating line would have also impacted on the 2011-12 trends for other injury factors.

(ii) Aluminium zinc coated steel

- reduced revenues;
- reduced ROI;
- reduced production capacity; and
- reduced employment.

However it is also evident the closure of BlueScope's metal coating line would have also impacted on the 2011-12 trends for other injury factors.

Notwithstanding the preliminary conclusions above, Customs and Border Protection will further analyse the other economic (and revenue) indicators during the investigations.

Customs and Border Protection's preliminary assessment of the economic condition on the Australian industry in respect of both products is at **Confidential Appendix 2**.

11 PRELIMINARY CAUSATION ASSESSMENT

11.1 Preliminary assessment

Customs and Border Protection has preliminarily assessed that, based on verified and unverified information and data available at the time of making the PADs, certain galvanised steel and aluminium zinc coated steel exported to Australia from China, Korea and Taiwan at dumped prices appear to have caused material injury to the Australian industry producing like goods.

The following section provides a summary of Customs and Border Protection's key considerations in its preliminary causation assessment, which is indicative and is not final. Customs and Border Protection is continuing to investigate, analyse and assess all causation factors.

11.2 Causation factors

11.2.1 Volume

(i) Galvanised steel

BlueScope's claims in relation to volume effects of the dumped imports of galvanised steel from the nominated countries are detailed in CON 190 (section 9.2.1 refers).

Customs and Border Protection's preliminary analysis shows that it is likely that the significant increase in the individual and cumulative volume of imports of galvanised steel from China, Korea and Taiwan in 2009-10 contributed to BlueScope's reduced sales volume in 2010-11 and 2011-12. Customs and Border Protection identified that the most significant increase in the aggregated import volume for the nominated countries since 2009-10 occurred in 2011-12. Customs and Border Protection's also preliminarily considers that BlueScope's reduced sales volumes (due to imports of the goods) resulted in reducing BlueScope's market share, during a period where the overall size of the Australian market increased.

(ii) Aluminium zinc coated steel

BlueScope's claims in relation to volume effects of the dumped imports of aluminium zinc coated steel from the nominated countries are detailed in CON 190 (section 9.2.1 refers).

Customs and Border Protection considers that it is likely that the significant increase in the cumulative volume of imports of aluminium zinc coated steel from China, Korea and Taiwan in 2009-10 contributed to BlueScope's reduced sales volume in 2010-11 and 2011-12. In 2011-12 the Australian market declined and while imports from China and Taiwan decreased the cumulative volume of imports from the nominated countries increased due to increased import volumes from Korea. This occurred concurrently with a further decrease in BlueScope's sales. Customs and Border Protection preliminarily considers that in 2011-12 in order to maintain market share, in a declining market, BlueScope's reduced its selling prices of the aluminium zinc coated steel, which is supported by the preliminary assessment of price depression.

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11.2.2 Price undercutting

(i) Galvanised steel

BlueScope's claims in relation to price undercutting of galvanised steel imported from the nominated countries are detailed in CON 190 (section 9.2.2 refers).

Import Parity Pricing

BlueScope submitted that its pricing strategy for galvanised steel is based on import parity pricing (IPP) and therefore the price of imports is a key determinant of its selling price.

BlueScope submitted that the price of imported galvanised steel was generally released into the market three months prior to the date of importation of the goods. BlueScope gathers information regarding the current market price offers (for goods from all sources) through market intelligence. BlueScope subsequently consolidates these offers (including offers for galvanised steel from China, Korea and Taiwan) and determines a benchmark IPP. BlueScope bases its price on the benchmark with a premium.

BlueScope submitted that it does not always benchmark to the lowest offered import price, but that this was a consideration factor. BlueScope stated that factors other than import prices are taken into consideration when determining price (i.e. manufacturing costs and margins), however maintaining market share and volume is the key determinant (to cover fixed costs at a minimum). BlueScope submitted that in order to maintain domestic volumes it has been required to match import prices of the dumped galvanised steel, through its IPP and that this directly caused price injury resulting in reduced revenues and profits.

BlueScope provided Customs and Border Protection with its IPP spreadsheet for the investigation period for galvanised steel (for key product models), showing monthly import offers (free-into-store (FIS), AUD per tonne) from the nominated countries based on market intelligence, calculated monthly benchmark IPP, BlueScope's net prices (FIS, AUD per tonne), and premiums. To support the IPP spreadsheet BlueScope provided source documentation to validate the recorded import offers.

Using the source documentation, Customs and Border Protection confirmed that the listed offers were reasonably accurate. Preliminary analysis highlighted that BlueScope's net prices followed the trends of the IPP benchmark over the investigation period (indicating a direct correlation and relationship between import and BlueScope's prices). This preliminary assessment supports the view that BlueScope has experienced price depression (by reducing selling prices) in order to compete with dumped imports at competitive prices.

Notwithstanding this preliminary assessment, Customs and Border Protection is undertaking further analysis and assessment of the IPP data for the purposes of assessing price injury caused by dumped imports from the nominated countries.

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Comparison of sales data

As part of the investigation Customs and Border Protection has obtained and verified galvanised steel sales data from importers and BlueScope. Using this sales data, a preliminary price undercutting assessment was completed. For the purposes of the PAD, the preliminary analysis was completed at the macro - product level only. Further micro analysis is required in respect of price undercutting by specific product type, customer type / distribution channel and market segment (if possible).

Customs and Border Protection preliminarily compared weighted average FIS prices (AUD per tonne) of the imported goods sold by importers (that are distributors) to BlueScope's net selling price (AUD per tonne). At this stage, the sales data indicates that the prices of the imported goods undercut BlueScope's domestic selling prices on monthly basis during the investigation period. Customs and Border Protection is continuing to analyse the pricing data for the purposes of assessing price undercutting and the degree to which this factor has caused injury to BlueScope.

For the purposes of making the PADs, Customs and Border Protection also conducted further preliminary analysis of price undercutting claims by calculating and comparing preliminary non injurious prices (NIPs) to preliminary export prices for galvanised steel exported from the nominated countries, which supported the preliminary assessment that price undercutting occurred (section 11.4 refers).

(ii) Aluminium zinc coated steel

BlueScope's claims in relation to price undercutting of aluminium zinc coated steel imported from the nominated countries are detailed in CON 190 (section 9.2.2 refers).

IPP

BlueScope submitted that its pricing strategy for aluminium zinc coated steel is also based on IPP and therefore, the price of imports is a key determinant of its selling price.

BlueScope provided Customs and Border Protection with its IPP workings spreadsheet for the investigation period for aluminium zinc coated steel (for key product models), showing monthly import offers (FIS, AUD per tonne) from the nominated countries based on market intelligence, calculated monthly benchmark IPP, BlueScope's net prices (FIS, AUD per tonne), and premiums. To support the IPP spreadsheet BlueScope provided source documentation to validate the recorded import offers.

Using the source documentation, Customs and Border Protection confirmed that the listed offers were reasonably accurate. Preliminary analysis highlighted that BlueScope's net prices followed the trends of the IPP benchmark over the investigation period (indicating a direct correlation and relationship between import and BlueScope's prices). This preliminary assessment supports the view that BlueScope have experienced price depression (by reducing selling prices) in order to compete with dumped imports at competitive prices.

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Notwithstanding this preliminary assessment, Customs and Border Protection is undertaking further analysis and assessment of the IPP data for the purposes of assessing price injury caused by dumped imports from the nominated countries.

Comparison of sales data

As part of the investigation Customs and Border Protection has obtained and verified aluminium zinc coated steel sales data from importers and BlueScope. Using this sales data, a preliminary price undercutting assessment was completed. For the purpose of the PAD, the preliminary analysis was completed at the macro - product level only. Further micro analysis is required in respect of price undercutting by specific product type, customer type / distribution channel and market segment (if possible).

Customs and Border Protection preliminarily compared weighted average FIS prices (AUD per tonne) of the imported goods sold by importers (that are distributors) to BlueScope's net selling price (AUD per tonne). At this stage, the sales data indicates that the prices of the imported goods undercut BlueScope's domestic selling prices on monthly basis during the investigation period. Customs and Border Protection is continuing to analyse the pricing data for the purposes of assessing price undercutting and the degree to which this factor has caused injury to BlueScope.

For the purposes of making the PADs, Customs and Border Protection also conducted further preliminary analysis of price undercutting claims by calculating and comparing preliminary NIPs to preliminary export prices for aluminium zinc coated steel exported from the nominated countries, which supported the preliminary assessment that price undercutting occurred during the investigation period (section 11.4 refers).

11.2.3 Impacts on profits and profitability

(i) Galvanised steel

BlueScope's claims in relation to the impacts on its profit and profitability due to dumped imports of galvanised steel from the nominated countries are detailed in CON 190 (section 9.2.3 refers).

Customs and Border Protection's preliminary analysis shows that dumped imports have impacted on BlueScope's profit and profitability. This assessment is supported by the preliminary finding that BlueScope experienced price depression and price suppression in respect of galvanised steel in 2011-12.

Customs and Border Protection also considers that BlueScope's 2011 restructure and closure of production facilities may have impacted on their performance in respect of galvanised steel. While BlueScope have indicated they have isolated the impacts of the restructure from cost data, this issue will be further investigated.

(ii) Aluminium zinc coated steel

BlueScope's claims in relation to the impacts on its profit and profitability due to dumped imports of aluminium zinc coated steel from the nominated countries are detailed in CON 190 (section 9.2.3 refers).

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Customs and Border Protection's preliminary analysis shows that dumped imports have impacted on BlueScope's profit and profitability. This assessment is supported by the preliminary finding that BlueScope experienced price suppression in respect of aluminium zinc coated steel in 2011-12.

Customs and Border Protection also considers that BlueScope's 2011 restructure and closure of production facilities may have impacted on their performance in respect of galvanised steel. While BlueScope have indicated they have isolated the impacts of the restructure from cost data, this issue will be further investigated.

11.2.4 Other economic factors

(i) Galvanised steel

Customs and Border Protection is continuing to investigate the impacts of dumped imports of galvanised steel from the nominated countries on these other economic injury factors.

(ii) Aluminium zinc coated steel

Customs and Border Protection is continuing to investigate the impacts of dumped imports of aluminium zinc coated steel from the nominated countries on these other economic injury factors.

11.3 Materiality of injury

(i) Galvanised steel

Customs and Border Protection preliminarily considers that the declining sales volume, sales revenue, profits and profitability and changes in the relativity of prices and costs in 2011-12 identified in respect of galvanised steel (chapter 9 refers) indicate that for the purposes of making a PAD the injury suffered by the Australian industry and caused by dumping is material.

(ii) Aluminium zinc coated steel

Customs and Border Protection preliminarily considers that the declining sales volume, sales revenue, profits and profitability and changes in the relativity of prices and costs in 2011-12 identified in respect of aluminium zinc coated steel (chapter 9 refers) indicates that for the purposes of making a PAD that the injury suffered by the Australian industry and caused by dumping is material.

11.4 Injury caused by factors other than dumping

(i) Both products

Economic environment

Customs and Border Protection considers that the economic slow-down evident in the investigation period may have affected BlueScope's performance to a certain degree. However, in 2011-12, the individual cumulative market volumes held by imports of galvanised steel from the nominated countries increased. Customs and Border Protection also identified that the aggregate import volumes of aluminium zinc

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coated steel from the nominated countries is increasing, which is driven by increased import volumes from Korea. Customs and Border Protection considers that dumped imports have impacted on BlueScope's performance in respect of galvanised steel and aluminium zinc coated steel.

Appreciation of Australian dollar (AUD)

Customs and Border Protection recognises that the strong AUD will have impacted on the prices of imports, making them more price-competitive. However, as dumping margins have been identified, it is likely that dumped imports have affected negatively BlueScope's performance in respect of both galvanised steel and aluminium zinc coated steel.

Restructure

As noted previously, BlueScope had a major restructure in the September quarter of 2011. Customs and Border Protection considers that this potentially may have had an effect on its performance in 2011-12, including in respect of galvanised steel and aluminium zinc coated steel. However, it notes that costs associated with this restructure have been identified and excluded from the injury analysis (for both products).

Customs and Border Protection will continue to investigate the degree to which, if at all, these factors have caused injury to BlueScope.

Diversion to other products

BlueScope's production lines that produce aluminium zinc coated steel also produce the feedstock for BlueScope's painted products such as COLOURBOND®. Customs and Border Protection is still investigating whether any injury in the form of lost volume or price depression is caused by a strategy to divert production and / or profits to the BlueScope's painted products. While this analysis is not yet complete, the evidence gathered to date indicates that galvanised steel and aluminium zinc coated steel products remain a component of BlueScope's overall product offering. This, combined with the evidence presented in relation to BlueScope's IPP strategy, leads Customs and Border Protection to consider at this preliminary stage that dumping has contributed to the injury suffered by BlueScope.

12 PRELIMINARY NON INJURIOUS PRICE ASSESSMENT

12.1 Preliminary assessment

Customs and Border Protection has preliminarily assessed that the NIP can be determined by setting the unsuppressed selling price (USP) equal to the exporters' normal value, on the basis that the injury caused by dumping is due to BlueScope's matching of import prices. The recommended level of securities is therefore at the full amount of the preliminary dumping margins found.

12.2 Introduction

Duties may be applied where it is established that dumped or subsidised imports have caused or threatened to cause material injury to the Australian industry producing like goods. The level of dumping duty imposed by the Minister cannot exceed the margin of dumping, but a lesser duty must be applied if it is determined that it is sufficient to remove the injury.

The NIP provides the mechanism whereby this lesser duty provision is given effect. It is the price that would be sufficient to remove the injury caused to the Australian industry by the dumping.

Anti-dumping and countervailing duties are based on free-on-board (FOB) prices in the country of export. Therefore a NIP is calculated in FOB terms for the country of export.

Customs and Border Protection generally derives the NIP by first establishing a price at which the Australian industry might reasonably sell its product in a market unaffected by dumping. This price is referred to as the USP.

Customs and Border Protection's preferred approach to establishing USPs observes the following hierarchy:

- industry selling prices at a time unaffected by dumping;
- constructed industry prices – industry CTMS plus profit; or
- selling prices of un-dumped imports.

Having calculated the USP, Customs and Border Protection then calculates a NIP by deducting the costs incurred in getting the goods from the export free on board point (or another point if appropriate) to the relevant level of trade in Australia. The deductions normally include overseas freight, insurance, into-store costs and amounts for importer expenses and profit.

12.3 BlueScope's claims

On 30 January 2013, BlueScope lodged a submission regarding calculating USPs and NIPs²⁹. In its submission BlueScope suggested that Customs and Border Protection calculate USPs:

²⁹ A non-confidential version of this submission (number 66) is available on the public record.

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- for aluminium zinc coated steel based on BlueScope's CTMS for 2011-12 plus the level of profit it achieved in 2009-10; and
- for galvanised steel based on BlueScope's CTMS for 2011-12 plus the level of profit it achieved on aluminium zinc coated steel in 2009-10. BlueScope claims that its profit on galvanised steel in 2009-10 is not indicative of a profit that could have been achieved in 2011-12 in the absence of dumping due to the effects of the global financial crisis and the level of injurious imports in 2009-10.

12.4 Customs and Border Protection's preliminary assessment

Customs and Border Protection has not fully considered BlueScope's preferred approach for calculating USPs and NIPs given the timeframe between BlueScope lodging its submission and the publication of the PADs. Customs and Border Protection will consider and assess BlueScope's preferred approach in due course; in particular the claim that the profit achieved on aluminium zinc coated steel in 2009-10 is suitable for determining a USP while the profit achieved on galvanised steel in that same year is not suitable.

Current investigations

For the purposes of the PADs, Customs and Border Protection considered several options for calculating USPs for galvanised steel and aluminium zinc coated steel (the hierarchy at section 11.2 refers). In making a preliminary assessment regarding the most appropriate methodology, Customs and Border Protection identified that the following *may* not be suitable to use as a basis for preliminary USPs:

- *BlueScope's historical domestic selling prices:*
 - since 2010-11 they were affected by dumped exports from China, Korea and Taiwan;
 - in 2008-09 they may have been impacted by the global economic downturn that impacted steel markets;
 - in 2007-08 and 2008-09 they may have been impacted by an unprecedented boom in the mining sector, noting that given BlueScope's pricing mechanism is based on IPP plus a local premium, it is questionable whether in a period of high raw material costs and imports at un-dumped prices it could reasonably expect to achieve a price that reflects its costs of production plus a reasonable profit margin;
- *constructed prices based on BlueScope's CTMS plus profit:*
 - given fluctuations in the domestic and global steel markets from 2008-09 that may have impacted BlueScope's production costs;
 - in constructing selling prices it is difficult to assess the relevant period from which the profit amount would be derived, especially as profits for both products were negative in the investigation period and with sales of galvanised steel being unprofitable since 2008-09; and
 - constructing prices based on CTMS would also appear to compensate for more than just the effects of dumping, including declined demand and excess capacity of steel globally, the strong Australian dollar and the impact of BlueScope's restructured local business;

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- *prices of imports from other countries in the Australian market:*
 - as it cannot be certain whether they are also impacted by the dumped export prices from China, Korea and Taiwan.

Investigation No. 188

Given the issues above, Customs and Border Protection had regard to USP considerations and calculation methodologies for the recent dumping investigation for HRC exported from Japan, Korea, Malaysia and Taiwan (International Trade Remedies Report No. 188³⁰ (REP 188) refers). This investigation followed an application by BlueScope.

Comparable to galvanised steel and aluminium zinc coated steel, in REP 188 Customs and Border Protection identified several issues with establishing USPs to derive NIPs. This report does not detail these issues; however section 10.7 of REP 188 should be read in conjunction with this report.

In REP 188, Customs and Border Protection concluded that as BlueScope's prices are based on an equivalent into-store IPP plus a local premium that in a market unaffected by dumping, it was reasonable to expect that BlueScope would continue to set its prices with regard to benchmarked import prices. Therefore, as the price of imports would be higher at least by the dumping margins found, it would be expected that BlueScope's prices would also be higher at least by the percentage of the dumping margin's determined. Therefore, Customs and Border Protection considered an alternative approach to establishing NIPs, by establishing NIPs (at free-on-board (FOB) terms) for each exporter at a price equal to respective normal values.

Customs and Border Protection considers that the calculation methodology used for REP 188 is a relevant consideration as:

- HRC is the main raw material utilised to manufacture galvanised steel (representing the most significant component of the total cost to manufacture) and aluminium zinc coated steel (representing the most significant component of the total cost to manufacture);
- respective investigation periods for HRC (1 April 2011 to 1 March 2012) and galvanised steel and aluminium zinc coated steel (1 July 2011 to 30 June 2012) significantly overlap; and
- the factors impacting the ability to use BlueScope's selling prices and CTMS for the respective goods as a basis for calculating USPs are comparable.

12.5 Customs and Border Protection's preliminary assessment

Customs and Border Protection has preliminarily assessed that for the purposes of making the PADs the most appropriate basis for establishing NIPs is to utilise the same calculation methodology as utilised in REP 188. Customs and Border Protection therefore derived preliminary FOB NIPs at the level of preliminary normal values for respective exporters.

³⁰ REP 188 is available on Customs and Border Protection's website at www.customs.gov.au.

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It is noted that using a USP methodology based on constructed costs also results in no lesser duty being applied in the determination of the level of securities.

Preliminary USP and NIP calculations are at **Confidential Appendix 3**.

Notwithstanding the preliminary assessment above, Customs and Border Protection notes that further analysis and assessment regarding the most appropriate calculation methodology for deriving USPs and NIPs for galvanised steel and aluminium zinc coated steel is required.

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13 REASONS FOR MAKING A PAD

13.1 General

Customs and Border Protection has been able to complete preliminary assessments of dumping based on verified and unverified information and data contained in exporter questionnaire responses from several Chinese, Korean and Taiwanese exporters. These preliminary assessments show that certain exports of galvanised steel and aluminium zinc coated steel from China, Korea and Taiwan in the investigation period were at dumped prices. Furthermore, the volume and dumping margins of the dumped goods were not negligible.

Customs and Border Protection considers it reasonable to expect that imports of galvanised steel and aluminium zinc coated steel from China, Korea and Taiwan experienced a competitive advantage in terms of price as a result of dumping. The available evidence preliminarily indicates that increased competition from dumped imports has caused the Australian industry to reduce prices leading to price suppression, price depression, lower revenues, reduced profits and profitability and ROI.

Based on the available information as at **6 February 2013**, the Delegate of the CEO is satisfied for the purpose of the PADs that:

(i) Galvanised steel

- certain galvanised steel has been exported from China, Korea and Taiwan at less than their normal value;
- there is an Australian industry producing like goods that is experiencing injury;
- the dumped goods are causing material injury to the Australian industry; and
- there appear to be sufficient grounds for the publication of a dumping duty notice in respect of the galvanised steel exported from to Australia from China, Korea and Taiwan.

(ii) Aluminium zinc coated steel

- certain aluminium zinc coated steel has been exported from China, Korea and Taiwan at less than their normal value;
- there is an Australian industry producing like goods that is experiencing injury;
- the dumped goods are causing material injury to the Australian industry; and
- there appear to be sufficient grounds for the publication of a dumping duty notice in respect of aluminium zinc coated steel exported from China, Korea and Taiwan.

Consequently, the CEO is satisfied there appear to be sufficient grounds for the publication of dumping duty notices in respect of:

- galvanised steel exported to Australia from China, Korea; and Taiwan; and
- aluminium zinc coated steel exported to Australia from China, Korea and Taiwan.

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The Delegate of the CEO has therefore made PADs (No. 190a and No. 190b) under s.269TD of the Act to that effect.

In making the PADs, the Delegate of the CEO has had regard to the applications, submissions received within 40 days of the publication of the notice of initiation, verified and unverified information in the exporter questionnaire responses, findings made in respect of REP 177 and other matters the CEO considers relevant.

Additionally, the Delegate of the CEO has also had regard to other relevant information and data submitted by interested parties to the investigations and gathered by Customs and Border Protection during its investigation so far (where appropriate), including:

- data from importers;
- data submitted by the Australian industry; and
- submissions made to the investigations from day 40 of the investigation to the date of making the PADs (where possible).

14 PROVISIONAL DUMPING MEASURES

14.1 Preliminary finding

Based on verified and unverified information and data available at the time of making the PADs, the Delegate of the CEO, has decided to require and take securities in respect of imports of certain galvanised steel and aluminium zinc coated steel from China, Korea and Taiwan and entered for home consumption on or after 6 February 2013.

14.2 Background

Chapter 4 provides an overview of the legislative framework in relation to requiring and taking securities.

14.3 Preliminary assessment

Customs and Border Protection is satisfied that it is necessary to take securities as there is evidence of exports by from China, Korea and Taiwan after the investigation period and there is evidence of ongoing price offers of galvanised steel and aluminium zinc coated steel from China, Korea and Taiwan that would continue to undercut industry prices leading industry to lower it prices and a continuation of the material injury.

14.4 Preliminary provisional measures

Customs and Border Protection proposes that these securities be taken in respect of exporters of galvanised steel and aluminium zinc coated steel as a proportion of export prices at the level of the full dumping margins calculated for the PADs, as tabulated below:

(i) Galvanised steel

Country	Manufacturer / exporter	Effective level of dumping security
China	Angang Steel	13.9%
	Angang TAGAL	23.1%
	Wuhan	19.7%
	Yieh Phui Technomaterial	11.0%
	<i>Selected non-cooperating exporters</i>	55.3%
Korea	Dongbu Steel	3.2%
	POSCO	11.4%
	Union Steel	0.0%
	<i>Selected non-cooperating exporters</i>	20.1%
Taiwan	Chung Hung Steel	10.3%
	Sheng Yu Steel	N/a
	Yieh Phui Enterprise	0.0%
	<i>Selected non-cooperating exporters</i>	11.8%

Figure 20: Effective rates of dumping securities for galvanised steel

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At this stage, dumping securities will not be taken for galvanised steel exported by the following exporters:

Korea

- Union Steel;

Taiwan

- Sheng Yu; and
- Yieh Phui Enterprise.

(ii) Aluminium zinc coated steel

Country	Manufacturer / exporter	Effective level of dumping security
China	Angang Steel	0.0%
	Union Steel China	11.6%
	Yieh Phui Technomaterial	4.6%
	<i>Selected non-cooperating exporters</i>	19.3%
Korea	Dongbu Steel	5.8%
	Union Steel	0.0%
	<i>Selected non-cooperating exporters</i>	5.8%
Taiwan	Sheng Yu Steel	2.1%
	Yieh Phui Enterprise	4.0%
	<i>Selected non-cooperating exporters</i>	4.0%

Figure 21: Effective rates of dumping securities for aluminium zinc coated steel

At this stage, dumping securities will not be taken for aluminium zinc coated steel exported by the following exporters:

China

- Angang Steel; and

Korea

- Union Steel.

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15 ATTACHMENTS

Attachment / Appendix No.	Attachment / Appendix title
Non-Confidential Attachment 1	Public notice - PAD
Confidential Attachment 1	CEO Determination for PAD No. 190a
Confidential Attachment 2	CEO Determination for PAD No. 190b
Confidential Appendix 1	Preliminary export prices, preliminary normal values and preliminary dumping margins
Confidential Appendix 2	Preliminary injury assessment
Confidential Appendix 3	Preliminary USPs and NIPs

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Non-Confidential Attachment 1

Customs Act 1901 – Part XVB

Zinc Coated (Galvanised) Steel and Aluminium Zinc Coated Steel Exported from the People's Republic of China, the Republic of Korea and Taiwan

Preliminary Affirmative Determinations and Imposition of Dumping Securities

Public notice under section 269TD of the Customs Act 1901

On 5 September 2012, the Chief Executive Officer (CEO) of the Australian Customs and Border Protection Service (Customs and Border Protection) initiated two investigations into the alleged dumping of:

- zinc coated (galvanised) steel (Investigation No. 190a) exported to Australia from the People's Republic of China (China), the Republic of Korea (Korea) and Taiwan; and
- aluminium zinc coated steel exported to Australia from China, Korea and Taiwan (Investigation No. 190b).

The investigations followed separate applications lodged by BlueScope Steel Limited (BlueScope), representing the Australian industry producing like goods.

A full description of the goods is available in Australian Customs Dumping Notice (ACDN) No. 2012/40 and ACDN NO. 2012/62. These ACDNs are available on the internet at <http://www.customs.gov.au/anti-dumping/notices.asp>.

In accordance with paragraph 269TD(4)(a) of the *Customs Act 1901* (the Act), the CEO gives public notice that, on 6 February 2013, preliminary affirmative determinations (PADs) have been made that there appears to be sufficient grounds for the publication of dumping duty notices in respect of:

- galvanised steel exported to Australia from China, Korea and Taiwan; and
- aluminium zinc coated steel exported to Australia from China, Korea and Taiwan.

In reaching these preliminary decisions, the CEO is satisfied that dumped goods appear to have caused material injury to the Australian industry producing like goods.

The decision to make PADs is based on the information available to the Delegate of the CEO at the time of making the PADs. The preliminary findings, including dumping margins may change between the time of the publication of the PADs and the publication of the statements of essential facts in respect of both investigations.

Customs and Border Protection's preliminary analysis of dumping margins in respect of galvanised steel and aluminium zinc coated steel is tabulated below.

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Galvanised steel (PAD 190a)

Country	Manufacturer / exporter	Preliminary dumping margin
China	Angang Steel Company Limited	13.9%
	ANSC-TKS Galvanizing Co., Ltd.	23.1%
	Wuhan Iron and Steel Company Limited	19.7%
	Yieh Phui Technomaterial Co., Ltd	11.0%
	<i>Selected non-cooperating exporters</i>	55.3%
Korea	Dongbu Steel Co Ltd	3.2%
	POSCO	11.4%
	Union Steel Co., Ltd	<2%
	<i>Selected non-cooperating exporters</i>	20.1%
Taiwan	Chung Hung Steel Corporation	10.3%
	Sheng Yu Steel Co. Ltd	<2%
	Yieh Phui Enterprise Co. Ltd	<2%
	<i>Selected non-cooperating exporters</i>	11.8%

* Note: The manufacturers / exporters listed above may supply the goods directly or indirectly through traders.

Aluminium zinc coated steel (PAD 190b)

Country	Manufacturer / exporter	Preliminary dumping margin
China	Angang Steel Company Limited	<2%
	Union Steel China Co., Ltd	11.6%
	Yieh Phui Technomaterial Co., Ltd	4.6%
	<i>Selected non-cooperating exporters</i>	19.3%
Korea	Dongbu Steel Co Ltd	5.8%
	Union Steel Co., Ltd	<2%
	<i>Selected non-cooperating exporters</i>	5.8%
Taiwan	Sheng Yu Steel Co. Ltd	2.1%
	Yieh Phui Enterprise Co. Ltd	4.0%
	<i>Selected non-cooperating exporters</i>	4.0%

* Note: The manufacturers / exporters listed above may supply the goods directly or indirectly through traders.

Preliminary Affirmative Determination Report No. 190 (PAD 190) sets out the reasons for making the preliminary determinations and relates to the preliminary findings for both galvanised steel (Investigation No. 190a) and aluminium zinc coated steel (Investigation No. 190b). PAD 190 has been placed on Customs and Border Protection's public record, available at <http://www.customs.gov.au/anti-dumping/cases.asp>. Alternatively, the public record may be examined at Customs House by contacting the Case Manager on the details provided further below.

At the time of making the PADs, the CEO further determined that securities should be required and taken under section 42 of the Act in respect of interim dumping duty that may become payable in respect of certain goods from China, Korea and Taiwan, being satisfied that it is necessary to require and take securities in order to prevent material injury occurring to the Australian industry while the investigations continue.

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Dumping securities will be taken in respect of any interim dumping duty that may become payable in respect of the goods entered for home consumption on or after 6 February 2013.

At this stage dumping securities will not be taken for galvanised steel exported by:

Country	Manufacturer / exporter
Korea	Union Steel Co., Ltd
Taiwan	Sheng Yu Steel Co. Ltd
	Yieh Phui Enterprise Co. Ltd

At this stage dumping securities will not be taken for aluminium zinc coated steel exported by:

Country	Manufacturer / exporter
China	Angang Steel Company Limited
Korea	Union Steel Co., Ltd

The securities will be imposed at effective rates equivalent to the preliminary dumping margins as specified in this notice. The actual security liability may be higher than the effective rate of security due to a number of factors.

The CEO must report to the Minister for Home Affairs (the Minister) with final recommendations in relation to this investigation on or by 16 March 2013. The Minister will then decide whether to publish dumping duty notices and, if relevant, the level of measures to be imposed. Depending on the Minister's decisions, any securities taken may be converted to interim dumping duty or acquitted.

Enquiries concerning this notice may be directed to the Case Manager on telephone number +61 2 6275 5965, fax number +61 2 6275 6990 or email itrops2@customs.gov.au.

Joanne Reid
Delegate of the CEO
International Trade Remedies Branch
CANBERRA ACT

6 February 2013