



Australian Government
**Department of Industry,
Innovation and Science**

**Anti-Dumping
Commission**

Exemption Inquiry Report: EX0053

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

**Applicant:
Australian Tube Mills Pty Ltd**

July 2017

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Abbreviations

Abbreviations	Full reference
the Act	the <i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
the applicant, AusTube	Australian Tube Mills Pty Ltd
BlueScope	BlueScope Steel Limited
China	the People's Republic of China
the Commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
the Dumping Duty Act	the <i>Customs Tariff (Anti-Dumping) Act 1975</i>
the duties	interim dumping duty, dumping duty, interim countervailing duty and countervailing duty
exemption goods	the goods subject of the inquiry as described in section 3.3
galvanised steel	zinc coated steel
Korea	the Republic of Korea
Parliamentary Secretary	the Assistant Minister for Industry, Innovation and Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science
Tariff Act	<i>Customs Tariff Act 1995</i>
TCO	Tariff Concession Order

1. Summary and recommendations

This report sets out the findings of the Anti-Dumping Commission (the Commission) in response to an application by Australian Tube Mills Pty Ltd (AusTube, the applicant) requesting an exemption from interim dumping duty, dumping duty, interim countervailing duty and countervailing duty (the duties) under subsections 8(7)(b) and 10(8)(aa) of the *Customs Tariff (Anti-Dumping) Act 1975*¹ (the Dumping Duty Act) in relation to the export of certain zinc coated (galvanised) steel exported to Australia from the People's Republic of China (China) the Republic of Korea (Korea) and Taiwan.

This report sets out the Commission's findings upon which the Commissioner of the Anti-Dumping Commission (the Commissioner) relied on to make a recommendation to the Assistant Minister for Industry, Innovation and Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science (the Parliamentary Secretary)² on whether or not to exempt goods from the duties.

1.1 Application of law to facts

1.1.1 Authority to make the decision

Subsections 8(7) and 10(8) of the Dumping Duty Act set out, amongst other things, the matters to be considered by the Parliamentary Secretary in deciding whether to exercise their discretion to exempt goods from the duties.

1.1.2 Initiation of inquiry

After examining the application, the Commission initiated an inquiry on 4 May 2017. The details of the initiation are contained in Anti-Dumping Notice (ADN) No. 2017/57.

1.2 Findings and conclusions

The Commission has found that a Tariff Concession Order (TCO) under Part XVA of the *Customs Act 1901* (the Act) is in force in respect of the goods subject to the inquiry (referred to as the 'exemption goods' in this report).

The Commission considers the conditions of subsections 8(7)(b) and 10(8)(aa) of the Dumping Duty Act for granting an exemption are satisfied.

1.3 Recommendation

The Commissioner recommends to the Parliamentary Secretary that the exemption goods be exempted from the duties.

¹ All legislative references in this report are to the *Customs Tariff (Anti-Dumping) Act 1975* unless otherwise specified.

² On 19 July 2016, the Prime Minister appointed the Parliamentary Secretary to the Minister for Industry, Innovation and Science as the Assistant Minister for Industry, Innovation and Science. For the purposes of this inquiry, the Minister is the Parliamentary Secretary to the Minister for Industry, Innovation and Science.

2. Background

2.1 Original investigation

Anti-dumping measures, in the form of a dumping duty notice and a countervailing duty notice, were initially imposed on certain galvanised steel by public notice on 5 August 2013 by the then Attorney-General following consideration of *International Trade Remedies Branch Report No. 190* and *International Trade Remedies Branch Report No. 193*.

Exports from China, Korea and Taiwan are subject to dumping duty and exports from China are subject to countervailing duty. A number of exporters are exempt from the duties. Certain goods subject to specified TCOs are also exempt from the duties. Details of these exemptions can be found in the *Dumping Commodity Register* on the Commission website.

2.2 Exemption application

On 10 March 2017, AusTube requested an exemption from the duties in relation to its imports of the exemption goods. AusTube's application outlined the following grounds for an exemption from the duties:

- a TCO, TC1663110, exists to cover the exemption goods; and
- as shown by the successful TCO application, the only local domestic producer cannot produce the goods covered by TC1663110.

2.3 Exemption inquiry

The Commission accepted AusTube's application for an exemption of the duties.

On 4 May 2017, the Commissioner initiated an inquiry by publishing ADN No. 2017/57, which advised that an inquiry had been initiated, provided details of the goods subject to the inquiry and outlined the procedures to be followed during the inquiry.

The Commission sent BlueScope Steel Limited (BlueScope), the sole member of the Australian industry, an invitation to respond to AusTube's application on 4 May 2017. A completed response from BlueScope was received on 8 May 2017.

BlueScope stated in its response that it is aware of the TCO applicable to the exemption goods and does not intend to seek its revocation. BlueScope did not oppose the granting of an exemption from the duties in respect of the exemption goods.

2.4 Legislative requirements for an exemption

AusTube has applied for an exemption under subsections 8(7)(b) and 10(8)(aa) of the Dumping Duty Act.

Subsection 8(7) provides:

(7) The Minister may, by notice in writing, exempt goods from interim dumping duty and dumping duty if he or she is satisfied:

...

(b) that a Tariff Concession Order under Part XVA of the *Customs Act 1901* in respect of the goods is in force.

Subsection 10(8) provides:

(8) The Minister may, by notice in writing, exempt goods from interim countervailing duty or countervailing duty if he or she is satisfied:

...

(aa) that a Tariff Concession Order under Part XVA of the *Customs Act 1901* in respect of the goods is in force.

In determining whether a TCO in respect of the exemption goods is in force, regard is given to whether the exemption goods are correctly classified to the tariff heading to which the TCO is linked. Close scrutiny will then be made of the terms of the TCO to ensure that the exemption goods meet each of those terms. If the exemption goods do more than what is described in the TCO, but otherwise meet its terms and are classified correctly to the tariff heading to which the TCO is linked, legal authority supports the eligibility of those particular goods for that TCO.³

AusTube requests that the Parliamentary Secretary exercise their discretion to exempt the exemption goods from the duties on the basis that a TCO under Part XVA of the Act in respect of the exemption goods is in force.

³ *Robert Bosch Australia Pty Ltd v Collector of Customs*, AAT, 29 August 1986; *Re Klockner Moeller Pty Ltd v Collector of Customs*, AAT, 18 January 1989.

3. The anti-dumping measures and exemption goods

3.1 The goods subject to anti-dumping measures

The goods subjected to the zinc coated (galvanised) steel anti-dumping measures (the goods) 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; and

flat rolled products of alloyed steel of a width less than 600mm and equal to or greater than 600mm, plated or coated with zinc exported from:

- *China by Angang Steel Co., Ltd or Benxi Iron and Steel (Group) International Economic & Trading Co.; or*
- *Taiwan by Yieh Phui Enterprise Co., Ltd.*

3.2 Additional information in relation to the goods

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

3.2.1 Product treatment

The goods description includes 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).

3.2.2 Excluded goods

Painted galvanised steel, pre-painted galvanised steel, electro-galvanised plate steel and corrugated galvanised steel are not covered by the dumping duty notice.

3.3 Tariff classification of the goods

Goods identified as galvanised steel, as per the description above, are classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995* (Tariff Act):

- 7210.49.00 statistical code 55, 56, 57 and 58; and
- 7212.30.00 statistical code 61.

3.4 The exemption goods

The goods the subject of the exemption inquiry (“the exemption goods”) are:

Certain galvanised steel meeting the specific characteristics covered by TC 1663110.

The goods covered by TC 1663110 are:⁴

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

- a) thickness NOT less than 3.60 mm and NOT greater than 6.0 mm;*
- b) width NOT less than 784 mm and NOT greater than 1 263 mm;*
- c) minimum yield strength NOT less than 175 Mpa;*
- d) minimum tensile strength NOT less than 280 Mpa;*
- e) inside diameter NOT less than 711 mm and NOT greater than 813 mm;*
- f) zinc coating mass NOT less than 0.040 kg/m² per side;*
- g) weight NOT less than 14 metric tonnes;*
- h) chemical composition by weight of ALL of the following:*
 - i. carbon content NOT greater than 0.20%;*
 - ii. phosphorus content NOT greater than 0.03%;*
 - iii. sulphur content NOT greater than 0.03%;*
 - iv. aluminium content NOT greater than 0.10%;*
 - v. copper content NOT greater than 0.25%;*
 - vi. nickel content NOT greater than 0.25%;*
 - vii. titanium content NOT greater than 0.04%;*
 - viii. silicon content NOT greater than 0.45%.*

The exemption goods are classified to the tariff subheading 7210.49.00 (statistical code 58) of Schedule 3 to the Tariff Act. For these goods the general rate of duty is currently five per cent for goods imported from Korea and Taiwan and duty free for imports from China.

There is no difference between the exemption goods and the goods covered by the TCO.

⁴ Available on the Department of Immigration and Border Protection [website](#).

4. Goods subject to TCO

4.1 Assessment

The Commission has found that the decision to grant tariff concession TC1663110 was made on 20 February 2017 and was published in the *Commonwealth of Australia Tariff Concessions Gazette* No. TC17/11 on 22 February 2017.

TC1663110 is operative from 25 October 2016 and refers to galvanized steel corresponding to tariff classification 7210.49.00. The exemption goods as described in section 3.3 of this report are covered by the TC1663110 because the exemption goods have the exact same specifications as TC1663110.

Accordingly, the conditions for granting an exemption are satisfied.

4.2 Conclusion

The Commissioner recommends that the Parliamentary Secretary exempt the exemption goods from the duties, under subsections 8(7)(b) and 10(8)(aa) of the Dumping Duty Act on the basis that a TCO in respect of the exemption goods is in force.

4.3 Effective date of exemption

AusTube's application for exemption, examined in this report, was received on 10 March 2017.

The timing in relation to the granting of an exemption is at the discretion of the Parliamentary Secretary. Subsections 8(8A) and 10(9A) of the Dumping Duty Act provide that if an exemption is given because of an application for exemption, then the date of effect must not be earlier than the day the application is made.

The Commission recommends that, if granted, the exemption take effect from the date of the application, that is, on and from 10 March 2017.

5. Attachments

Attachments	Confidentiality	Title	Electronic public record identifier
Attachment 1	Not confidential	Application	001
Attachment 2	Not confidential	Australian industry questionnaire response	003