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## **ANTI-DUMPING NOTICE NO. 2019/02**

### **Hot Rolled Structural Steel**

**Exported to Australia from Japan, the Republic of Korea, Taiwan (except for exports by Feng Hsin Steel Co Ltd) and the Kingdom of Thailand**

**Initiation of Review No. 499 of Anti-Dumping Measures**

**Notice under subsection 269ZC(4) of the *Customs Act 1901***

I, Dale Seymour, the Commissioner of the Anti-Dumping Commission have initiated a review of the anti-dumping measures applying to exports of hot rolled structural steel sections (HRS or the 'goods') from Japan, the Republic of Korea (Korea), Taiwan (except for exports by Feng Hsin Steel Co Ltd) and the Kingdom of Thailand (Thailand) to Australia.

#### **The Goods**

The goods to which the current anti-dumping measures apply are:

*Hot rolled structural steel sections in the following shapes and sizes, whether or not containing alloys:*

- *universal beams (I sections), of a height greater than 130mm and less than 650mm;*
- *universal columns and universal bearing piles (H sections), of a height greater than 130mm and less than 650mm;*
- *channels (U sections and C sections) of a height greater than 130mm and less than 400mm; and*
- *equal and unequal angles (L sections), with a combined leg length of greater than 200mm.*

*Sections and/or shapes in the dimensions described above, that have minimal processing, such as cutting, drilling or painting do not exclude the goods from coverage of the investigation.*

#### **Excluded goods**

The measures do not apply to the following goods:

- *hot rolled 'T' shaped sections, sheet pile sections and hot rolled merchant bar shaped sections, such as rounds, squares, flats, hexagons, sleepers and rails; and*
- *sections manufactured from welded plate (e.g. welded beams and welded columns).*

### **Tariff classification**

Goods identified as hot rolled non-alloy steel sections, as per the shapes and sizes described above, are classified to the following tariff subheadings in schedule 3 to the *Customs Tariff Act 1995*:

- 7216.31.00 statistical code 30 (channels — U and C sections);
- 7216.32.00 statistical code 31 (universal beams — I sections);
- 7216.33.00 statistical code 32 (universal column and universal bearing piles — H sections); and
- 7216.40.00 statistical code 33 (equal and unequal angles — L sections).

Goods identified as hot rolled alloy steel sections, as per the shapes and sizes described above, are classified to tariff subheading 7228.70.00 (statistical codes 11 and 12) in schedule 3 of the *Customs Tariff Act 1995*.

### **Proposed model control code structure**

On 9 August 2018, the Commission advised in Anti-Dumping Notice (ADN) No. 2018/128 that a model control code (MCC) structure would be implemented on new investigations, reviews of exporters generally or continuations for cases initiated after this date.<sup>1</sup>

The Commission will undertake model matching using the proposed MCC structure outlined at **Appendix 1** to this notice in order to identify key characteristics that will be used to match models of the goods exported to Australia and like goods sold domestically in the country of export. The proposed MCC structure is based on information received from the applicant and any other information the Commission considers relevant. It includes three key categories for which the provision of sales data is mandatory. For two of these categories, the provision of cost data is mandatory. It also provides four optional categories. The MCC structure shall be applied in responses to questionnaires provided by exporters.

Proposals to modify the MCC structure should be raised as soon as is practicable, but no later than the time the responses to the questionnaires are due (**11 February 2019**).

Interested parties are encouraged to make submissions on whether proposed modifications to the MCC structure should be accepted by the Commission. Any changes to the MCC structure will be considered by the Commission and reported in verification reports or in the statement of essential facts.

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<sup>1</sup> Full guidance regarding the Commission's application of an MCC structure is provided in ADN No. 2018/128 on the Commission's website at [www.adcommission.gov.au](http://www.adcommission.gov.au).

## **Background to the Measures**

The anti-dumping measures were initially announced in ADN No. 2014/127 on 20 November 2014 by the then Parliamentary Secretary to the Minister for Industry, Innovation and Science (the then Parliamentary Secretary) following consideration of *Anti-Dumping Commission Report No. 223*.

On 7 August 2015, following a review by the Anti-Dumping Review Panel of the decision to impose the anti-dumping measures, the dumping duty notice was altered.

The dumping duty notice was subsequently altered as the result of recommendations made in:

- Review 345 - exports of the goods from Taiwan by Tung Ho Steel;
- Review 346 - exports of the goods from Thailand by Siam Yamato Steel Co Ltd;
- Accelerated review 359 - exports of the goods from Taiwan by Dragon Steel Corporation; and
- Review 465 - exports of the goods from Korea by all exporters.

## **The Current Review**

On 21 November 2018, an application was lodged by OneSteel Manufacturing Pty Ltd, trading as Liberty Steel, requesting a review of the anti-dumping measures applying to exports of HRS from Japan, Korea, Taiwan (except for exports by Feng Hsin Steel Co Ltd) and Thailand to Australia.

I am satisfied, on the basis of the information provided in the application and other relevant information, that:

- the application complies with section 269ZB; and
- there appear to be reasonable grounds for asserting that the variable factors relevant to the taking of the anti-dumping measures have changed.

Particulars of the reasons for the decision to undertake this review are shown in *Anti-Dumping Commission Consideration Report No. 499*, which has been placed on the public record.

The review period is 1 January 2018 to 31 December 2018.

After concluding the review, I will recommend to the Minister for Industry, Science and Technology (the Minister) that the dumping duty notice:

- i. remain unaltered; or
- ii. have effect as if different variable factors had been ascertained.

If an affected party considers that it can provide evidence that may satisfy me that there are reasonable grounds for determining that anti-dumping measures are no longer warranted, that party may lodge an application <sup>2</sup> no later than **11 February 2019** <sup>3</sup> to request that I consider that evidence to extend a review of anti-dumping measures to include revocation.

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<sup>2</sup> In accordance with section 269ZCB of the Act.

<sup>3</sup> The due date is 9 February 2019, however, as this falls on a Saturday, the effective due date is the following business day.

### **Future Reviews**

Under subsection 269ZA(2) of the Act, an application for a review must not be made earlier than 12 months after the publication of the notice implementing the original measure or the notice declaring the outcome of the last review. Once a notice declaring the outcome of this review is published (regardless of the outcome), an application for a review of measures in relation to the dumping duty notice that is the subject of this review cannot be made for a period of 12 months.

### **Public Record**

A public record must be maintained for each review. The public record must contain, among other things, a copy of all submissions from interested parties.

Documents included in the public record may be examined at the Commission's office by contacting the case manager on the details provided below. Alternatively, the public record is available at [www.adcommission.gov.au](http://www.adcommission.gov.au)

### **Lodgment of Submissions**

Interested parties, as defined by subsection 269T(1) of the Act, are invited to lodge written submissions concerning this review, no later than **11 February 2019**,<sup>4</sup> addressed to:

The Director  
Investigations 2  
GPO Box 2013  
Canberra ACT 2601

or by email to [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au).

Interested parties wishing to participate in the review must ensure that submissions are lodged promptly. Interested parties should note that I am not obliged to have regard to a submission received by the Commission after the date mentioned above if to do so would, in my opinion, prevent the timely placement of the statement of essential facts on the public record.

Interested parties claiming that information contained in their submission is confidential, or that the publication of the information would adversely affect their business or commercial interests, must:

- (i) provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests, or
- (ii) satisfy me that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked "FOR OFFICIAL USE ONLY".

Interested parties making submissions must also provide a non-confidential version for public record (clearly marked "PUBLIC RECORD").

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<sup>4</sup> The due date is 9 February 2019, however, as this falls on a Saturday, the effective due date is the following business day.

### **Statement of Essential Facts**

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Minister within the legislative timeframe. A statement of essential facts (SEF) will be placed on the public record by **23 April 2019**, or by such later date as allowed in accordance with section 269ZHI of the Act.<sup>5</sup> The SEF will set out the essential facts on which I propose to base a recommendation to the Minister. Interested parties are invited to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record.

### **Report to the Minister**

Submissions received in response to the SEF will be taken into account in preparing the report and recommendation to the Minister. A recommendation to the Minister will be made in a report on or before **7 June 2019** (or such later date as allowed under section 269ZHI of the Act).

### **Anti-Dumping Commission contact**

Enquiries about this notice may be directed to the Case Manager on telephone number +61 3 8539 2428 or [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au).

Dale Seymour  
Commissioner  
Anti-Dumping Commission

3 January 2019

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<sup>5</sup> On 14 January 2017, the then Parliamentary Secretary delegated the powers and functions of the Minister under section 269ZHI of the Act to the Commissioner. Refer to ADN No. 2017/10 for further information.

APPENDIX 1 to ADN No. 2019/02 – Proposed Model Control Code Structure

| Item | Category               | Sub-category  | Identifier | Sales data | Cost data      | Key category |
|------|------------------------|---|------------|------------|----------------|--------------|
| 1    | Prime                  | Prime   | P          | Mandatory  | Not applicable | Yes          |
|      |                        | Non-prime   | N          |            |                |              |
| 2    | Shape                  | Universal Beams ('I' sections)                                  | I          | Mandatory  | Mandatory      | Yes          |
|      |                        | Universal Columns and Universal Bearing Piles ('H' sections)    | H          |            |                |              |
|      |                        | Channels ('U' or 'C' sections)                                  | C          |            |                |              |
|      |                        | Angles (Equal and Unequal/Angle sections)                       | A          |            |                |              |
| 3    | Minimum yield strength | Less than 265 MPa   | A          | Mandatory  | Mandatory      | Yes          |
|      |                        | Greater than or equal to 265 MPa                                | B          |            |                |              |
| 4    | Tensile strength       | Less than 400 MPa   | A          | Optional   | Optional       | No           |
|      |                        | Greater than or equal to 400 MPa and less than 450 MPa          | B          |            |                |              |
|      |                        | Greater than or equal to 450 MPa and less than 500 MPa          | C          |            |                |              |
|      |                        | Greater than or equal to 500 MPa                                | D          |            |                |              |
| 5    | Thickness              | Minimum cross-sectional thickness less than 11mm                | 1          | Optional   | Optional       | No           |
|      |                        | Minimum cross-sectional thickness greater than or equal to 11mm | 2          |            |                |              |
| 6    | Dimension              | Beam or section height less than 230 mm                         | S          | Optional   | Optional       | No           |
|      |                        | Beam or section height equal to or greater than 230 mm          | L          |            |                |              |
| 7    | Weldability            | Carbon equivalent value specified in relevant standard          | Y          | Optional   | Optional       | No           |
|      |                        | Carbon equivalent value not specified in relevant standard      | N          |            |                |              |

*Prime* refers to steel that is of acceptable quality for the application for which it is intended and not of some lower level of quality such as *defective*.

*Shape* refers to section such as beam, column, channel or angle.

*Minimum yield strength* refers to steel made to a standard which explicitly specifies minimum yield strength.

*Tensile strength* refers to minimum tensile strengths.

*Thickness* refers to the minimum thickness of flanges or webs.

*Dimension* refers to beam, column, channel or angle height.

*Weldability* refers to steel made to a standard which explicitly specifies a maximum carbon equivalent value.

As an example of how goods will be classified using only the mandatory categories of this MCC structure: Prime 'I' section Universal Beam with minimum yield strength of 400 MPa would have an MCC of P-I-B.