



CUSTOMS ACT 1901 - PART XVB

TERMINATION OF PART OF INVESTIGATION

TERMINATION REPORT NO. 264

**ALLEGED DUMPING OF STEEL REINFORCING BAR
EXPORTED FROM**

**THE REPUBLIC OF KOREA, MALAYSIA, SINGAPORE, SPAIN,
TAIWAN, THE KINGDOM OF THAILAND AND THE REPUBLIC
OF TURKEY**

19 October 2015

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ABBREVIATIONS

Abbreviation / short form	Full reference
ABF	Australian Border Force
ADN	Anti-Dumping Notice
Amsteel	Amsteel Mills Sdn Bhd
Ann Joo Steel	Ann Joo Steel Berhad
Arrium	Arrium Limited
Best Bar	Best Bar Pty Ltd
Celsa Barcelona	Compañía Española de Laminación, S.L
Celsa Nervacero	Nervacero, S.A
Daehan Steel	Daehan Steel Co., Ltd
EAF	Electric arc furnace
FOB	Free on board
Habaş	Habaş Sinai ve Tibbi Gazlar Istihsal Endüstrisi A.Ş
Korea	the Republic of Korea
Millcon	Millcon Steel Public Company Limited
Natsteel	Natsteel Holdings Pte Ltd
OneSteel	OneSteel Manufacturing Pty Ltd
PAD	Preliminary affirmative determination
Power Steel	Power Steel Co., Ltd
Rebar	Steel reinforcing bar
Sanwa	Sanwa Pty Ltd
SEF	Statement of essential facts
Southern Steel	Southern Steel Berhad
Stemcor	Stemcor Australia Pty Ltd
TER 264	Termination Report 264
Thailand	the Kingdom of Thailand
Turkey	the Republic of Turkey
the Act	<i>Customs Act 1901</i>
the Australian Standard	Australian Standard AS/NZS 4671.2001
the Commission	Anti-Dumping Commission
the Commissioner	Commissioner of the Anti-Dumping Commission
the goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
the Parliamentary Secretary	Parliamentary Secretary to the Minister for Industry, Innovation and Science
Wei Chih Steel	Wei Chih Steel Industrial Co., Ltd

1 INTRODUCTION AND FINDINGS

1.1 Introduction

This termination report (TER 264) has been prepared in relation to investigation number 264 by the Anti-Dumping Commission (the Commission) of the allegations by OneSteel Manufacturing Pty Ltd (OneSteel) that steel reinforcing bar (rebar) exported to Australia from the Republic of Korea (Korea), Malaysia, Singapore, Spain, Taiwan, the Kingdom of Thailand (Thailand) and the Republic of Turkey (Turkey) at dumped prices has caused material injury to the Australian industry producing like goods.

Specifically, TER 264 sets out the facts on which the Commissioner of the Anti-Dumping Commission (the Commissioner) based his decisions to terminate the investigation in respect of Power Steel Co., Ltd (Power Steel) of Taiwan, and all exporters of rebar from Malaysia, Thailand and Turkey. The investigation in relation to rebar exported to Australia from Korea, Singapore, Spain and Taiwan continues and the Commissioner's final findings and recommendations for exports from these countries will be included in a separate report.

1.2 The Commissioner's findings

As a result of the investigation by the Commission, the Commissioner is satisfied that exports of the goods:

- by Millcon Steel Public Company Limited (Millcon) from Thailand, Ann Joo Steel Berhad (Ann Joo Steel) from Malaysia and Habas Sinai Ve Tibbi Gazlar Istihsal Endustri A.S. (Habas) from Turkey were not at dumped prices;
- by Power Steel from Taiwan were at dumped prices but the dumping margin was negligible; and
- from Malaysia, Thailand and Turkey were in negligible volumes.

Based on the above findings, the Commissioner has terminated the investigation so far as it relates to exports of the goods:

- by Millcon from Thailand, Ann Joo Steel from Malaysia and Habas from Turkey, in accordance with subparagraph 269TDA(1)(b)(i) of the *Customs Act 1901* (the Act)¹ on the basis that no dumping was found to have occurred;
- by Power Steel from Taiwan in accordance with subparagraph 269TDA(1)(b)(ii) on the basis its dumping margin was less than 2 percent and therefore negligible; and
- from Malaysia, Thailand and Turkey in accordance with subsection 269TDA(3) on the basis that the volumes of dumped goods were found to be negligible.

A notice regarding the termination will be published in *The Australian* newspaper on 20 October 2015. Anti-Dumping Notice (ADN) 2015/122 relates to the termination and is available on the public record.

¹ Unless stated otherwise, all legislative references in this report are to the *Customs Act 1901*.

1.3 Background to investigation

1.3.1 Application

On 8 August 2014, OneSteel lodged an application under subsection 269TB(1) requesting that the then Parliamentary Secretary to the Minister for Industry² (Parliamentary Secretary) publish a dumping duty notice in respect of rebar exported to Australia from Korea, Malaysia, Singapore, Spain, Taiwan, Thailand and Turkey (collectively referred to as the nominated countries).

The Commissioner was satisfied that the application was made in the prescribed manner by a person entitled to make the application.

1.3.2 Initiation of investigation (Section 2.1)

After examining the application and further information provided by OneSteel in support of its application, the Commissioner was satisfied of the matters set out in subsection 269TC(1). Consequently the Commissioner decided not to reject the application and initiated an investigation. Public notification of initiation of the investigation was published in *The Australian* newspaper on 17 October 2014.

1.3.3 Preliminary affirmative determination (Section 2.2)

The Commissioner made a preliminary affirmative determination (PAD)³ on 13 March 2015. *PAD Report No. 264* (PAD 264) contains details of the decision and is available on the public record.⁴ The level of securities was revised on 6 May 2015 and 4 September 2015.

To prevent material injury to the Australian industry occurring while the investigation continues, securities are being taken in respect of any interim dumping duty that may become payable in respect of rebar exported to Australia from Korea, Singapore, Spain and Taiwan (except Power Steel).

1.3.4 Statement of essential facts (Section 2.3)

The Commissioner must, within 110 days after the initiation of an investigation, or such longer period as the Parliamentary Secretary allows, place on the public record a statement of the facts on which he proposes to base a recommendation to the Parliamentary Secretary in relation to the application.⁵

The statement of essential facts (SEF) was originally due to be placed on the public record by 4 February 2015; however, the Commissioner was granted three extensions to this date. The third and final extension required the Commissioner to publish the SEF on or before 2 September 2015. The SEF for this investigation (SEF 264) was placed on the public record on 2 September 2015.

² Now the Parliamentary Secretary to the Minister for Industry, Innovation and Science. The Minister for Industry, Innovation and Science has delegated responsibility with respect to operational anti-dumping matters to the Parliamentary Secretary, and accordingly, the Parliamentary Secretary is the relevant decision maker.

³ Subsection 269TD(1)

⁴ See number 26 on the public record

⁵ Subsection 269TDAA(1)

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1.3.5 Submissions received from interested parties

The Commission received numerous submissions from interested parties during the course of the investigation. Non-confidential versions of all submissions received are available on the public record. Each submission has been considered by the Commissioner.

2 BACKGROUND

2.1 Initiation

On 8 August 2014, OneSteel lodged an application for the publication of a dumping duty notice in respect of rebar exported to Australia from Korea, Malaysia, Singapore, Spain, Taiwan, Thailand and Turkey.

OneSteel alleged that the Australian industry suffered material injury caused by rebar exported to Australia from the nominated countries at dumped prices through:

- loss of sales volumes;
- loss of market share;
- price suppression; and
- reduced profits and profitability.

Subsequent to receiving further information on two occasions from OneSteel and having considered the application, the Commissioner decided not to reject the application and initiated an investigation into the alleged dumping of rebar from the nominated countries on 17 October 2014. Public notification of initiation of the investigation was made in *The Australian* newspaper on 17 October 2014.

ADN No. 2014/100 provides further details relating to the initiation of the investigation and is available on the public record.⁶

In respect of the investigation:

- the investigation period⁷ for the purpose of assessing dumping is 1 July 2013 to 30 June 2014; and
- the injury analysis period for the purpose of determining whether material injury has been caused to the Australian industry is from 1 July 2010.

2.2 Preliminary affirmative determination

The Commissioner, after having regard to the application, submissions and other relevant information, was satisfied that there appeared to be sufficient grounds for the publication of a preliminary dumping duty notice in respect of rebar exported to Australia from the nominated countries. The Commissioner made a PAD⁸ on 13 March 2015. PAD 264 contains details of the decision and is available on the public record.⁹

On 6 May 2015 an amendment to the securities was made in relation to exporters Ann Joo Steel, Compañía Española de Laminación, S.L. (Celsa Barcelona) and Nervacero, S.A. (Celsa Nervacero). Further details of these amendments are outlined in ADN 2015/50.¹⁰

⁶ See number 2 on the public record

⁷ Subsection 269T(1)

⁸ Subsection 269TD(1)

⁹ See number 26 on the public record

¹⁰ See number 38 on the public record

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Securities were further amended on 4 September 2015 to reflect the preliminary findings made in the SEF. Further details of these amendments are outlined in ADN 2015/107.¹¹

To prevent material injury to the Australian industry occurring while the investigation continues, securities are being taken in respect of any interim dumping duty that may become payable in respect of rebar exported to Australia from Korea, Singapore, Spain and Taiwan (except Power Steel), entered for home consumption on or after 13 March 2015.

2.3 Statement of essential facts

2.3.1 Extensions of time

The public notice outlining initiation of this investigation advised that the SEF would be placed on the public record by 4 February 2015. However, pursuant to paragraph 269ZH(1)(a), the Commissioner was granted three extensions.

The details and reasons for the extensions are outlined in ADN Nos. 2015/13, 2015/33 and 2015/81, which are available on the public record.¹²

The last extension required the Commission to publish this SEF on or before 2 September 2015.

2.3.2 Publication of the SEF

The Commissioner published SEF 264 relating to this investigation on 2 September 2015.¹³ In SEF 264, the Commissioner proposed to:

- recommend to the Parliamentary Secretary that a dumping duty notice be published in respect of rebar exported to Australia from all exporters in Korea, Singapore, Spain and Taiwan (excluding Power Steel);
- terminate the investigation so far as it related to rebar exported by Millcon from Thailand, Ann Joo Steel from Malaysia and Habas from Turkey, in accordance with subparagraph 269TDA(1)(b)(i) of the Act on the basis that no dumping had occurred;
- terminate the investigation so far as it related to rebar exported by Power Steel from Taiwan in accordance with subparagraph 269TDA(1)(b)(ii) on the basis that its dumping margin was found to be below 2 per cent and therefore negligible; and
- terminate the investigation so far as it related to all other exporters of rebar from Malaysia, Thailand and Turkey in accordance with subsection 269TDA(3) on the basis that volumes of dumped goods were found to be negligible.

In preparing SEF 264 the Commissioner had regard to the application concerned, submissions concerning publication of a dumping duty notice that were received by the Commission within 40 days after the date of initiation of the investigation and any other matters considered relevant.

¹¹ See number 79 on the public record

¹² See numbers 18, 33 and 48 on the public record

¹³ See number 78 on the public record

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Interested parties were invited to make submissions to the Commission in response to the SEF within 20 days of it being placed on the public record.

2.3.3 Submissions received from interested parties after publication of SEF

After publication of SEF 264, the Commission received submissions from:

- Celsa Barcelona and Celsa Nervacero;
- NatSteel Holdings Pte Ltd (Natsteel);
- Best Bar Pty Ltd (Best Bar);
- Wei Chih Steel (Wei Chih);
- Daehan Steel Co. Ltd (Daehan Steel) ;
- OneSteel;
- the Trade Commission of Spain;
- the Turkish Steel Importers Association;
- the European Commission; and
- Sanwa Pty Ltd (Sanwa).

The submissions received are available on the public record.

2.4 Final report

The Commissioner will make final recommendations in respect of rebar exported from the nominated countries (except those countries and exporters terminated against) in a report to the Parliamentary Secretary which is due on 19 October 2015.

2.5 Relevant Legislation

Division 2 of Part XVB sets out, among other matters, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application for the publication of a dumping duty notice.

2.6 Public record

The public record contains non-confidential submissions by interested parties, the non-confidential versions of the Commission's verification visit reports and other publically available documents. It is available by request in hard copy in Canberra or Melbourne or online at www.adcommission.gov.au.

TER 264 should be read in conjunction with other documents on the public record.

3 THE GOODS AND LIKE GOODS

3.1 The Commissioner's findings

The Commissioner considers that locally produced rebar are like goods to the goods the subject of the application.

3.2 The goods

The goods under consideration, as specified in OneSteel's application, are:

Hot-rolled deformed steel reinforcing bar whether or not in coil form, commonly identified as rebar or debar, in various diameters up to and including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process.

The goods covered by this application include all steel reinforcing bar meeting the above description of the goods regardless of the particular grade or alloy content or coating.

Goods excluded from this application are plain round bar, stainless steel and reinforcing mesh.

3.3 Tariff classification

The goods are classified to the tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995* specified below. It should be noted that that statistical codes applying to these tariff classifications have been modified subsequent to the initiation of this investigation. The relevant changes are noted in italics:

- 7214.20.00 (statistical code 47);
- 7228.30.90 (statistical code 49 *(as of 1 July 2015, statistical code 40)*);
- 7213.10.00 (statistical code 42)
- 7227.90.90 (statistical code 42 *(as of 1 January 2015 statistical codes 02 and 04)*);
and
- *Tariff subheading 7227.90.10 with statistical code 69.*

Goods imported from Spain under the above tariff subheadings are subject to a general rate of duty of 5 per cent and goods imported from all other nominated countries are subject to a "free" rate of duty.

3.4 Legislative framework

Subsection 269TC(1) requires that the Commissioner must reject an application for a dumping duty notice if, inter alia, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

In making this assessment, the Commissioner must first determine that the goods produced by the Australian industry are "like" to the imported goods. Subsection 269T(1) defines like goods as:

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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.

An Australian industry can apply for relief from injury caused by dumped or subsidised imports even if the goods it produces are not identical to the imported goods. The Australian industry must however, produce goods that are “like” to the imported goods.

Where the locally produced goods and the imported goods are not alike in all respects, the Commission assesses whether they have characteristics closely resembling each other taking into consideration the physical, commercial, functional and production likenesses.

3.5 Commissioner’s Assessment

From information submitted in the application, gathered during the visit to OneSteel and responses from exporters and importers, the Commissioner considers that the Australian industry produces like goods on the following grounds:

Physical likeness

The primary physical characteristics of the goods and locally produced rebar are alike. Locally produced rebar and the imported goods are manufactured to the same requirements of the Australian Standard (AS/NZS 4671.2001). The imported and locally produced rebar are manufactured to the range of grades specified under the Australian Standard and are manufactured to similar diameters. It is noted that the indentations, ribs and grooves on the rebar may vary between mills. However, these variations do not significantly modify the performance characteristics of the rebar.

Commercial likeness

Locally produced rebar competes directly with imported rebar in the Australian market and is sold to common users. The Commission considers that the imported and domestically produced rebar are commercially interchangeable.

Functional likeness

Both the locally produced and imported goods have comparable or identical end-uses. Rebar products are used ‘as is’ or are subject to post production processing such as bending, welding and cutting. Locally produced and imported rebar are predominantly used to reinforce concrete structures and precast structures.

Production likeness

The locally produced goods are manufactured in a similar manner to the imported goods. Whilst minor variations in the respective production processes were observed, the Commission considers that the key production steps and processes are near identical.

Based on the above assessment, the Commissioner is satisfied that the Australian industry produces like goods to the goods the subject of the application, and that the domestically produced goods are ‘like goods’ as defined in subsection 269T(1).

4 THE AUSTRALIAN INDUSTRY

4.1 The Commissioner's findings

The Commissioner has found that there is an Australian industry producing like goods to the goods the subject of the application and that the Australian industry comprises of one manufacturer, OneSteel.

4.2 Legislative Framework

The Commissioner must reject an application if not satisfied that there is, or is likely to be established, an Australian industry in respect of "like" goods produced in Australia.¹⁴ Subsection 269T(2) specifies that goods are not taken to have been produced in Australia unless the goods were wholly or partly manufactured in Australia. Subsection 269T(3) specifies that goods shall not be taken to have been partly manufactured in Australia unless at least one substantial process in the manufacture of the goods was carried out in Australia.

4.3 Australian Industry

OneSteel is a wholly owned subsidiary of Arrium Limited (Arrium), formerly OneSteel Limited. Arrium is an international mining and materials company listed on the Australian Securities Exchange. The company is structured around three key business segments:

- Arrium Mining: an exporter of hematite iron ore and also supplies iron ore feed to OneSteel's integrated steelworks at Whyalla;
- Arrium Mining Consumables: supplies resource companies with a range of key mining consumables, including grinding media, wire ropes and rail wheels; and
- Arrium Steel: comprises steel manufacturing, recycling, and processing and steel distribution businesses.

OneSteel is part of the Arrium Steel business segment. OneSteel produces a wide range of finished long products including reinforcing bar, rod in coils, hot rolled structural steel, merchant bar, rail and wire products.

4.3.1 Manufacturing facilities

OneSteel's manufacturing facilities related to rebar are:

- the fully integrated Whyalla Steelworks in South Australia;
- two electric arc (EAF) furnaces located in Sydney in New South Wales and Laverton in Victoria; and
- rod and/or bar mills situated in Laverton in Victoria, and in Sydney and Newcastle in New South Wales.

The Whyalla Steelworks produces steel using Blast Furnace liquid iron as an input into a Basic Oxygen Furnace process, where liquid steel is cast into billets, slab or blooms.

¹⁴ Paragraph 269TC(1)(b)

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The Laverton operation produces steel billets through its EAF using scrap steel as input. The liquid steel is cast into billets which are rolled through the rod and bar mills at Laverton.

The Sydney operation produces steel through its EAF using scrap steel as input. The liquid steel is cast into billets, the majority of which are used in the bar mill at Sydney.

The Newcastle rod mill is also used to manufacture rebar which may be further cold worked to obtain the required mechanical properties.

4.3.2 Production process

OneSteel provided a description and diagram of its production processes with its application. During a verification visit, OneSteel provided a tour of the EAF, rod mill and bar mill facilities at Laverton where the Commission observed the following steel making processes:

Steel Making

- *Scrap was loaded from the scrap yard and brought into the EAF facility.*
- *Scrap, fluxes and alloys were combined in the EAF to produce molten steel.*
- *The molten steel was poured into a ladle to separate the molten steel from slag and final adjustments to the molten steel's chemical composition and temperature were done in a ladle furnace.*
- *The ladle was then transported to the Continuous Casting Machine where the steel flowed into a tundish which distributed the steel into a number of water-cooled copper moulds to be cast and cut into billets. Finished billets were held in a storage yard until required.*

For Rebar Straights:

- *Steel billets are loaded into a reheat furnace and reheated to approximately 1200°C.*
- *The heated billet then passes through a series of rolling stands.*
- *As the billet passes through each stand it gradually reduces in size and changes shape from a square section to a circular section.*
- *The final (finishing) stand rolls have a rib profile machined into them so that when the circular bar passes through the rolls, deformations (ribs) are formed on the bar which will provide gripping power so that concrete adheres to the bar and provides reinforcing value.*
- *After the finishing stand, the bar passes through a special water cooling process where the surface of the bar is quenched rapidly. On exiting this part of the mill for slow cooling on the cooling bed, the temperature gradient established over the cross-section of the bar causes heat to flow from the core to the surface resulting in a (tempered) steel microstructure which gives increased strength. Rebar produced in this way is known as "QST" rebar as the bar has been Quenched and Self-Tempered.¹⁵*

For Rebar Coils:

- *Steel billets are loaded into a reheat furnace and reheated to approximately 1200°C.*
- *The heated billet then passes through a series of rolling stands.*
- *As the billet passes through each stand it gradually reduces in size and changes shape from a square section to a circular section.*

¹⁵ Two of OneSteel's mills produce like goods via this method

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- The final (finishing) stand rolls have a rib profile machined into them so that when the circular section passes through the rolls, deformations (ribs) are formed on the bar which will provide gripping power so that concrete adheres to the bar and provides reinforcing value.
- For rebar coils produced through [a particular mill] all rebar coils (10, 12 and 16mm diameter) are produced by rolling billets that have had a small controlled amount of a microalloys (typically ferrovanadium) added. The steel chemistry ensures the rebar strength requirements are met. After the finishing stand, the deformed rod is looped into rings, laid onto a cooling conveyor and the cooled rings are then formed into a coil.
- For rebar coils produced through [a particular mill] 10mm rebar coils are produced the same way as through [a particular mill] using billets with microalloy additions to effect the required rebar strength through chemistry. For 12mm and 16mm rebar coil, billets without microalloy additions are rolled, looped into rings, cooled and formed into coils. These coils are then put through a process where the required strength is achieved by cold-working (mechanical strain-hardening) the coil through a stretching panel. At the end of the process the rebar is spooled into a coil.

4.3.3 Product range

OneSteel manufactures a range of rebar at its Sydney, Laverton and Newcastle mills. The rebar is manufactured in a variety of methods to obtain the required mechanical properties. These methods include micro-alloying, quenching and self-tempering or continuous stretching.

OneSteel advised in its application that rebar is either sold in straight lengths (rebar straights) or coils (rebar coils). Both rebar coils and rebar straights are produced in a variety of diameters.

Grade: OneSteel advised that it produces rebar in two grade levels (classified by minimum yield strength), 500N and 250N.

Diameter: OneSteel advised that rebar is commonly produced up to a diameter of 16mm for rebar coils and 40mm for rebar straights. However, it has the capability to manufacture rebar coils with a diameter of 10-16mm and 12-50mm for rebar straights.

Length: OneSteel advised that rebar coil sizes range from 1.5 tonnes to [weight] and that rebar straights are sold in standard lengths of 6, 9, 10, 12 and 15 metres. OneSteel advised that rebar straights can also be sold at various non-standard lengths by customer request.

Table 1 below summarises the types, sizes and grades of rebar currently manufactured by OneSteel.

Rebar Type	Diameter Range (mm)	Grade
Rebar Coil	10, 12, 16	500N
Rebar Straight	12, 16, 20, 24, 28, 32, 36, 40, 50 ¹⁶	500N
Rebar Straight	12	250N

Table 1 – OneSteel grades and sizes¹⁷

¹⁶ OneSteel specified in its application that “OneSteel’s Laverton facility has previously manufactured rebar of 50mm diameter and has the capability to do so again if required”.

¹⁷ Based on information contained in production route map provided by OneSteel

4.4 Submissions from interested parties

No interested parties have submitted that the imported goods and the goods manufactured by the Australian industry are not alike.

4.5 The Commissioner's assessment

In its application, OneSteel claimed to be the sole Australian producer of rebar in Australia. The Commission is not aware of any other producer of rebar in Australia and no submissions or other information has been received to indicate that there are any other producers of rebar in Australia.

Following the Commission's verification of OneSteel's manufacturing processes in Australia, the Commission is satisfied that:

- rebar is wholly manufactured by OneSteel in Australia; and
- OneSteel conducts one or more substantial process in the production of rebar at its manufacturing plants in Laverton, Newcastle, Sydney and Whyalla.

Accordingly, the Commissioner is satisfied, in accordance with subsections 269T(2) and 269T(3), that there is an Australian industry producing rebar in Australia, and that this industry solely consists of OneSteel.

5 AUSTRALIAN MARKET

5.1 The Commissioner's findings

The Commissioner has found that the Australian market for rebar is supplied by the Australian industry and imports from a number of countries, including the nominated countries. The Commission estimates that the size of the Australian market during the investigation period was approximately 900,000 tonnes.

5.2 Market segmentation and end-use

The key market segments for rebar are commercial and residential construction, mining and resource construction and, to a lesser degree, swimming pool construction.

In its application, OneSteel stated that rebar is primarily purchased by fabricators and steel service centres that typically undertake further processing prior to supply into the following concrete reinforcement markets:

- commercial;
- engineering construction; and
- residential.

Rebar is typically cut, bent, and/or welded into various shapes before use in concrete reinforcement as a tension device. However, whilst the majority of rebar is fabricated in some way, there are instances where no cutting, bending or welding is required by a fabricator or service centre prior to end-use.

5.3 Market distribution

The Australian rebar market is supplied by OneSteel, importers that on sell to end-users, and end-users that import rebar.

OneSteel explained that a significant portion of its sales are to related entities including The Australian Reinforcing Company and OneSteel Reinforcing. Rebar sold to related entities encompasses the full range of grades and sizes produced by OneSteel.

OneSteel rebar is sold and delivered Australia wide. The majority of independent sales are to independent fabricators who compete in the same rebar market as OneSteel's related entities.

End-users purchase rebar through a number of sources including OneSteel, OneSteel's related entities, direct imports from exporters or overseas traders, or through imports by local steel trading houses. The supply chain for rebar is shown below (noting that the reinforcing and steel service centres include OneSteel's related entities).

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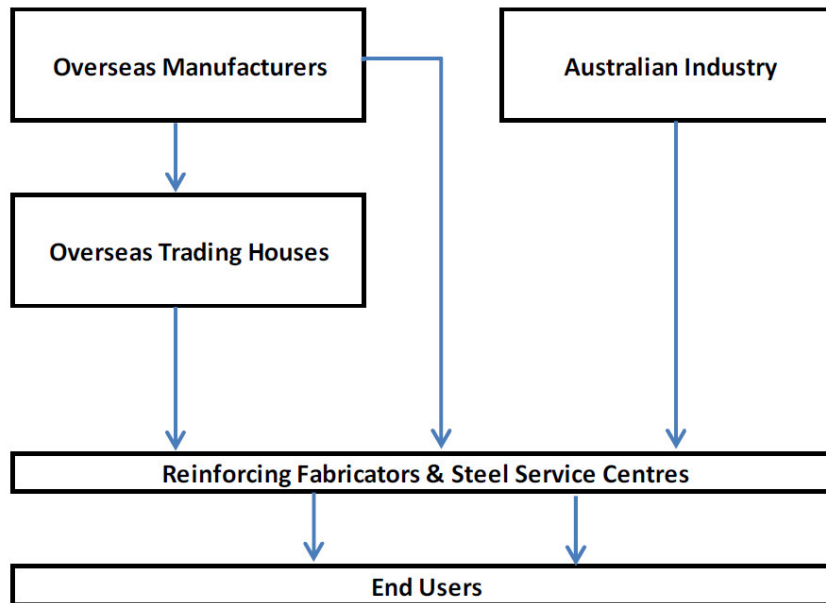


Figure 1 – Australian Supply Chain for Rebar

OneSteel explained that unrelated end-users purchase a combination of imported and locally produced rebar. OneSteel's related entities source their entire supply of rebar from OneSteel, although OneSteel also imports a small volume of rebar.

5.4 Demand variability

According to OneSteel, demand variability is driven by the following major markets for rebar:

- commercial;
- residential; and
- engineering construction (including mining and infrastructure).

OneSteel noted that the commercial construction market is the main driver of demand for rebar. OneSteel highlighted some seasonal fluctuations at year end as the construction industry typically closes for the Christmas holiday period.

5.5 Market size

In its application, OneSteel estimated the size of the Australian market using three sources:

- Australian Bureau of Statistics import data;
- an independent recognised international supplier of trade statistics; and
- OneSteel's domestic sales.

For the purposes of estimating the size of the Australian rebar market, the Commission combined OneSteel's domestic sales data with Australian Border Force's (ABF) import data. OneSteel's sales data was verified during an Australian industry visit. The Commission filtered the ABF import data based on tariff subheading, statistical code, goods description and country of export.

The Commission considers that the ABF import database is a reliable source for imported rebar data. ABF import data was further verified with importers and exporters. The

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Commission considers that this combined data is reliable, relevant and suitable for estimating the size of the Australian market for rebar.

The size of the Australian rebar market and the volume of Australian industry sales for the financial years 2010/11 to 2013/14 are shown in the following chart.

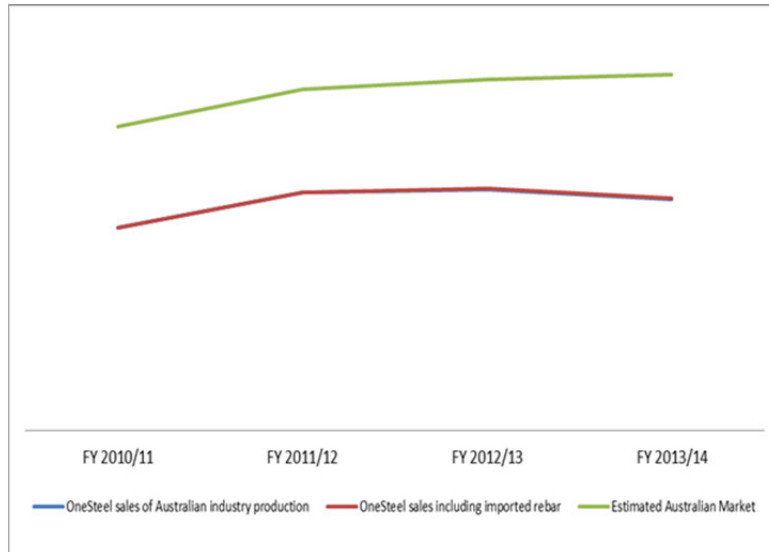


Figure 2 – Australian Rebar Market and Australian Industry Sales (Tonnes)

During the period 2010/11 to 2013/14, the size of the Australian rebar market increased each year, albeit at a declining rate of growth. Over the same period, OneSteel’s rebar sales volume grew in 2011/12, but subsequently increased at a lower rate than the Australian rebar market in 2012/13 before declining in 2013/14. Overall, OneSteel’s rebar sales volume increased between 2010/11 and 2013/14.

5.6 Importers

The Commission examined the ABF import database and identified 35 importers of rebar in the investigation period.

The Commission undertook verification visits of the following four importers who accounted for approximately 66 per cent of the total imports over the investigation period:

- Stemcor Australia Pty Ltd (Stemcor);
- Commercial Metals Australia Pty Ltd;
- Sanwa; and
- Best Bar.

Visit reports for the above importers can be found on the public record.

5.7 Substitutable products

According to OneSteel, there are no commercially accepted or market penetrated substitutable products for rebar. No submissions have been received from interested parties identifying any substitutable products.

6 DUMPING INVESTIGATION

6.1 The Commissioner's findings

Table 2 below summarises the Commissioner's findings in relation to dumping of rebar exported to Australia from each of the countries subject to TER 264:

Country	Findings	Dumped Volume
Malaysia	<ul style="list-style-type: none"> • Imports from Ann Joo Steel were not at dumped prices. • Imports from Southern Steel Berhad (Southern Steel) were at dumped prices. • Imports Amsteel Mills Sdn Bhd (Amsteel Mills) were at dumped prices. 	The volume of dumped goods from Malaysia was negligible.
Taiwan	<ul style="list-style-type: none"> • Imports from Power Steel were dumped but at negligible dumping margins. 	The volume of dumped goods from Taiwan was not negligible.
Thailand	<ul style="list-style-type: none"> • Imports from Millcon were not at dumped prices. 	The volume of dumped goods from Thailand was negligible.
Turkey	<ul style="list-style-type: none"> • Imports from Habas were not at dumped prices. 	The volume of dumped goods from Turkey was negligible.

Table 2 – Findings by Country

Dumping margins are summarised in Table 3 below:

Country	Exporter / Manufacturer	Dumping margin ¹⁸
Malaysia	Amsteel Mills Sdn Bhd	2.3%
	Ann Joo Steel Berhad	-0.3%
	Southern Steel Berhad	4.7%
	<i>Uncooperative and All Other Exporters</i>	Not Applicable
Taiwan	Power Steel Co., Ltd	1.3%
	<i>Uncooperative and All Other Exporters</i>	6.8%
Thailand	Millcon Steel Public Company Limited	0.0%
	<i>Uncooperative and All Other Exporters</i>	Not Applicable
Turkey	Habas Sinai Ve Tibbi Gazlar Istihsal Endustri A.S.	-1.7%
	<i>Uncooperative and All Other Exporters</i>	Not Applicable

¹⁸ Dumping margins for uncooperative and all other exporters from Malaysia, Thailand and Turkey were not calculated. Please see section 6.9 of this report for explanation.

Table 3 – Dumping margins

6.2 Legislative framework

Dumping occurs when a product from one country is exported to another country at a price less than its normal value. The export price and normal value of goods are determined under sections 269TAB and 269TAC respectively.

Dumping margins are determined under section 269TACB.

6.3 Model matching

On 4 March 2015, the Commission published Issues Paper No. 2015/01¹⁹ outlining its proposed approach to model matching criteria for the purpose of calculating dumping margins.

The Commission had regard to available evidence and applied the most appropriate criteria depending on the specific circumstances of each exporter.

6.4 Cooperative exporters

At the commencement of the investigation, the Commission contacted all known exporters of the goods and each identified supplier of the goods within the relevant tariff subheadings for rebar (see section 3.4), as identified in the ABF import database and invited them to complete an exporter questionnaire.

The exporter questionnaires sought information regarding the exporters' commercial operations, the goods exported to Australia, like goods sold on the domestic market and to third countries, economic and financial details and relevant costing information.

The Commission received exporter questionnaire responses from the following exporters.

- Daehan Steel from Korea;
- Amsteel Mills from Malaysia;
- Ann Joo Steel from Malaysia;
- Southern Steel from Malaysia;
- Natsteel from Singapore;
- Celsa Barcelona from Spain;
- Celsa Nervacero from Spain;
- Power Steel from Taiwan;
- Wei Chih Steel from Taiwan;
- Millcon from Thailand; and
- Habas from Turkey.

The Commission assessed all responses as being substantially complete and the abovementioned exporters are considered to have cooperated with the investigation.

The Commission visited the following exporters and verified information relating to costs, domestic sales and exports to Australia during the investigation period:

- Daehan Steel;

¹⁹ See number 24 on the public record

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- Natsteel;
- Celsa Barcelona;
- Celsa Nervacero;
- Wei Chih Steel; and
- Millcon.

Verification visits were not undertaken in relation to the following exporters:

- Amsteel Mills;
- Ann Joo Steel;
- Southern Steel;
- Habas; and
- Power Steel.

The Commission's decision not to conduct exporter verification visits to the above cooperating exporters in Malaysia and Turkey and for Power Steel of Taiwan was based on the low volume of exports from the relevant exporters during the investigation period. For example, based on data available to the Commission, both Turkey and Korea each separately constituted between 3 per cent and 4 per cent of total rebar imports during the investigation period.

The Commission analysed the data submitted by cooperating exporters that were not visited and was satisfied that the data was reasonably accurate, relevant, complete and without material deficiency. This data was used to calculate dumping margins.

Non-confidential exporter questionnaire responses, verification reports and dumping margin reports for each of the cooperating exporters are available on the public record and provide additional detail to the discussion below. The visit reports should be read in conjunction with TER 264.

The calculations of export price, normal value and dumping margins are contained in confidential attachments to this report.

6.5 Malaysia

6.5.1 OneSteel Submission

OneSteel disagreed with the Commission's decision not to undertake a verification visit to any of the Malaysian exporters and stated that any reasonableness tests of export price, domestic sales and cost data could not have been satisfactorily conducted without having visited at least one Malaysian exporter.²⁰

Specifically, OneSteel raised concerns about the consistency of certain costs allocated between all products and like goods in Ann Joo Steel's questionnaire response and questioned the absence of any commentary in relation to the reliability of Southern Steel's costs.

OneSteel further contended that Ann Joo Steel, Amsteel and Southern Steel could not be considered to be cooperative exporters because the Commission did not undertake a verification visit to verify their information.

²⁰ See number 67 on the public record

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OneSteel concluded that, in the absence of a verification visit, the information provided by Malaysian exporters cannot be considered reliable and that the Commission has incorrectly determined normal values under 269TAC(1) because the exporters' sales cannot be considered to be in the ordinary course of trade in the absence of full verification of the cost information.

6.5.2 Commission's consideration of OneSteel's submission

As outlined previously, the Commission's decision not to undertake a verification visit to any of the Malaysian exporters was based on the relatively low volume of exports during the investigation period. Notwithstanding, the Commission was satisfied that Ann Joo Steel, Amsteel and Southern Steel's data was reasonably accurate, relevant, complete and without material deficiency. Further, Ann Joo Steel, Amsteel and Southern Steel responded to requests to clarify or provide further information in relation to their exporter questionnaire responses during the course of completing dumping margin reports.

The Commission also considers that the particular method of verification of an exporter's data employed by the Commission is not relevant to the consideration of whether an exporter is uncooperative as defined in subsection 269T(1).²¹

On this basis, the Commission considers that Ann Joo Steel, Amsteel and Southern Steel are cooperative exporters and remains satisfied that each of the questionnaire responses were accurate, relevant and complete for the purposes of determining export prices, normal values, adjustments and dumping margins.

6.5.3 Amsteel Mills

Export Prices

Export prices for sales of rebar to Australia by Amsteel Mills were determined under paragraph 269TAB(1)(a) as the price paid by the importer to the exporter less transport and other costs arising after exportation.²²

Normal Values

Normal values for rebar straights were determined under subsection 269TAC(1) based on domestic sales of comparable models in the ordinary course of trade.²³

Normal values for rebar coils were determined under paragraph 269TAC(2)(c) using the relevant costs and an amount for profit.²⁴

²¹ Subsection 269T(1) provides that an exporter is an 'uncooperative exporter', where the Commissioner is satisfied that an exporter did not give the Commissioner information that the Commissioner considers to be relevant to the investigation, within a period the Commissioner considers to be reasonable or where the Commissioner is satisfied that an exporter significantly impeded the investigation.

²² The Commission notes that for all cooperative exporters from Malaysia, Taiwan, Thailand and Turkey export prices were established under paragraph 269TAB(1)(a) based on the findings that:

- (i) the goods have been exported to Australia otherwise than by the importer and have been purchased by the importer from the exporter; and
- (ii) the purchase of the goods by the exporter were arms length transactions.

²³ For Amsteel Mills, Ann Joo Steel, Southern Steel, Millcon and Habas normal values for certain models were established under subsection 269TAC(1) based on the findings that sufficient volumes of like goods sold in the ordinary course of trade for home consumption in the country of export existed in sales that were arms length transactions by the exporter.

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Subsequent to the SEF, the Commission made a correction to Amsteel Mill's normal values to account for a minor calculation error.

Adjustments

To ensure the comparability of normal values to export prices, the Commission made adjustments pursuant to subsections 269TAC(8) and (9).²⁵

Dumping Margin

The Commission compared 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, in accordance with paragraph 269TACB(2)(a).

The weighted average product dumping margin for rebar exported to Australia by Amsteel Mills for the investigation period is **2.3 per cent**.

6.5.4 Ann Joo Steel

Export Prices

Export prices for sales of rebar to Australia by Ann Joo Steel were established under paragraph 269TAB(1)(a) as the price paid by the importer to the exporter less transport and other costs arising after exportation.

Normal Values

Normal values for all exported models were determined under subsection 269TAC(1) based on domestic sales of comparable models in the ordinary course of trade.

Adjustments

To ensure the comparability of normal values to export prices, the Commission made adjustments to normal values pursuant to subsection 269TAC(8).

²⁴ For Amsteel Mills, Power Steel, Millcon and Habas normal values for certain models were established under paragraph 269TAC(2)(c) based on the findings, pursuant to subparagraph 269TAC(2)(a)(i), that there was an absence or low volume of sales of like goods sold in the ordinary course of trade for home consumption in the country of export in sales that were arms length transactions by the exporter.

²⁵ Adjustments to normal values for certain models determined under subsection 269TAC(1) for Amsteel Mills, Ann Joo Steel, Southern Steel, Millcon and Habas were made under subsection 269TAC(8) to ensure the comparability of normal values to export prices, where domestic and export sales:

- related to sales occurring at different times; or
- were not in respect of identical goods; or
- were modified in different ways by taxes or the terms or circumstances of the sales to which they related.

Adjustments to costs for certain models sold by Amsteel Mills, Power Steel, Millcon and Habas were made under subsection 269TAC(9) to ensure the comparability of normal values to export prices where the normal value was ascertained under paragraph 269TAC(2)(c). Further details of specific adjustments made can be found in the verification visit reports for each exporter, which are available on the public record.

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Dumping Margin

The Commission compared 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, in accordance with paragraph 269TACB(2)(a).

The weighted average product dumping margin for rebar exported to Australia by Ann Joo Steel for the investigation period is **-0.3 per cent**.

6.5.5 Southern Steel

Export Prices

Export prices for sales of rebar to Australia by Southern Steel were established under paragraph 269TAB(1)(a) as the price paid by the importer to the exporter less transport and other costs arising after exportation.

Normal Values

Normal values for all exported models were determined under subsection 269TAC(1) based on domestic sales of comparable models in the ordinary course of trade.

Adjustments

To ensure the comparability of normal values to export prices, the Commission made adjustments pursuant to subsection 269TAC(8).

Dumping Margin

The Commission compared 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, in accordance with paragraph 269TACB(2)(a).

The weighted average product dumping margin for rebar exported to Australia by Southern Steel for the investigation period is **4.7 per cent**.

6.6 Taiwan

6.6.1 Power Steel

Export Prices

Export prices for sales of rebar to Australia by Power Steel were established under paragraph 269TAB(1)(a) as the price paid by the importer to the exporter less transport and other costs arising after exportation.

Normal Values

Normal values for all exported models were calculated pursuant to paragraph 269TAC(2)(c) using the relevant costs and an amount for profit.

Adjustments

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To ensure the comparability of normal values to export prices, the Commission made adjustments pursuant to subsection 269TAC(9).

Dumping Margin

The Commission compared 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, in accordance with paragraph 269TACB(2)(a).

The weighted average product dumping margin for rebar exported to Australia by Power Steel for the investigation period is **1.3 per cent**.

6.7 Thailand

6.7.1 Millcon

Export Prices

Export prices for sales of rebar to Australia by Millcon were determined under paragraph 269TAB(1)(a) as the price paid by the importer to the exporter less transport and other costs arising after exportation.

Normal Values

For certain rebar models, normal values were determined under subsection 269TAC(1) based on domestic sales of comparable models in the ordinary course of trade.

For one rebar model, the normal value was calculated pursuant to paragraph 269TAC(2)(c) using the relevant costs and an amount for profit.

Adjustments

To ensure the comparability of normal values to export prices, the Commission made adjustments pursuant to subsections 269TAC(8) and (9).

Dumping Margin

The Commission compared 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, in accordance with paragraph 269TACB(2)(a).

The weighted average dumping margin in respect of rebar exported to Australia by Millcon for the investigation period is **0.0 percent**.

6.8 Turkey

6.8.1 Habaş

Export Prices

Export prices for sales of rebar exported to Australia by Habas were determined under paragraph 269TAB(1)(a) as the price paid by the importer to the exporter less transport and other costs arising after exportation.

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Normal Values

For certain rebar models, normal values were determined under subsection 269TAC(1) based on domestic sales of comparable models in the ordinary course of trade.

In relation to the other export models, normal values were calculated pursuant to paragraph 269TAC(2)(c) using the relevant costs and an amount for profit.

Adjustments

To ensure the comparability of normal values to export prices, the Commission made adjustments pursuant to subsections 269TAC(8) and (9).

Further to OneSteel's request for further clarification, a specification adjustment was made to normal values based on an identified pricing differential between different grade models exported to Australia by Habas. Rebar models with a minimum 500 yield strength grade were used for the purposes of model matching.²⁶

Dumping Margin

The Commission compared 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, in accordance with paragraph 269TACB(2)(a).

The weighted average dumping margin in respect of rebar exported to Australia by Habas for the investigation period is **-1.7 per cent**.

6.9 Application of legislative framework

Having considered the dumping margins above, the Commissioner is required to terminate the investigation against Millcon from Thailand, Ann Joo Steel from Malaysia and Habas from Turkey, in accordance with subparagraph 269TDA(1)(b)(i) because no dumping was found to have occurred for these exporters during the investigation period.

As outlined in chapter 5 of this report, the Commission has determined the imported volume of goods in the Australian market. Having regard to the remaining volume of goods imported from Malaysia, Thailand and Turkey by uncooperative and all other exporters over the investigation period, the Commissioner is satisfied that the total volume of dumped goods from each of Malaysia, Thailand and Turkey was negligible within the meaning of subsection 269TDA(4). This is because each of those countries' dumped goods was less than 3 per cent of the total import volumes and subsection 269TDA(5) (aggregation of volumes of dumped goods) did not apply to those goods.

Accordingly, the Commissioner is required to terminate the investigation under subsection 269TDA(3) so far as it relates to Malaysia, Taiwan and Turkey. Given these findings, the Commission has not calculated an 'uncooperative and all other' dumping margin for Malaysia, Thailand and Turkey.

The Commissioner is also required to terminate the investigation against Power Steel from Taiwan in accordance with subparagraph 269TDA(1)(b)(ii) on the basis that its dumping margin was less than 2 per cent and therefore negligible. Pursuant to paragraph 269TDA(6)(a), the fact that Power Steel's dumping margin is less than 2 per cent does not prevent its exports from being taken into account for the purposes of subsection

²⁶ Reference is made to a submission by OneSteel, number 72 on the public record

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269TDA(3). As a result, the Commission is satisfied that, when expressed as a percentage of the total imported volume of the goods, the volume of allegedly dumped goods from Taiwan was greater than three per cent of the total import volume and is therefore not negligible. Details of the uncooperative and all other dumping margins for Taiwan will be provided in the Commissioner's final report to the Parliamentary Secretary.

7 CONCLUSION

Under subsections 269TDA(1) and (3), if the Commissioner is satisfied that there has been no dumping, or negligible dumping by an exporter, or the volumes of dumped goods from a particular country is negligible, the Commissioner must terminate the investigation so far as it relates to that exporter or country.

Therefore, based on the findings in chapter 6, the Commissioner must terminate the dumping investigation into rebar so far that it relates to:

- Millcon from Thailand, Ann Joo Steel from Malaysia and Habas from Turkey, in accordance with subparagraph 269TDA(1)(b)(i) on the basis that no dumping was found to have occurred during the investigation period;
- Power Steel from Taiwan in accordance with subparagraph 269TDA(1)(b)(ii) on the basis its dumping margin was less than 2 per cent and therefore negligible; and
- exports of rebar from Malaysia, Thailand and Turkey, in accordance with subsection 269TDA(3) on the basis that the volumes of dumped goods from each of these countries were found to be negligible.

8 APPENDICES

Confidential Attachment 1	Calculations of export price, normal value and dumping margins - Amsteel Mills
Confidential Attachment 2	Calculations of export price, normal value and dumping margins - Ann Joo Steel
Confidential Attachment 3	Calculations of export price, normal value and dumping margins - Southern Steel
Confidential Attachment 4	Calculations of export price, normal value and dumping margins - Power Steel
Confidential Attachment 5	Calculations of export price, normal value and dumping margins - Millcon
Confidential Attachment 6	Calculations of export price, normal value and dumping margins - Habas