



ANTI-DUMPING NOTICE NO. 2022/029

Customs Act 1901 (Cth) – Part XVB

Steel Reinforcing Bar

**Exported from Greece, the Republic of Indonesia, Spain
(by Nervacero S.A), Taiwan (by Power Steel Co. Ltd)
and the Kingdom of Thailand**

Initiation of a Continuation Inquiry No. 601 into Anti-Dumping Measures

Notice under section 269ZHD(4) of the Customs Act 1901 (Cth)

I, Dr Bradley Armstrong PSM, the Commissioner of the Anti-Dumping Commission (Commissioner), have initiated an inquiry into whether the continuation of anti-dumping measures, in the form of a dumping duty notice, in respect of Steel Reinforcing Bar (rebar or the goods) exported to Australia from Greece, the Republic of Indonesia (Indonesia), Spain (by Nervacero S.A), Taiwan (by Power Steel Co. Ltd), and the Kingdom of Thailand (Thailand) is justified.

The anti-dumping measures are due to expire on 7 March 2023 (the specified expiry day).¹

The Anti-Dumping Commission (commission) has assisted me in initiating this continuation inquiry. It will assist me in undertaking the continuation inquiry, pursuant to the commission's function specified in section 269SMD of the *Customs Act 1901 (Cth)* (the Act).²

1. The goods

The goods subject to the anti-dumping measures and this inquiry 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*

¹ On and from 8 March 2023, if not continued, the anti-dumping measures would no longer apply.

² All legislative references in this notice are to the *Customs Act 1901 (Cth)*, unless otherwise stated.

including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process.

The goods subject to the continuation application include all steel reinforcing bar meeting the above description regardless of the particular grade, alloy content or coating.

Goods excluded from the current anti-dumping measures are plain round bar, stainless steel, and reinforcing mesh.

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995* (Cth):³

- 7213.10.00 (statistical code 42)
- 7214.20.00 (statistical code 47)
- 7227.90.10 (statistical code 69)
- 7227.90.90 (statistical codes 01, 02, 04 and 42)
- 7228.30.10 (statistical code 70)
- 7228.30.90 (statistical code 40)
- 7228.60.10 (statistical code 72)

2. Background to the anti-dumping measures

The anti-dumping measures were initially imposed by public notice on 7 March 2018 by the then Assistant Minister for Science, Jobs and Innovation. This followed his consideration of the then Commissioner's recommendation in Final Report No. 418 (the original investigation). The original investigation and the imposition of the anti-dumping measures resulted from an application made under section 269TB of the Act by OneSteel Manufacturing Pty Ltd representing the Australian industry producing like goods to the goods subject to the anti-dumping measures.

Further details on the goods and existing measures are available on the Dumping Commodity Register on the commission's website at: www.adcommission.gov.au.

3. Application for continuation of the anti-dumping measures

Division 6A of Part XVB sets out, among other things, the procedures to be followed in dealing with an application for the continuation of anti-dumping measures.

In accordance with section 269ZHB(1), I published a notice on the commission's website on 7 January 2022.⁴ The notice invited the following persons to apply for the continuation of the anti-dumping measures:

- the person whose application under section 269TB resulted in the anti-dumping measures (section 269ZHB(1)(b)(i)); or

³ These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes are for reference only and do not form part of the goods description. Please refer to the goods description for detail regarding goods subject to the anti-dumping measures.

⁴ Anti-Dumping Notice (ADN) [No. 2022/005](#) refers.

- persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the anti-dumping measures (section 269ZHB(1)(b)(ii)).

On 7 March 2022, the commission received an application for the continuation of the anti-dumping measures from Infrabuild (Newcastle) Pty Ltd (Infrabuild), a related entity of the applicant in the original investigation, OneSteel Manufacturing Pty Ltd. A non-confidential version of the application is available on the commission's public record.

Having regard to the application, the original investigation and the public record for the original investigation, I am satisfied that Infrabuild is a person under section 269ZHB(1)(b)(ii) because it represents a whole or a portion of the Australian industry producing rebar.

4. Consideration of application under section 269ZHD(1)

Pursuant to section 269ZHD(1), I must reject an application for the continuation of anti-dumping measures if I am not satisfied of one or more of the matters referred to in section 269ZHD(2). These matters are whether:

- the application complies with section 269ZHC (section 269ZHD(2)(a)); and
- there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures to which the application relates might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent (section 269ZHD(2)(b)).

5. Assessment under section 269ZHD(2)(a) - compliance with section 269ZHC

I consider that the application complies with the requirements of section 269ZHC as it:

- is in writing;
- is in a form approved by me for the purposes of that section;
- contains the information that the form requires;
- is signed in the manner indicated by the form; and
- was lodged in a manner approved under section 269SMS, being by email to the commission's email address provided in the instrument under section 269SMS.⁵

6. Assessment under section 269ZHD(2)(b) – reasonable grounds

In its application Infrabuild claims that the expiration of the anti-dumping measures would likely lead to:

- the dumping of rebar from Greece, Indonesia, Taiwan (by Power Steel Co. Ltd), Spain (by Nervacero S.A) and Thailand continuing or recurring and the continuation or recurrence of the material injury that the anti-dumping measures are intended to prevent.

In support of the above, Infrabuild claims that:

⁵ A copy of the instrument is on the commission's website.

- exports of rebar to Australia from Indonesia, Spain (by Nervacero S.A) and Thailand have continued at dumped prices. Exports of rebar to Australia by Power Steel from Taiwan did not appear to be at dumped prices during 2021, however, exports of rebar from Taiwan following the imposition of measures were at dumped prices on numerous occasions;
- there were no exports of rebar to Australia from Greece following the publication of the Preliminary Affirmative Determination No. 418 on 14 November 2017;
- exports of rebar to Australia have continued to occur at material volumes following the imposition of measures;
- there is strong demand for rebar in Australia, making it an attractive destination for exporters;
- exporters of rebar to Australia have maintained their distribution networks in Australia;
- exports between 2016 and 2021 from Indonesia, Spain and Thailand undercut Australian industry's prices;
- exporters have demonstrated excess rebar export and crude steel making capacity and are expected to continue to seek to export to Australia;
- the Australian rebar market is highly price sensitive;
- the Australian industry's prices for rebar sold into the Australian market are mainly influenced by price competition from importers; and
- Australian industry's rebar prices have been undercut by sales of imported rebar from the subject countries and exporters.

Infrabuild claims that these factors have contributed to injury to Australian industry in the form of reduced:

- sales volumes;
- sales revenue (in 2020);
- profit and profitability (2018 and 2019);
- capacity utilisation rates of rebar production capacity (in 2020);
- capital investment (in 2020);
- research and development expenditure (since 2019);
- productivity (in 2019 and 2020); and
- employment levels (since 2020).

7. The Commission's consideration

In assessing Infrabuild's application, I have considered the information provided in the application, information obtained from the Australian Border Force (ABF) import database, findings in the original investigation, as well as other information relevant to this inquiry.

Continuation or recurrence of exports

Infrabuild have relied on information such as the maintenance of distribution links, findings in other jurisdictions for Indonesia, Spain and Taiwan, and excess capacity in the global steel market to support its claim that exports of rebar would increase in the absence of anti-dumping measures, and these exports are likely to be at dumped prices.

The commission has examined importation trends detailed in the ABF import database. The ABF import database indicates that exporters from the subject countries, other than Greece, have continued to export the goods to Australia

since the imposition of the anti-dumping measures, albeit in smaller volumes. Exports of the goods from Greece ceased completely during the investigation period in the original investigation.

The commission notes that the same importers have imported the goods from the subject countries between 2016 and 2021. This indicates that exporters in Greece could have maintained distribution links with importers in Australia. The commission's analysis of the ABF import database is contained in **Confidential Attachment 1**.

I consider that this information demonstrates that there appear to be reasonable grounds for asserting that exporters from the subject countries have maintained distribution links into the Australian market, and have the capacity to recommence exporting larger volumes to Australia in the absence of anti-dumping measures.

Continuation or recurrence of dumping

Infrabuild relied on its estimates of dumping margins for 2021 to support its claim that dumping is likely to continue or recur.

The commission has examined Infrabuild's approach to estimating dumping margins for 2021. The commission notes that:

- The method Infrabuild used to construct the normal values for Indonesia, with some minor adjustments, appears reasonable given the limited information that is publicly available.
- The method Infrabuild used to obtain normal values for Spain, Taiwan and Thailand appears reasonable given the limited information that is publicly available.
- The dumping margins calculated by Infrabuild appear to contain calculations for exporters that are not subject to measures. The commission will review these calculations during the inquiry.
- Infrabuild did not calculate an estimated dumping margin for Greece given there were no exports of the goods to Australia since the original investigation.
- Infrabuild claimed that exporters of rebar in Greece would likely have increased export prices by the same proportion as increases in domestic selling prices between the original investigation and 2021.
- Infrabuild claimed that as exporters of rebar from Greece were found to be dumping in the original investigation, it appears reasonable to assert that any exports from Greece would also be at dumped price in the future, in the absence of anti-dumping measures.

Based on the estimated dumping margins, I consider that there appear to be reasonable grounds for asserting that there is a likelihood that exports of the goods at dumped prices will continue or recur from the exporters the subject of this inquiry in the absence of anti-dumping measures.

Continuation or recurrence of material injury

Infrabuild claims that, if the measures were to expire, the volume of exports at lower prices would increase. Infrabuild claims that there is a correlation between the export price and volumes of rebar exported from each of the subject countries. As export prices increased, volumes of rebar exported to Australia decreased. When exports recommenced at lower prices, volumes began to increase again.

Infrabuild provided data in support of claims that the demand for rebar in Australia will continue to increase until at least the middle of 2024, backed by increases in the construction sector. This will provide for a stable and growing market for exporters of rebar from the subject countries.

Infrabuild claimed that price undercutting had occurred by exports from the subject countries, except Greece. However, the analysis provided in support of this did not compare prices at the same level of trade. The commission found in the original investigation that the Australian industry had set prices of the goods with reference to the prices of imports, using an Import Parity Pricing (IPP) model. It appears reasonable that, as the Australian industry has previously set prices with reference to an IPP model and Infrabuild's customers continue to reference price offers related to imported rebar, the Australian industry remains susceptible to price injury from dumped imports. The commission will examine claims of price undercutting and the impact of the IPP model on prices in the Australian market during the inquiry.

Should the measures expire, it appears reasonable to assert that exporters from the subject countries would obtain a price advantage over the Australian industry due to dumping. This would allow these exporters to increase export volume to Australia and increase market share. Such a price advantage may result in reduced sales volumes and market share to the Australian industry, and/or price injury as the Australian industry seeks to compete with dumped imports. Volume and price injury may, in turn, be detrimental to other economic factors such as profits, profitability and revenue. Given the impacts of allowing the anti-dumping measures to expire as outlined above, I am satisfied that there appear to be reasonable grounds for asserting that any injury to the Australian industry will be material.

8. Conclusion

Having regard to the application, Infrabuild's claims and other relevant information set out in this notice, I am satisfied that, in accordance with section 269ZHD(2)(b), there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.

I am satisfied that the application complies with the content and lodgement requirements of section 269ZHC.

I have therefore decided to not reject the application.

9. This continuation inquiry

For the purpose of this inquiry, I will examine the period from 1 January 2021 to 31 December 2021 (the inquiry period) to determine whether dumping has occurred and whether the variable factors relevant to the determination of duty have changed.

Following my inquiry, I will recommend to the Minister for Industry, Energy and Emissions Reduction (the Minister) whether the notice should:

- (i) remain unaltered; or
- (ii) cease to apply to a particular exporter or to a particular kind of goods; or

(iii) have effect in relation to a particular exporter or to exporters generally, as if different variable factors had been ascertained; or

(iv) expire on the specified expiry day.

10. Proposed model control code structure

The commission undertakes model matching using a Model Control Code (MCC) structure to identify key characteristics that will be used to compare the goods exported to Australia and the like goods sold domestically in the country of export.⁶ In developing the MCC structure, the commission will have regard to differences in physical characteristics that give rise to distinguishable and material differences in price and/or cost.

The table below outlines the commission's proposed MCC structure for this inquiry.

Item	Category	Sub-category	Identifier	Sales data	Cost data
1	Prime	Prime	P	Mandatory	Optional
		Non-Prime	N		
2	Minimum yield strength specified by product standard (Mega Pascals or 'MPa')	Less than or equal to 300	A	Mandatory	Mandatory
		Greater than 300 but less than or equal to 480	B		
		Greater than 480 but less than 550	C		
		Equal to or greater than 550	D		
3	Finished form	Rebar in length/straight	S	Mandatory	Mandatory
		Rebar in coil	C		
4	Nominal diameter (millimetres or 'mm')	Less than 12	A	Mandatory	Optional
		Greater than or equal to 12 and less than or equal to 16	B		
		Greater than 16 and less than or equal to 32	C		
		Greater than 32 and less than or equal to 50	D		
5	Length (metres or 'm')	Less than or equal to 6	1	Mandatory	Optional
		Greater than 6 and less than or equal to 12	2		
		Greater than 12	3		
		Coil product	C		

⁶ Guidance on the commission's approach to model matching is in the [Dumping and Subsidy Manual - December 2021](#) .

Item	Category	Sub-category	Identifier	Sales data	Cost data
6	Deformation pattern along Length	Threaded	T	Mandatory	Optional
		Non-Threaded	N		

Table 1: Proposed MCC Structure

Proposals to modify the proposed MCC structure should be raised as soon as is practicable, but no later than **4 May 2022**.

Interested parties are encouraged to make a submission on whether any 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 (SEF).

11. Public record

I must maintain a public record for this inquiry. The Electronic Public Record (EPR) hosted on the commission's website (www.adcommission.gov.au) contains, among other things, a copy of all non-confidential submissions from interested parties. Documents hosted on the EPR can be provided upon request to interested parties.

12. Submissions

Interested parties, as defined in section 269T(1), are invited to lodge written submissions concerning the continuation of the measures, no later than the close of business on **4 May 2022**, being 37 days after publication of this notice. The commission's preference is to receive submissions by email to investigations2@adcommission.gov.au.

Submissions may also be addressed to:

The Director, Investigations 2
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Interested parties wishing to participate in the inquiry must ensure that submissions are lodged promptly. Interested parties should note that I am not obliged to have regard to a submission received after the date indicated above if to do so would, in my opinion, prevent the timely placement of the SEF 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 'OFFICIAL: Sensitive'. Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked 'PUBLIC RECORD').

13. 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. I will place the SEF on the public record on or before **16 July 2022**,⁷ that is, within 110 days after the publication of this notice, or by such later date as I may allow in accordance with section 269ZHI(3). The SEF will set out the essential facts on which I propose to base a recommendation to the Minister concerning the continuation of the anti-dumping measures.

Interested parties are invited to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record. Submissions received in response to the SEF within 20 days of the SEF being placed on the public record will be taken into account in completing my report and recommendation to the Minister.

14. Report to the Minister

I will make a recommendation to the Minister in a report on or before **30 August 2022**, that is, within 155 days after the date of publication of this notice, or such later date as I may allow in accordance with section 269ZHI(3).

The Minister must make a declaration within 30 days after receiving the report, or if the Minister considers there are special circumstances, such longer period, ending before the specified expiry day, as the Minister considers appropriate. If the Minister receives the report less than 30 days before the specified expiry day, the Minister must make the declaration before that day.

15. The Commission Contact

You may enquire about this notice by contacting the Case Manager via telephone on +61 3 8539 2440 or via email at: investigations2@adcommission.gov.au.

Dr Bradley Armstrong PSM
Commissioner
Anti-Dumping Commission
28 March 2022

⁷ As this day is a Saturday, the SEF will be published on the public record on or before the followings business day, being 18 July 2022.