



Australian Government
Anti-Dumping Commission

Application for the publication of
dumping and/or
countervailing duty notices

STEEL REINFORCING BAR
exported from
the People's Republic of China

November 2015

APPLICATION UNDER SECTION 269TB OF THE *CUSTOMS ACT 1901* FOR THE PUBLICATION OF DUMPING AND/OR COUNTERVAILING DUTY NOTICES

DECLARATION

I request, in accordance with Section 269TB of the Customs Act 1901, that the Minister publish in respect of goods the subject of this application:

- ☐ a dumping duty notice, or
- ☒ a countervailing duty notice, or
- ☐ a dumping and a countervailing duty notice

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Signature:



Name: Matt Condon

Position: Manager Trade Development

Company: OneSteel Manufacturing Pty Ltd

ABN: 42 004 651 325

Date: 20 November 2015

IMPORTANT INFORMATION

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, servant, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's Client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the following guidelines for additional information on completing this application:

- *Instructions and Guidelines for applicants: Application for the publication of dumping and or countervailing duty notices*
- *Instructions and Guidelines for applicants: Examination of a formally lodged application*

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 1300 884 159

Fax: 1300 882 506

Email: clientsupport@adcommission.gov.au

Other information is available from the Commission's website at www.adcommission.gov.au.

Small and medium enterprises (i.e., those with up to 200 employees) may obtain assistance, at no charge, from the International Trade Remedies Adviser, employed by Australian Industry Group and funded by the Australian government. To access this service, visit www.aigroup.com.au/traderemedies or telephone (03) 9867 0267.

Important information

To initiate an investigation into dumping and/or subsidisation, the Commission must comply with Australia's international obligations and statutory standards. This form provides an applicant industry with a framework to present its case and will be used by the Commission to establish whether there are reasonable grounds to initiate an investigation. To assist consideration of the application it is therefore important that:

- all relevant questions (particularly in Parts A and B) are answered; and
- information that is reasonably available be supplied.

The Commission does not require conclusive evidence to initiate an investigation, but any claims made should be reasonably based. An application will be improved by including supporting evidence and where the sources of evidence are identified. Simple assertion is inadequate to substantiate an application.

To facilitate compilation and analysis, the application form is structured in 3 parts:

1. **Part A** seeks information about the Australian industry. This data is used to assess claims of material injury due to dumping/subsidisation. Where an Australian industry comprises more than one company, each should separately prepare a response to Part A to protect commercial confidentiality.
2. **Part B** relates to evidence of dumping.
3. **Part C** is for supplementary information that may not be appropriate to all applications. However some questions in Part C may be essential for an application, for example, if action is sought against subsidisation.

All questions in Parts A and B must be answered, even if the answer is 'Not applicable' or 'None'. Where appropriate, applicants should provide a short explanation about why the requested data is not applicable. This will avoid the need for follow up questions by the Commission.

The application form requests data over several periods (P^1 , P^2 ... P^n) to evaluate industry trends and to correlate injury with dumped imports. The labels P^1 ... P^n are used for convenience in this application form. Lodged applications should identify the period relevant to the data. This form does not specify a minimum period for data provision. However, sufficient data must be provided to substantiate the claims made. If yearly data is provided, this would typically comprise a period of at least four years (for example the current financial year in addition to three prior years). Where information is supplied for a shorter period, applicants may consider the use of quarterly data. Data must also be sufficiently recent to demonstrate that the claims made are current.

When an investigation is initiated, the Commission will verify the claims made in the application. A verification visit to the Australian industry usually takes several days.

Applicant companies should be prepared to substantiate all Australian industry financial and commercial information submitted in the application. Any worksheets used in preparing the application should therefore be retained to facilitate verification.

During the verification visit, the Commission will examine company records and obtain copies of documents relating to the manufacture and sale of the goods.

PUBLIC FILE VERSION

Appendices	<p>Some questions require attachments to be provided. The attachment numbering sequence should refer to the question answered. For example, question A2.2 requests a copy of an organisation chart. To facilitate reference, the chart should be labelled <u>Attachment A2.2</u>. If a second organisation chart is provided in response to the same question, it should be labelled <u>Attachment A2.2.2</u> (the first would be labelled <u>Attachment A2.2.1</u>).</p>
Provision of data	<p>Industry financial data must, wherever possible, be submitted in an electronic format.</p> <ul style="list-style-type: none">• The data should be submitted on a media format compatible with Microsoft Windows.• Microsoft Excel, or an Excel compatible format, is required.• If the data cannot be presented electronically please contact the Commission's client support section for advice.
Lodgement of the application	<p>This application, together with the supporting evidence, should be lodged with:</p> <p style="padding-left: 40px;">The National Manager - Operations Anti-Dumping Commission 55 Collins Street MELBOURNE VIC 3000</p> <p style="padding-left: 40px;">or</p> <p style="padding-left: 40px;">Sent by facsimile to 1300 882 506</p>
Public Record	<p>During an investigation all interested parties are given the opportunity to defend their interests, by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission's website at www.adcommission.gov.au.</p> <p>At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application <u>must</u> be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the conduct of a dumping and/or subsidy investigation, or, if those reasons cannot be summarised, a statement of reasons why summarisation is not possible. If you cannot provide a non-confidential version, contact the Commission's client support section for advice.</p>

PART A

INJURY

TO AN AUSTRALIAN INDUSTRY

IMPORTANT

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

For advice about completing this part please contact the Commission's client support section on:

Phone: 1300 884 159
Fax: 1300 882 506
Email: clientsupport@adcommission.gov.au

A-1 Identity and communication.

Please nominate a person in your company for contact about the application:

Contact Name:	
Company and position:	
Address:	
Telephone:	
Facsimile:	
E-mail address:	
ABN:	42 004 651 325

Alternative contact

Name:	
Position in company:	
Address:	
Telephone:	
Facsimile:	
E-mail address:	

If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).

Name:	
Business name:	
Address:	
Telephone:	
Facsimile:	
E-mail address:	
ABN:	

A-2 Company information.

- 1. State the legal name of your business and its type (eg. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.**

OneSteel Manufacturing Pty Ltd (ABN 42 004 651 325) ("OneSteel") is a proprietary company, and manufactures and sells like goods to the goods the subject of this application.

- 2. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.**

An internal organisation chart for OneSteel forms CONFIDENTIAL ATTACHMENT A-2.2.

- 3. List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.**

OneSteel is a wholly owned subsidiary of Arrium Limited (ABN 63 004 410 833).

- 4. If your company is a subsidiary of another company list the major shareholders of that company.**

Arrium Limited is a publicly listed company on the Australian Stock Exchange (ASX: ARI). Major shareholders within the Arrium Limited group of companies are disclosed in the company's annual report which forms NON-CONFIDENTIAL ATTACHMENT A-2.4 (at p. 127).

- 5. If your parent company is a subsidiary of another company, list the major shareholders of that company.**

Arrium Limited is not a subsidiary of any other company.

- 6. Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).**

Full details of controlled entities within the Arrium Limited group of companies are disclosed in the company's annual report (NON-CONFIDENTIAL ATTACHMENT A-2.4 (at p. 112).

A diagram identifying a subset of associated or affiliated companies to OneSteel; and relevant to this application; is included at CONFIDENTIAL ATTACHMENT A-2.6.

- 7. Are any management fees/corporate allocations charged to your company by your parent or related company?**

Corporate allocations are made to OneSteel by Arrium Limited in the form of corporate charges (for shared services, etc). The allocations have been included in confidential appendices A6.1 and A6.2.

Specifically, an allocation of Arrium Limited's [REDACTED] [expenses] have been allocated to appendices A6.1 and A6.2 ([REDACTED] item under 'selling, distribution & administration' costs) in proportion to [REDACTED] each division within Arrium Limited [allocation methodology].

Under the [REDACTED] item in 'selling, distribution & administration' costs the following corporate allocations have been charged to OneSteel by Arrium Limited:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]; and
- [REDACTED]. [expenses]

The allocation methodology for corporate overhead expenses follows an approach proportionate to [REDACTED]. [allocation methodology]

8. Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.

The applicant has no commercial relationship with regard to the goods the subject of this application, with the manufacturers or exporters to Australia, or Australian importers, of the goods exported from China.

9. Provide a copy of all annual reports applicable to the data supplied in appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.

Arrium Limited's annual report for financial year (FY) 2015 forms NON-CONFIDENTIAL ATTACHMENT A-2.4. Copies of earlier annual reports are available from the company's website at www.arrium.com/investor-centre/reports-presentations.

The most relevant current brochures concerning the like goods, produced by the applicant, are:

- *Product & Availability Guide: Rebar, Rounds, Squares – Victoria* (CONFIDENTIAL ATTACHMENT A-2.9.1); and
- *Reodata [Version] 4.0 – Essential Technical Data on Steel Reinforcement* (NON-CONFIDENTIAL ATTACHMENT A-2.9.2)

10. Provide details of any relevant industry association.

Arrium is a member of the Australian Industry Group, the Australian Steel Institute, the Bureau of Steel Manufacturers of Australia and the South East Asian Iron & Steel Institute.

[The remainder of this page has intentionally been left blank]

A-3 The imported and locally produced goods.

1. Fully describe the imported product(s) the subject of your application:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.

Goods the subject of the application

The goods the subject of this application ("the goods") 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, alloy content or coating.

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

2. What is the tariff classification and statistical code of the imported goods.

Imports of the goods described above are typically, but not exclusively classified under the following tariff classifications and statistical codes:

Product	HS Code	Rate	DCS	DCT
Rebar Straights	7214200047	5%	Free	Free
Rebar Straights – Alloy	7228309049	5%	Free	Free
Rebar Coil	7213100042	5%	Free	Free
Rebar Coil – Other Alloy	7227901069	5%	Free	Free
Rebar Coil – Other Alloy	7227909042*	5%	Free	Free
Rebar Coil – Other Alloy	7227909001**	5%	Free	Free

* Operative until 31 December 2014.

** Operative since 1 January 2015.

Extracts from Schedule 3 of the *Customs Tariff Act 1995* for codes contained in the above table is enclosed at NON-CONFIDENTIAL ATTACHMENT A-3.2.

The Australian industry notes that by *Australian Dumping Notice No. 2015/139*, the Commission has extended the scope of tariff classification to include:

- Tariff subheading 7228.30.90 with statistical code 40 (as of 1 July 2015);
- Tariff subheading 7227.90.90 with statistical codes 02 and 04 (as of 1 January 2015);
- Tariff subheading 7228.30.10 with statistical code 70; and
- Tariff subheading 7228.60.10 with statistical code 72.

Although the Australian industry observes that classification of the goods the subject of this application to the extended scope of tariff subheadings and statistical codes may constitute misclassification by the importer - the Australian industry nevertheless acknowledges that the Commission has access to goods descriptions as disclosed on the import declaration, and should use the verification exercise as an opportunity to test exporters' and importers' claims of inclusion (or exclusion) of the investigated transactions from the description of the goods and the scope of this investigation.

3. Fully describe your product(s) that are 'like' to the imported product:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.
- Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.

The applicant manufactures equivalent goods to the imported goods at its facilities in Laverton North (Victoria), and Sydney and Newcastle (New South Wales) ("like goods"), as follows:

OneSteel Mill	Rebar Type	Diameter Range (mm)	Grades
■	■	■	■
■	■	■	■
■	■	■	■
■	■	■	■
■	■	■	■

Table A-3.3.1 Standard OneSteel manufactured type, size and grade of rebar by mill location

The applicant is the sole producer in Australia of like goods to the imported goods the subject of this application (refer [appendix A1](#)), which it manufactures in accordance with AS/NZS 4671:2001 for the goods with diameters of between 10 and 40 mm.

Australian Steel Reinforcing Standards

AS/NZS 4671:2001 specifies requirements for the chemical composition and the mechanical and geometrical properties of deformed reinforcing bars and coils used for the reinforcement of concrete. Refer to [CONFIDENTIAL ATTACHMENT A-3.3.2](#) for a copy of AS/NZS 4671:2001.

Australian Steel Reinforcing Strength Grades

AS/NZS 4671:2001 identifies yield strength levels of 250 MPa, 300 MPa, and 500 MPa. The numbers refer to the minimum yield strength measured in megapascals. Yield strength is measured with an extensometer in accordance with the requirements outlined in AS/NZS 4671:2001

The 500 MPa represents the standard yield strength for rebar specified in the Australian market.

The 250 MPa (commonly referred to as 'pool steel') represents a small proportion of rebar produced by OneSteel, and is used primarily in swimming pool construction.

The mechanical properties required by AS/NZS 4671:2001 can be attained through various chemical, heat-treatment and cold-working processes employed through the applicant's mills listed, above. As such the grade sheets contained in the applicant's "ReoData" brochure for reinforcing bar at [NON-CONFIDENTIAL ATTACHMENT A-2.9.2](#) include:

- Micro-alloyed AS/NZS 4671-500N;
- QST AS/NZS 4671-500N;
- ■; and
- AS/NZS 4671-250N.

Australian Steel Reinforcing Ductility Classes

AS/NZS 4671:2001 specifies three ductility classes for rebar which are distinguished by the letters 'L' (low), 'N' (normal), and 'E' (earthquake).

'N' class rebar represents the standard ductility class used the Australian market – dictated by the low level of seismic activity.

'E' Class is the prevailing ductility class in New Zealand due to higher levels of seismic activity.

Australian Steel Reinforcing Designation

Rebar is designated by distinguishing letter or numbers in the following manner:

- a) Shape – by the letters, R, D, or I, representing plain (i.e. Round), Deformed ribbed, or Deformed Indented, surfaces respectively.
- b) Strength grade – by the numerical value of the lower characteristic yield stress expressed in megapascals.
- c) Ductility Class – by the letters L, N or E representing Low, Normal or seismic (Earthquake) ductility respectively.
- d) Size – by the numeral value of the nominal diameter expressed in millimetres.

For example, a deformed ribbed bar of grade 500 MPa normal ductility steel with a nominal 16mm diameter would be designated as 'D500N16'.

Australian Steel Reinforcing Certification

The Australasian Certification Authority for Reinforcing and Structural Steels ("ACRS") administers an independent, expert, industry-based product certification scheme, certifying manufacturers and suppliers of rebar, pre-stressing and structural steels to Australian and New Zealand Standards.

The manufacturers nominated as exporters of the goods in this application are listed together with OneSteel as having ACRS accreditation for the manufacture of reinforcing bar to AS/NZS 4671:2001.

Rebar may be imported into Australia from Chinese mills that do not have ACRS accreditation.

Table A-3.3.2, below, compares the physical and technical characteristics of like goods produced by the Australian industry applicant, and the imported goods the subject of this application, according to their ACRS certification.

[The remainder of this page has been left intentionally blank]

	Australian 'like goods'	Imported Goods
Standards		
AS/NZS 4671:2001		
Grade 250N		
12		
Grade 500N		
10		
12		
16		
20		
24		
28		
32		
36		
40		
Grade 500E		
16		
20		
25		
32		
Straights		
6		
9		
10		
12		
15		
Coils		
1.5		
2.0		
2.5		
3.0		
3.5		
4.0		
4.5		

Table A-3.3.2 Comparison of Australian industry like goods and imported goods according to their respective ACRS certification (Source: NON-CONFIDENTIAL ATTACHMENT A-3.3.3) and Product & Availability Guide (CONFIDENTIAL ATTACHMENT A-2.9.1)

The standard rebar straight lengths sold by OneSteel are 6, 9, 10, 12, and 15 metres. Rebar can also be sold in various other lengths as specified by customers – refer to OneSteel Product and Availability Guide (refer CONFIDENTIAL ATTACHMENT A-2.9.1). Imported rebar straights are typically offered in lengths ranging from 6 metres up to 15 metres.

OneSteel manufactures rebar in coils in sizes (actual weights) ranging from 1.5 tonnes to up to 4.5 tonnes at facilities in Newcastle and Laverton. Imported rebar in coil is typically imported from 1.5 tonnes up to a maximum coil weight of 4 tonnes.

OneSteel sells rebar straights and rebar in coil on

. Imported rebar in coil is

. [terms of sale]The applicant notes that the Anti-Dumping Commission ("Commission") is familiar with the differences between theoretical and actual weight and the concept of rolling to minimum allowable mass per metre tolerance.

4. Describe the ways in which the essential characteristics of the imported goods are alike to the goods produced by the Australian industry.

Most of the imported goods are produced by mills that have ACRS certification (as does OneSteel's mills), which certifies that the goods meet the performance requirements of AS/NZS 4671.2001 (refer Table A-3.3., above)

Imported rebar is manufactured in a similar manner to OneSteel and is directly substitutable for rebar produced domestically by OneSteel. Rebar is generally regarded as a commodity product which, when having similar grade and dimension, are interchangeable regardless of origin.

OneSteel considers that the imported rebar possesses the same essential performance characteristics as locally produced rebar.

Straight rebar and coiled rebar of a similar diameter can be used for a given application. Rebar fabricators or service centres can use either depending on the equipment available in their processing facility. For some applications, processing rebar through an off-coil machine is preferred due to operating efficiencies delivered by a higher processing rate and reduced losses from unusable off-cuts. It is not currently possible to commercially produce or process larger (>20 mm) diameter rebar in coil form.

I. Physical likeness

OneSteel's locally produced rebar, and most imported goods, are manufactured to AS/NZS 4671.2001 from ACRS certified mills, and are alike in physical appearance.

Although not directly relevant to the comparison of the Australian produced like goods and the dumped imported goods from China, the closest Chinese domestic standard is GB 1499.2-2007 Steel for the reinforcement of concrete – Part 2: Hot rolled ribbed bars, a copy of which forms CONFIDENTIAL ATTACHMENT A-3.4.1. [*confidential pursuant to user license agreement*]

II. Commercial likeness

OneSteel's locally produced rebar competes directly with imported rebar in the Australian market.

III. Functional likeness

Imported rebar is directly interchangeable with locally produced rebar.

Both the imported *and* the locally produced rebar are either used 'as is', or are subject to post production processes such as bending, welding and cutting.

Both the goods and the like goods are predominantly used to reinforce concrete and precast structures. In other words both the goods and like goods have comparable or identical end-uses.

IV. Production likeness

The rebar manufactured by OneSteel is manufactured via similar manufacturing processes to the imported goods. For mills that have ACRS certification, this ensures that rebar produced through those facilities is subject to the same testing and verification processes prescribed to meet the requirements of AS/NZ4671.2001.

It can be concluded that where imported rebar is not identical to locally produced rebar (rib profiles will be unique to a given mill), it does possess characteristics closely resembling locally produced rebar. Imported rebar from China is directly substitutable for locally manufactured rebar.

Grades of rebar sold into Australia that are made to AS/NZS 4671.2001 are readily weldable. OneSteel considers that whilst exporters' domestic regular and readily weldable grades are like goods, the readily weldable grades (often designated "W" in the grade name) are those most closely

resembling the goods exported to Australia.

Rebar produced by OneSteel is subjected to a hot rolling process which deforms the bar in such a way to cause indentations, ribs, grooves or other deformations. The imported goods under consideration are known to be also produced using a hot rolling process.

5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

The ANZSIC code applicable to rebar is category 2110 for **Iron Smelting and Steel Manufacturing**.

6. Provide a summary and a diagram of your production process.

Rebar can be produced via a fully integrated steel production manufacturing process or, alternatively by using ferrous scrap metal as the principal raw material input to electric arc furnace steelmaking.

In the OneSteel rebar production process, the steel billet used as input feed to the rod and bar mills that produce the rebar coil and straights is produced either via the integrated steelmaking route (from Whyalla) or, via the electric arc furnace route (from Sydney or Laverton).

OneSteel operates four rolling mills for the production of rebar. Rebar coil is rolled through the [REDACTED]. Rebar straights are produced through the [REDACTED]. OneSteel's rolling process is as follows:

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. This special cooling process is known as the [REDACTED] process and rebar produced in this way is known as "QST" rebar as the bar has been Quenched and Self-Tempered. [REDACTED]

[REDACTED] Mill produce straight rebar in this way.

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.
- 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 [REDACTED] Rod Mill: all rebar coils [REDACTED]

[REDACTED]. 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 [REDACTED] rebar coils are produced the same way as through the [REDACTED] using billets with [REDACTED]
[REDACTED] are rolled, looped into rings, cooled and formed into coils. These coils are then put through a process known [REDACTED] where the required strength is achieved [REDACTED]. At the end of [REDACTED] the rebar is spooled into a coil.

A diagram of the manufacturing process is included at CONFIDENTIAL ATTACHMENT A-3.6 along with a brief overview of the EAF steelmaking process.

7. If your product is manufactured from both Australian and imported inputs:

- describe the use of the imported inputs; and
- identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

OneSteel uses its own iron ore to produce billets manufactured at its [REDACTED] and produces billets at [REDACTED] from purchases of steel scrap. The iron ore and steel scrap are sourced locally and account for the significant proportion of total raw material goods used in the rebar manufacturing process.

OneSteel considers that the manufacture of steel billet from iron ore and/or scrap involves a substantial process of manufacture – as does the production of rebar from steel billet.

8. If your product is a processed agricultural good, you may need to complete Part C-3 (close processed agricultural goods).

Rebar is not a close processed agricultural product.

9. Supply a list of the names and contact details of all other Australian producers of the product.

OneSteel is the sole Australian manufacturer of rebar the subject of this application.

A-4 The Australian market.

1. Describe the end uses of both your product and the imported goods.

Both imported and locally produced rebar is primarily purchased by rebar fabricators and steel service centres who typically process it before supplying into the residential, commercial and engineering construction sectors. Rebar is typically cut, bent, and/or welded into various shapes before use in concrete reinforcement as a tension device.

Rebar fabricators quote jobs to the construction sector, cut and bend locally manufactured or imported rebar to order and deliver to job sites. Final end use applications for rebar include (but are not limited to) concrete slabs and prefabricated concrete beams, columns, cages and precast products.

Steel service centres will also purchase locally produced or imported rebar to stock for re-sale, primarily to smaller rebar fabricators for use as concrete reinforcement.

Whilst the vast 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.

2. Generally describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:

- sources of product demand;
- marketing and distribution arrangements;
- typical customers/users/consumers of the product;
- the presence of market segmentation, such as geographic or product segmentation;
- causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;
- the way in which the imported and Australian product compete; and
- any other factors influencing the market.

Australian market and sources of demand

The total size of the rebar market in Australia during the Investigation Period proposed in this application (1 October 2014 to 30 September 2015) is estimated at approximately [REDACTED] metric tonnes.

In the twelve months to 30 September 2015, OneSteel sold [REDACTED] metric tonnes to its domestic, third-party (unrelated) customers, and [REDACTED] metric tonnes to its domestic, related customers. During the same period, approximately [REDACTED] metric tonnes were imported from China, and approximately [REDACTED] metric tonnes were imported from a range of countries including Spain, Taiwan, Singapore, South Korea, Thailand, New Zealand, Malaysia and Turkey.

Rebar is sold nationally with the majority of the volume sold in the eastern states of Queensland, New South Wales and Victoria.

Marketing and distribution

In the 12-months ending 30 September 2015, OneSteel sold rebar straights and rebar coil to the following external steel service centres and end-use customers:

-

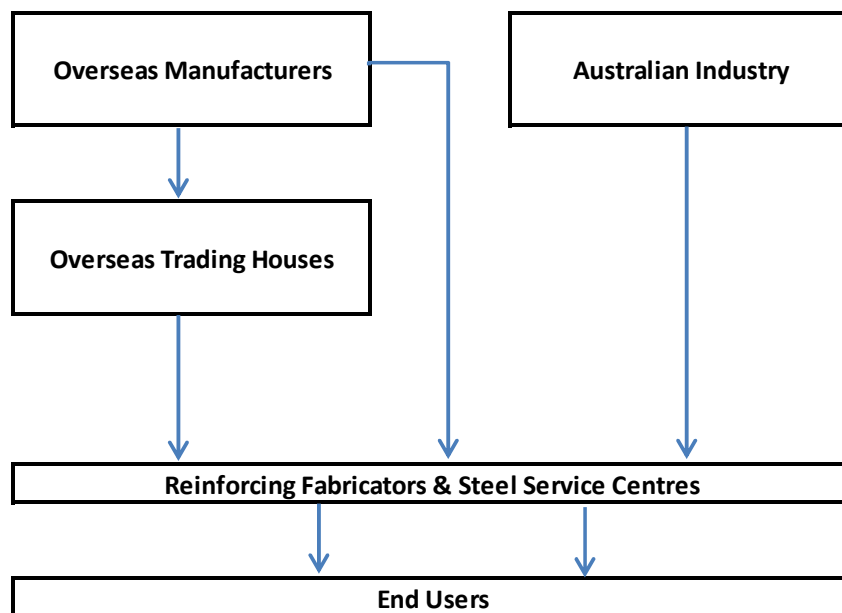
[third-party (unrelated) customer names]

OneSteel is the exclusive Australian distributor of [REDACTED] [goods] manufactured by [REDACTED]. There were [REDACTED] tonnes of imported [REDACTED] [goods] sold to OneSteel related customers as

well as third-party (unrelated) customers in the 12-months ending 30 September 2015.

Rebar distribution diagram

The Australian rebar market comprises a single Australian producer, exporter, importers, and distributors / fabricators who process and sell rebar into the construction sector. The following diagram illustrates the distribution of locally produced and imported rebar.



Market negotiations

OneSteel negotiates prices, [redacted] with [redacted] customers also referred to as [redacted] based on [redacted]. [price setting strategy] [redacted].

OneSteel then uses [redacted]. [price setting strategy] It is for this reason that the price of any dumped and subsidised imports directly affects [redacted].

The way in which the imported and Australian product compete

Rebar is sold in the Australian market based on Australian Standard specifications with the majority of exporters meeting AS/NZS 4671.2001 and having ACRS certification. Given the interchangeable nature of rebar it is regarded as a commodity market that competes primarily on the basis of price.

Third-party reinforcing customers can purchase rebar either from OneSteel or from an import supply source. Import offers and the movement in the price of import offers are used by independent customers to negotiate prices from OneSteel.

The growth in volumes of dumped and subsidised imports from China appear to follow the date of ACRS certification of the exporters' mills in or about November 2014 in the case of straight rebar¹, and in or about February 2015 for rebar in coils². It is noted that Chinese exporters' offers into the Australian market preceded the date of certification, on the basis that certification was imminent.

¹ See <http://www.steelcertification.com/bar1.html>

² See <http://www.steelcertification.com/coil1.html>

3. Identify if there are any commercially significant market substitutes for the Australian and imported product.

There are no commercially significant market substitutes for locally produced or imported rebar.

4. Complete appendix A1 (Australian production). This data is used to support your declaration at the beginning of this application.

OneSteel has completed confidential appendix A1 for the goods the subject of this application produced in Australia during the proposed investigation period of 1 October 2014 to 30 September 2015. Please refer to confidential appendix A1.

5. Complete appendix A2 (Australian market).

OneSteel has completed confidential appendix A2 – Australian market for the period FY 2012 to FY 2015 and quarter (“Qtr”) 1, FY 2016, inclusive. Please refer to confidential appendix A2.

OneSteel’s sales data includes sales to related and independent customers.

6. Use the data from appendix A2 (Australian market) to complete this table:

Indexed table of sales quantities

Period	(a) Your Sales	(b) Other Austn Sales	(c) Total Austn Sales (a+b)	(d1) Subsidised Imports (China)	(d2) Dumped Imports (Investigation No. 264)	(e) Other Imports	(f) Total Imports (d1+d2+e)	(g) Total Market (c+f)
2011/12	100	100	100	100	100	100	100	100
2012/13	102	100	102	153	110	120	113	105
2013/14	98	100	98	25	131	124	129	107
2014/15	114	100	114	4294	102	64	104	108
Investigation Period*	117	100	117	7112	90	62	102	113

* Proposed *Investigation Period* is 1 October 2014 to 30 September 2015

1. For period 1 July 2011 to 30 June 2014 - Data sourced from XXX (with exception of XXX data that is sourced from XXX).

2. For period 1 April 2014 to 30 September 2015 - Data sourced from XXX.

3. Where confidentiality XXX Export Data available for those countries, assuming a 30 day sail period

4. Australian industry sales of imports are recorded in terms of their sales date and sale value.

5. Imports by the Australian industry were XXX

6. Data for dumped imports from XXX do not include sales of imports by the Australian industry

The above indexed table indicates that although the Australian industry’s sales volume of rebar grew across the injury analysis period (commencing 1 July 2011), it did not grow by the same pace as the dumped and subsidised imports. Indeed, the dumped and subsidised imports grew by (+)7,012% across the injury analysis period, with a surge in import volumes from 1 April 2014 ((+)273%, when compared to the previous quarter).

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A-5 Applicant's sales.**1. Complete appendix A3 (sales turnover).**

OneSteel has completed confidential appendix A3 for its sales of rebar straights and coil (consolidated).

2. Use the data from appendix A3 (sales turnover) to complete these tables.

Indexed table of Applicant's sales quantities

Period	2011/12	2012/13	2013/14	2014/15	Investigation Period*
All products					
Australian market	100	95	91	100	102
Export market	100	59	110	66	69
Total	100	95	92	99	102
Like goods					
Australian market	100	102	98	114	117
Export market	100	43	165	236	240
Total	100	101	98	115	118

Notes:

* Proposed Investigation Period is 1 October 2014 to 30 September 2015

1. Years are fiscal periods, July to June

2. "All products" includes all steel product sales by OneSteel Manufacturing

3. "Like goods" includes goods the subject of this application

Closer examination of the growth in sales volume of like goods during the proposed Investigation Period shows that the increase in volumes corresponds with the initiation and progress of *Dumping Investigation No. 264*, until the fiscal quarter March (FY 2015), when OneSteel's sales volume of like goods declined by (-)11.2% on the previous quarter due to the surge in import volumes from China over the same period (158%), refer Appendix A2. This relationship will be further examined in *Section A-9.1, below*.

Indexed table of Applicant's sales values

Period	2011/12	2012/13	2013/14	2014/15	Investigation Period*
All products					
Australian market	100	92	89	94	95
Export market	100	66	116	66	68
Total	100	91	89	93	95
Like goods					
Australian market	100	100	97	113	115
Export market	100	46	180	291	288
Total	100	100	98	114	115

Notes:

* Proposed Investigation Period is 1 October 2014 to 30 September 2015

1. Years are fiscal periods, July to June

2. "All products" includes all steel product sales by OneSteel Manufacturing

3. "Like goods" includes goods the subject of this application

3. Complete appendix A5 (sales of other production) if you have made any:

- internal transfers; or
- domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.

OneSteel has completed confidential appendix A5 for its sales of local production to related parties. OneSteel has been the sole Australian distributor for [REDACTED] over the injury analysis period. Please refer to confidential appendix A5.

4. Complete appendix A4 (domestic sales).

OneSteel has completed confidential appendix A4, as electronic attachments to this application.

For completeness, confidential appendix A4 includes all sales of like goods, [REDACTED]. Filters have been applied, so that they can be easily identified by the Commission for reconciliation purposes.

5. If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.

Related party sales in confidential appendix A4 are readily identified by reference to the “level of trade” column in the attached worksheets.

The applicant has assessed the price effect of sales to associated/related parties, [REDACTED]. This is illustrated in an analysis of appendix A4 data for all the applicant's customers contained in *Figures A-5.5.1* and *A-5.5.2*, below.

[Figure A-5.5.1 is considered confidential in its entirety]

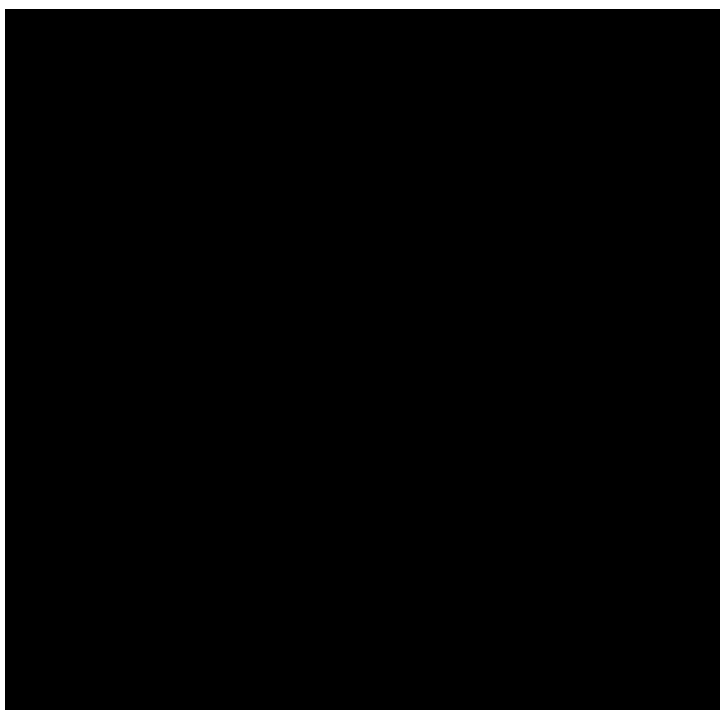


Figure A-5.5.1 *Ranking of average sales price to related and unrelated rebar straight customers during the proposed Investigation Period (Source: Appendix A4)*

[Figure A-5.5.2 is considered confidential in its entirety]

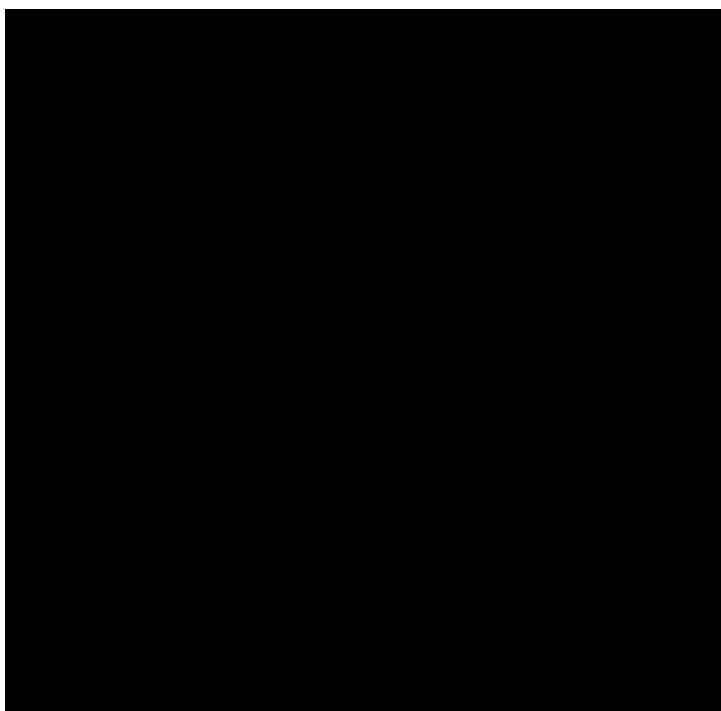


Figure A-5.5.2 *Ranking of average sales price to related and unrelated rebar in coils customers during the proposed Investigation Period (Source: Appendix A4)*

6. Attach a copy of distributor or agency agreements/contracts.

OneSteel has included copies of distributor agreement with [REDACTED]. [third-party customer name] Please refer to CONFIDENTIAL ATTACHMENT A-5.6.

7. Provide copies of any price lists.

Current customer price lists have been included at CONFIDENTIAL ATTACHMENT A-5.7.1.

OneSteel has also included a copy of its Transport Delivery Guide for Steel in Concrete products (including rebar) effective from 1 February 2013 (CONFIDENTIAL ATTACHMENT A-5.7.2).

8. If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.

- Where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in appendix A4 (domestic sales).
- If you have issued credit notes (directly or indirectly) provide details if the credited amount has not been reported appendix A4 (domestic sales) as a discount or rebate.

Price reductions have been included in confidential appendix A4.

9. Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank

documentation showing proof of payment.

OneSteel has included complete sets of commercial documentation for two sales in each quarter of the proposed investigation period (1 October 2014 to 30 September 2015). Please refer to CONFIDENTIAL ATTACHMENT A-5.9.

A-6 General accounting/administration information.

1. Specify your accounting period.

OneSteel's financial year is 1 July to 30 June.

2. Provide details of the address(es) where your financial records are held.

The financial records for OneSteel are located at the premises nominated at Section A-1 above.

3. To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any subsequent statements:

- **chart of accounts;**
- **audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);**
- **internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.**

These documents should relate to:

1. **the division or section/s of your business responsible for the production and sale of the goods covered by the application, and**
2. **the company overall.**

The Chart of Accounts for OneSteel forms CONFIDENTIAL ATTACHMENT A-6.3.1.

The Annual Report for FY 2015 forms NON-CONFIDENTIAL ATTACHMENT A-2.4.

Internal management reports for OneSteel have been included at CONFIDENTIAL ATTACHMENT A-6.3.2.

4. If your accounts are not audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Not applicable. The accounts of OneSteel's parent company, Arrium Ltd, are audited annually.

5. If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.

The accounting practices of OneSteel are maintained in accordance with Australia's generally accepted accounting practices.

6. Describe your accounting methodology, where applicable, for:

- **The recognition/timing of income, and the impact of discounts, rebates, sales returns warranty claims and intercompany transfers;**

Income from the sale of goods is recognised when the consolidated entity has passed control of the goods to the buyer.

- **provisions for bad or doubtful debts;**

Trade debtors are reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

- **the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;**

Cost is comprised of materials, labour and an appropriate proportion of fixed and variable overheads, on an absorption cost basis.

- **costing methods (eg by tonnes, units, revenue, activity, direct costs etc) and allocation of costs shared with other goods or processes;**

Costing methodology is by production/sales tonnes.

- **the method of valuation for inventories of raw material, work-in-process, and finished goods (eg FIFO, weighted average cost);**

Raw materials, stores, work in progress and manufactured stocks are valued at the lower of cost and net realisable value. The methods used to assign costs to inventories are actual invoiced cost or standard costs.

- **valuation methods for scrap, by-products, or joint products;**

Lower of cost and net realisable value.

- **valuation methods for damaged or sub-standard goods generated at the various stages of production;**

Lower of cost and net realisable value.

- **valuation and revaluation of fixed assets;**

Subsequent to initial recognition, assets are valued at fair value. Revaluations are made with sufficient regularity to ensure carrying amounts do not differ dramatically from fair value.

- **average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;**

Buildings 10-40 years
Plant and equipment 3-20 years
Equipment under finance lease 3-5 years

- **treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and**

Foreign exchange gains and losses are brought to account using the rate of exchange applicable at the date of the transaction.

- **restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.**

Provisions for restructuring represents best estimate of the costs directly and necessarily incurred for the restructuring and not associated with ongoing activities.

7. **If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.**

Accounting methods have not altered over the periods for which financial data has been prepared for this application, unless required to by the relevant accounting standard.

A-7 Cost information

1. Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.

OneSteel has completed confidential appendices A6.1 and A6.2 for rebar. Separate schedules have been completed for rebar “straights” and rebar “coils”, as well as a “combined” schedule that includes all related and third-party (unrelated) sales of rebar.

A-8 Injury

The principal indicators of injury are prices, volumes and profit effects – although not all of these must be evident. For this application, profit refers to amounts earned. Profitability is the ratio of profit to sales revenue. Where injury is threatened, but has not yet occurred, refer to question C.2.

1. Estimate the date when the material injury from dumped imports commenced.

This is an application for the publication of a countervailing duty notice. A separate investigation alleging dumping by Chinese exporters of rebar forms the current *Dumping Investigation No. 300*.

It is OneSteel's position that material injury from the subsidised rebar exports from China commenced in or about October 2014 with [REDACTED]

[REDACTED] (CONFIDENTIAL ATTACHMENT A-8.1.1).

2. Using the data from appendix A6 (cost to make and sell), complete the following tables for each model and grade of your production.

Index of production variations (model, type, grade of goods)

Period	2011/2012	2012/2013	2013/2014	2014/2015	Investigation Period*
Like Goods					
Straights	100	107	92	103	107
Coils	100	100	103	137	144
Total	100	105	96	115	119

Notes:

* Proposed Investigation Period is 1 October 2014 to 30 September 2015

1. Years are fiscal periods, July to June

2. Production includes both for domestic and export sourced from appendices A6.1 and A6.2.

OneSteel's production of rebar straights increased in 2012/2013, and then declined in 2013/2014 by (-)13.7%. Although there was some recovery in production volumes of rebar straights in 2014/15, and during the actual proposed investigation period, it still remained at 2012/2013 levels.

The applicant's production of rebar coils remained stable in 2012/13 and increased in 2013/14. Following the initiation of *Dumping Investigation No. 264*, there was a significant increase in the production volume for rebar coils in 2014/2015, and a further increase during the proposed Investigation Period. As will be observed in *section A-9.1*, below, the significant price undercutting by importers of the subsidised goods from China commenced in December 2014, with ACRS certification being obtained in February 2015.

OneSteel's total rebar production increased in 2012/13, before declining by (-)8.25% in 2013/14 (compared to 2012/13). There was a recovery in overall production volumes during 2014/2015 and the proposed Investigation Period due to the initiation of *Dumping Investigations No. 264* and *No. 300*, with ACRS certification of the subsidised goods from China not being obtained until fiscal quarter 2 (FY 2015) for rebar straights, and fiscal quarter 3 (FY 2015) for rebar in coils.

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Index of cost variations (model, type, grade of goods)

Period	2011/2012	2012/2013	2013/2014	2014/2015	Investigation Period*
Like Goods					
Straights	100	96	98	90	85
Coils	100	96	100	87	84
Total	100	96	99	88	84

Notes:

* Proposed Investigation Period is 1 October 2014 to 30 September 2015

1. Years are fiscal periods, July to June

2. Source: Unit Cost to Make and Sell (Label J), [Appendix A6.1](#).

OneSteel's cost to make and sell ("CTM&S") rebar declined in 2012/13, increased in 2013/14 and then declined further in 2014/2015 and the proposed Investigation Period. Across the injury analysis period (commencing 1 July 2011), the applicant's cost to make and sell like goods has decreased by (-)16%.

Index of price variations (model, type, grade of goods)

Period	2011/2012	2012/2013	2013/2014	2014/2015	Investigation Period*
Like Goods					
Straights	100	100	100	100	99
Coils	100	96	99	97	95
Total	100	99	100	99	98

Notes:

* Proposed Investigation Period is 1 October 2014 to 30 September 2015

1. Years are fiscal periods, July to June

2. Source: Unit Sales Revenue (Label L), [Appendix A6.1](#).

OneSteel's selling prices for rebar straights declined by (-)1% across the injury analysis period.

The applicant's selling prices for rebar coils declined by (-)5% across the injury analysis period.

Overall, the company's selling prices for rebar declined by (-)2% across the injury analysis period.

Index of profit variations (model, type, grade of goods)

Period	2011/2012	2012/2013	2013/2014	2014/2015	Investigation Period*
Like Goods					
Straights	100	134	116	191	226
Coils	100	107	93	291	316
Total	100	128	111	213	246

Notes:

* Proposed Investigation Period is 1 October 2014 to 30 September 2015

1. Years are fiscal periods, July to June

2. Source: Net Gain or Loss (Label M), [Appendix A6.1](#).

3. Where net losses are observed, the inverse of the calculated index number has been used

The Australian industry's production of rebar straights [REDACTED] between 1 July 2011 to 30 June 2015, [REDACTED] in the third quarter of FY 2015. This corresponds with the imposition of securities in *Dumping Investigation No. 264* and the initiation of *Dumping Investigation No. 300*.

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The company's domestic sales of rebar coils followed a similar [REDACTED] pattern observed for rebar straights, although there was [REDACTED] in 2014/2015. The [REDACTED] of rebar coils deteriorated in the first quarter of FY 2016.

In both rebar straights and coils, there is a correlation between the overall value of [REDACTED] and the volume of domestic sales.

Index of profitability variations (model, type, grade of goods)

Period	2011/2012	2012/2013	2013/2014	2014/2015	Investigation Period*
Like Goods					
Straights	100	135	111	191	226
Coils	100	101	95	271	288
Total	100	128	108	211	240

Notes:

* Proposed Investigation Period is 1 October 2014 to 30 September 2015

1. Years are fiscal periods, July to June

2. Source: Profitability (Label O), [Appendix A6.1](#).

3. Where negative profitability is observed, the inverse of the calculated index number has been used

Although the company's overall profitability has [REDACTED], this [REDACTED] corresponds with the imposition of securities in *Dumping Investigation No. 264* (March 2015) and the initiation of *Dumping Investigation No. 300* (June 2015), and the significant reductions in the company's CTMS across the injury analysis period ((+)16%), refer above.

3. Complete [appendix A7](#) (other injury factors).

Where applicable to injury claims, prepare an indexed table for other injury factor(s) in the format above.

Index of Capital Investment

Period	2011/2012	2012/2013	2013/2014	2014/2015
Like Goods	100	138	169	166

Notes:

1. Years are fiscal periods, July to June

2. Source: Capital Investment, [Appendix A7](#)

OneSteel measured its capital investment in rebar in terms of its current capital expenditure associated with the production of like goods.

Index of Asset employed

Period	2011/2012	2012/2013	2013/2014	2014/2015
Like Goods	100	101	91	87

Notes:

1. Years are fiscal periods, July to June

2. Source: Assets, [Appendix A7](#)

OneSteel measured its assets employed in rebar production in terms of its total investment in plant, equipment, land, buildings and intangible assets associated with the production of like goods.

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Overall, OneSteel's assets employed in the production of rebar declined by (-)13 per cent across the injury analysis period.

Index of Capacity Utilisation

Period	2011/2012	2012/2013	2013/2014	2014/2015
Like Goods	100	111	101	123

Notes:

1. Years are fiscal periods, July to June
2. Source: Capacity Utilisation, [Appendix A7](#)

Although the applicant company's capacity utilisation has improved across the investigation period, it has been unable to achieve higher than [REDACTED] % capacity utilisation.

Index of Employment

Period	2011/2012	2012/2013	2013/2014	2014/2015
Like Goods	100	97	94	92

Notes:

1. Years are fiscal periods, July to June
2. Source: Employment, [Appendix A7](#)

OneSteel has reduced its workforce in its rebar production facilities as it has sought to reduce costs and remain competitive against dumped and subsidised rebar imports. There has been a (-)8 per cent reduction in employee numbers across the injury analysis period.

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A-9 Link between injury and dumped imports.

To establish grounds to initiate an investigation there must be evidence of a relationship between the injury and the alleged dumping. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped imports on your quarterly sales volume and market share.

As indicated at *section A-8.1*, above, the material injury caused by dumped and subsidised imports from China commenced in October 2014 (fiscal Qtr 2, FY 2015), with [REDACTED]

[REDACTED]. This offer corresponds with the exporter obtaining ACRS certification on [REDACTED]. Further, the absence of rebar imports from China for most of the injury analysis period, makes it reasonable to focus injury analysis across the proposed Investigation Period, especially the last two quarters of the proposed investigation period.

Accordingly, the influence of dumped and subsidised imports on sales volume and market share is analysed, initially across the injury analysis period (refer *Tables A-9.1.1 to A-9.1.3*, below), and then across the proposed Investigation Period (refer *Tables A-9.1.4 to A-9.1.6*).

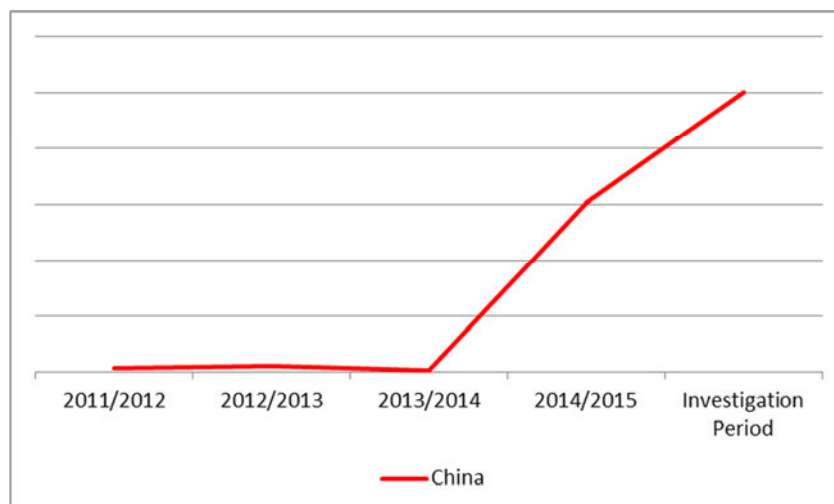


Table A-9.1.1 Volume of dumped and subsidised imports, tonnes across injury analysis period
(Source: Appendix A2) (x-intercept: $y = 0$)

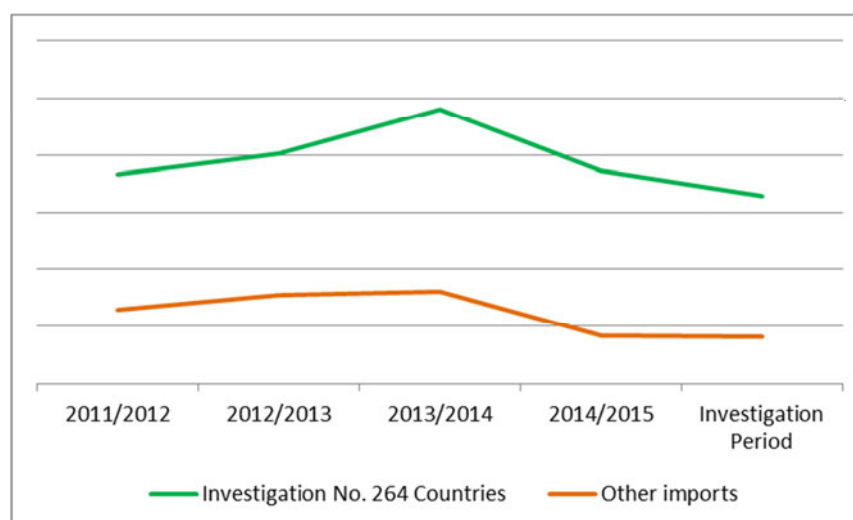


Table A-9.1.2 Volume of imports from Dumping Investigation No. 264 sources, and other import sources,

tonnes across injury analysis period (Source: Appendix A2) (x-intercept: $y = 0$)

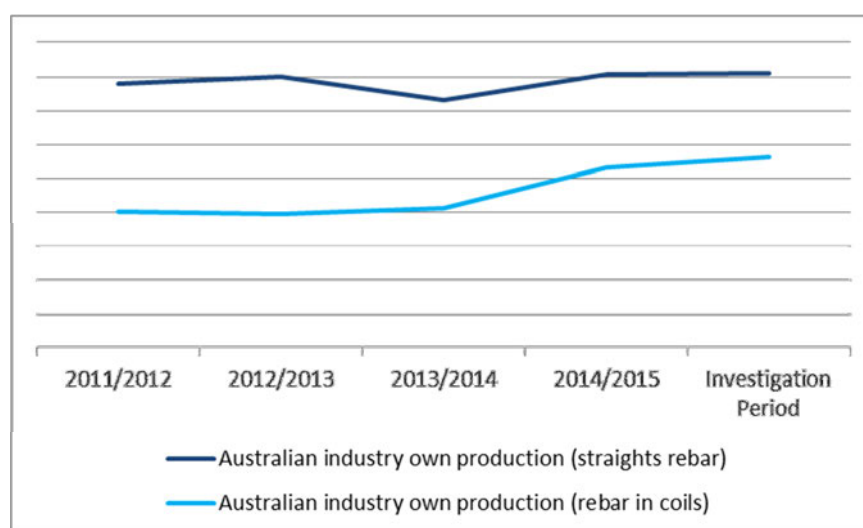


Table A-9.1.3 Volume of Australian industry sales, tonnes across injury analysis period
(Source: Appendix A2) (x-intercept: $y = 0$)

Table A-9.1.3, above, illustrates the impact of imports from those sources subject to *Dumping Investigation No. 264* (refer Table A-9.1.2, above). Volumes of Australian sales continued to decline from 2011/2012, in the face of increasing volumes from dumped imports from those sources, until 2013/2014, when, with the initiation of *Dumping Investigation No. 264*, volumes of dumped imports from those sources declined.

Although, Tables A-9.1.1 to A-9.1.3, above, appear to illustrate that the Australian Industry's sales volumes increased between 2013/2014 and the proposed Investigation Period, at a time that volumes of dumped and subsidised imports from China also increased, it is necessary to analyse the influence of Chinese dumped and subsidised imports on Australian sales volumes on a quarterly basis across (refer Tables A-9.1.4 to A-9.1.6, below).

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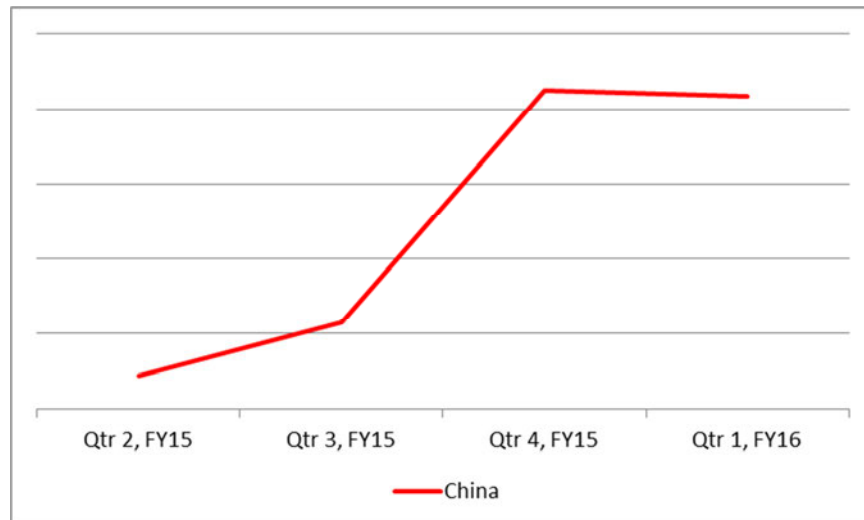


Table A-9.1.4 Volume of dumped and subsidised imports, tonnes across propose Investigation Period
(Source: Appendix A2) (x-intercept: $y = 0$)

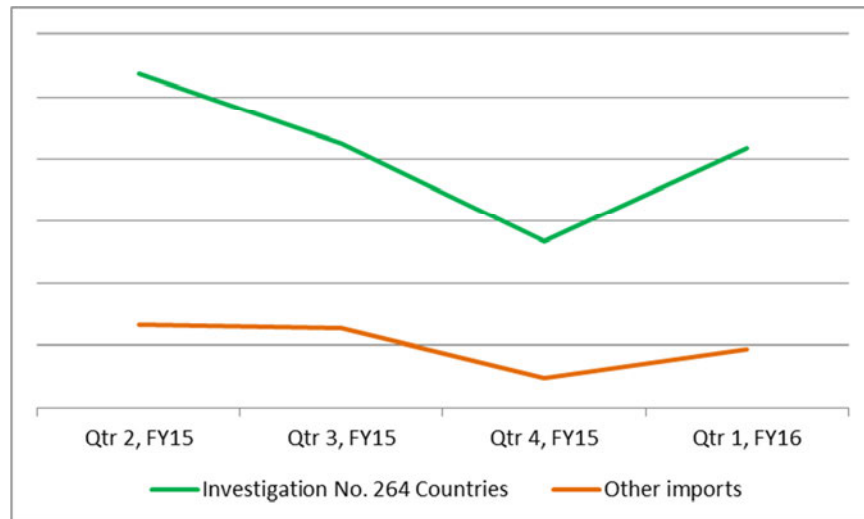


Table A-9.1.5 Volume of imports from Dumping Investigation No. 264 sources, and other import sources, tonnes across propose Investigation Period (Source: Appendix A2) (x-intercept: $y = 0$)

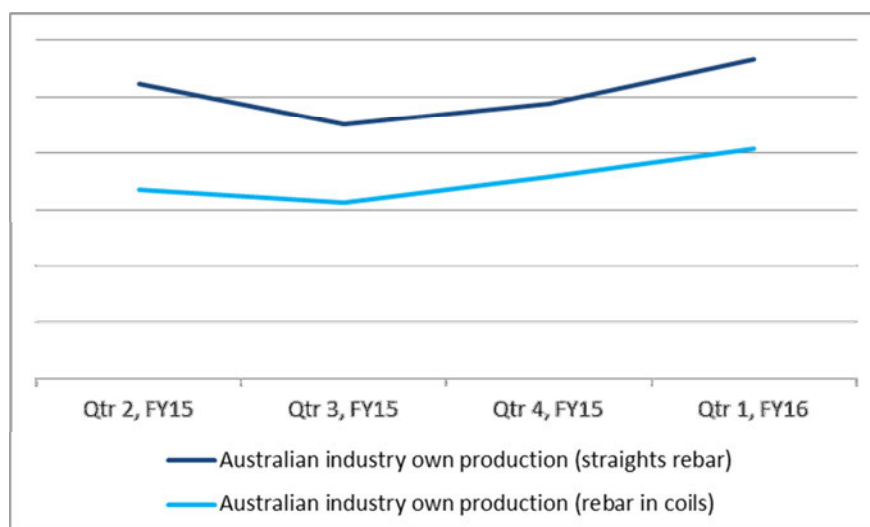


Table A-9.1.6 Volume of Australian industry sales, tonnes across propose Investigation Period
(Source: Appendix A2) (x-intercept: $y = 0$)

Tables A-9.1.4 to A-9.1.6, above, demonstrate the influence of the volume of dumped and subsidised imports from China on the volume of Australian sales of like goods.

Between 1 October and 31 December 2014, dumped and subsidised imports from China grew by (+)117%. As the Australian industry's analysis at section A-9.2, below, will demonstrate, the majority of offers of Chinese dumped and subsidised imports at that time were in relation to rebar straights. In response, Australian industry sales volumes of rebar straights declined by (-)6%. The decline in Australian industry sales occurred notwithstanding, the reduction in import volumes from dumped sources identified in *Investigation No. 264* (-16%).

Again, between 1 January and 31 March 2015, dumped and subsidised imports from China grew by a further (+)158%, as volumes of Australian industry sales of rebar straights declined by (-)14%. In this quarter, the Australian industry observed a greater [REDACTED] for rebar in coils from China. Consequently, Australian sales of rebar in coils during this quarter declined by (-)7%. The growth in import volumes from China, has also been at the expense of imports from sources identified in *Dumping Investigation No. 264*, with a further decline of (-)21% this quarter.

In terms of the influence of dumped and subsidised imports from China on market share, Tables A-9.1.1, and A-9.1.4, reproduced below, demonstrates the direct correlation.

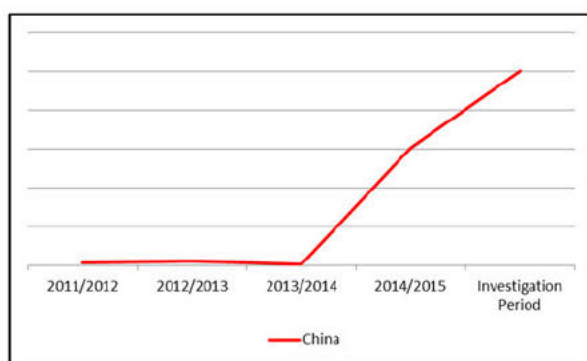


Table A-9.1.1 Volume of dumped and subsidised imports, tonn across injury analysis period

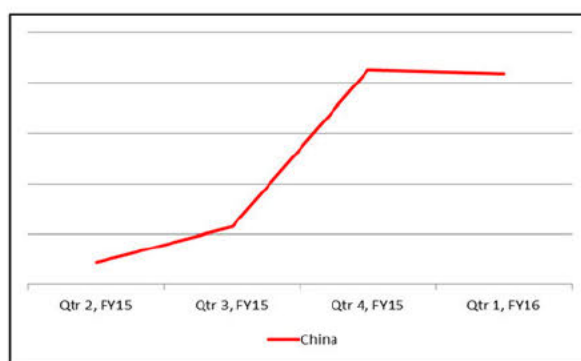


Table A-9.1.4 Volume of dumped and subsidised imports, tonn across proposed investigation period

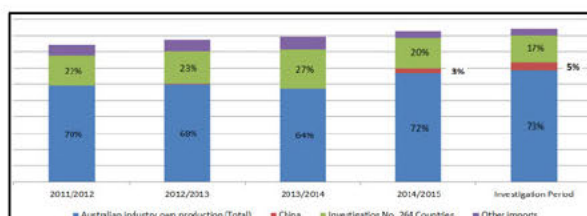


Table A-9.1.7 Australian market, market share, across injury analysis period

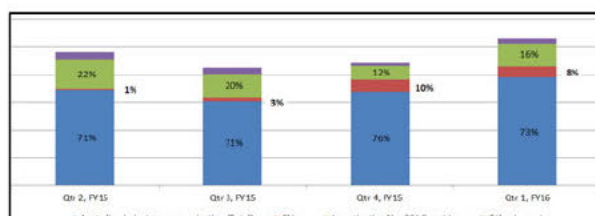


Table A-9.1.8 Australian market, market share, across proposed investigation period

Table A-9.1.4, above demonstrates the impact of the initiation of *Dumping Investigation No. 264* in Qtr 2, FY2015 was twofold: Firstly, the market share of imports from sources associated with *Investigation No. 264*, declined, and secondly, the market share of dumped and subsidised imports from China increased in Qtr 3, FY2015. The Australian industry's market share remained stable, at 71%.

It is the Australian industry's contention that, had the volume of dumped and subsidised imports from China not occurred, OneSteel would have gained market share. Instead, between 1 October 2014 and 31 March 2015, dumped and subsidised imports from China increased market share by (+)191%. Whereas, the Australian industry gained no additional market share. Although between 1 April and 30 June 2015, both dumped and subsidised imports from China and the Australian industry gained market

share at the expense of countries the subject of *Dumping Investigation No. 264* (following the imposition of securities in that case in April 2015), the Australian industry then lost greater proportion of market share than dumped and subsidised imports from China between 1 July and 31 September 2015 (Qtr 1, FY2016).

By way of background, the applicant observes that for some time China's significant excess rebar capacity, has had an indirect impact on the Australian domestic rebar market. By exporting dumped rebar into the east and south-east Asian region, China has displaced volumes in those markets who have, in turn, sought to offload surplus production capacity to Australia. As a result *Dumping Investigation No. 264* was initiated, in relation to countries affected by Chinese regional dumping of rebar.

That Chinese rebar exports into the world rebar market were dumped, is supported by the number of anti-dumping and other trade remedies applications against Chinese exporters of rebar, in summary, these are:

- European Commission, *Notice of initiation of an anti-dumping proceeding concerning imports of high fatigue performance steel concrete reinforcement bars originating in the People's Republic of China* (30 April 2015);
- Egypt, *Safeguards investigation* (April 2015)³;
- Canada, *The Dumping and Subsidizing of Certain Concrete Reinforcing Bar originating in or exported from the People's Republic of China et Ors* (26 January 2015).

Therefore, it is the Australian industry's contention that, as a direct consequence of Chinese exports of rebar becoming subject to a growing number of trade remedies actions implemented against them in other markets; together with the initiation of *Dumping Investigation No. 264* (Ex Korea, Taiwan, Singapore, Thailand, Malaysia, Spain, and Turkey); Chinese exporters began to quickly focus and impact directly on the Australian market.

Within weeks of *Dumping Investigation No. 264* being initiated (17 October 2014), Chinese mills began obtaining third-party ACRS certification for export sales of rebar into the Australian market, specifically:

- NatSteel (Xiamen) Ltd Xiamen Fujian Province China (Certified 25/11/2014);
- Shandong Iron and Steel Co Ltd Laiwu Company Laiwu Shandong China (Certified 25/11/2014);
- Shandong Shiheng Special Steel Co Ltd Shiheng Shandong China (Certified 3/02/2015); and
- Jiangsu Yonggang Co Ltd Zhangjiagang Jiangsu China (Certified 3/02/2015).

In addition to obtaining ACRS accreditation, these mills began to make offers via importers to sell rebar at prices that undercut the Australian market by significant margins. Whilst ABS import statistics are only showing relatively low volumes of imports to date, Chinese exporters have the capacity to very rapidly increase their volumes. Chinese exports of rebar to the UK went from zero in 2012 to 254,000 tonnes in 2014.⁴

2. Use the data at appendix A2 (Australian market) to show the influence of the price of dumped imports on your quarterly prices, profits and profitability provided at appendix A6.1 (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

Tables A-9.2.1 and A-9.2.2, below, demonstrate the incidence price depression caused by price undercutting by dumped and subsidised imports from China, and the sources identified in *Dumping Investigation No. 264*.

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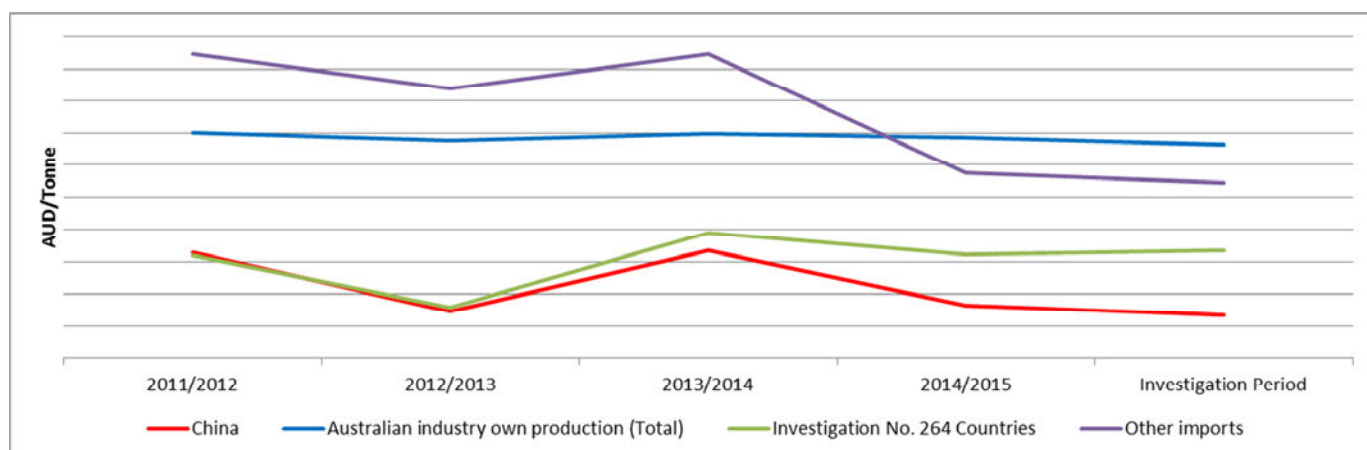


Table A-9.2.1 Unit export prices for imports (goods) from sources (as named) (Appendix A2) and Australian Industry unit domestic sales revenue, rebar straights and in coils (Appendix A6.1), since 1 July 2010

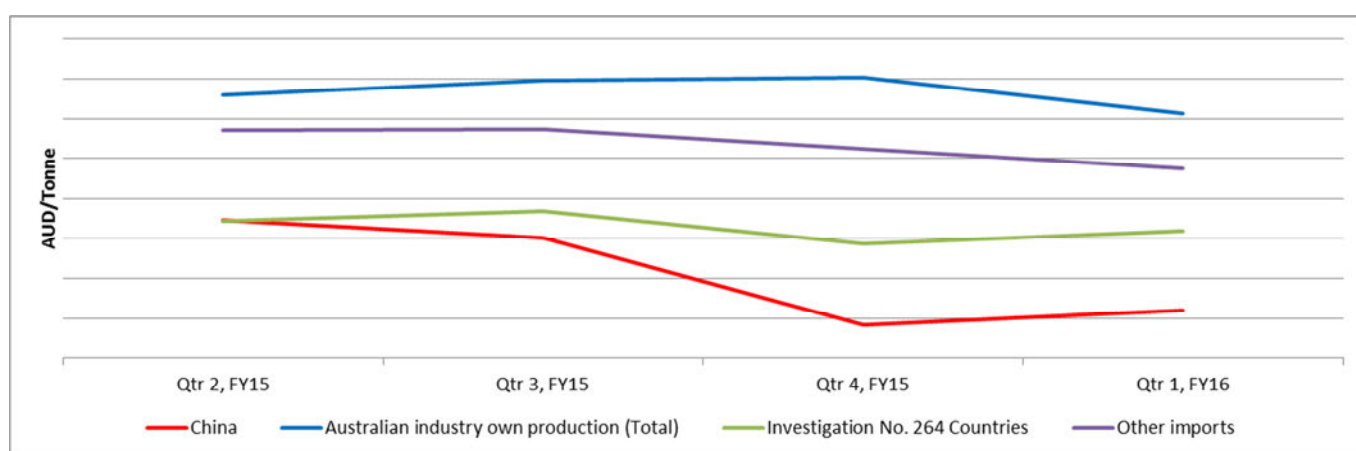


Table A-9.2.2 Unit export prices for imports (goods) from sources (as named) (Appendix A2) and Australian Industry unit domestic sales revenue, rebar straights and in coils (Appendix A6.1) across proposed Investigation Period

Table A-9.2.1, above, illustrates that the Australian industry was consistently undercut by the dumped and subsidised imports from China, and sources identified in *Dumping Investigation No.264*. This caused the Australian industry injury in the form of price depression across the injury analysis period, with the Australian industry reducing its sales price (for all like goods) by ■ % between 2011/2012 and 3 September 2015. Further, when the proposed Investigation Period (refer Table A-9.2.2, above) is considered, the dumped and subsidised imports from China began undercutting the Australian industry from fiscal quarter 2, FY 2015. That also corresponds with the significant increases in import volumes from China. This caused the Australian industry material injury in the form of price depression, as OneSteel reduced its sales prices (for all like goods) by ■ % since the commencement of the proposed investigation period commencing 1 October 2014.

Notwithstanding the above, it is the Australian industry's assertion that the ABS import trade data presented in appendix A2 understates the extent of price undercutting observed in the Australian market since the commencement of dumping and material injury in October 2014 (refer Section A-8.1, above).

Figures A-9.2.3 and A-9.2.4, below, demonstrates the extent of price undercutting displayed by the dumped and subsidised imports exported from China.

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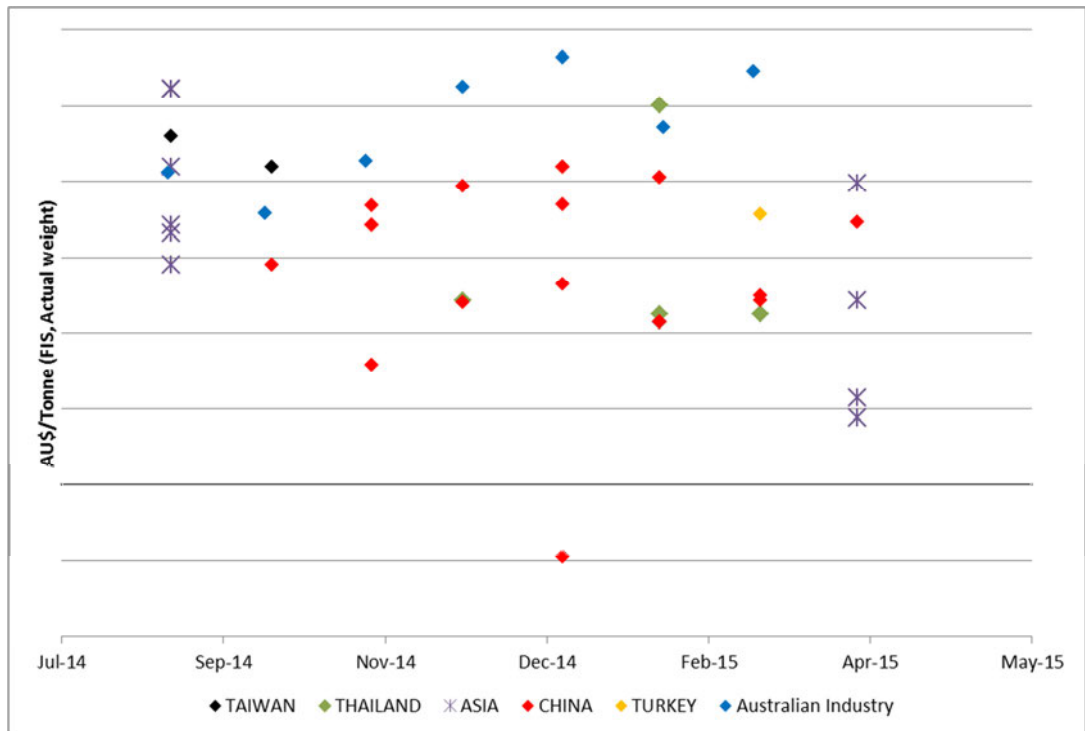


Figure A-9.2.3 Rebar straights: scatter diagram plotting prices of dumped and subsidised imports from China and Dumping Investigation No. 264 sources (AU\$/tonne, FIS, actual weight) (*CONFIDENTIAL ATTACHMENT A-9.2.1*) and applicant's sales (AU\$/tonne, FIS, actual weight) (*Appendix A4*) (x-intercept: y \neq 0)

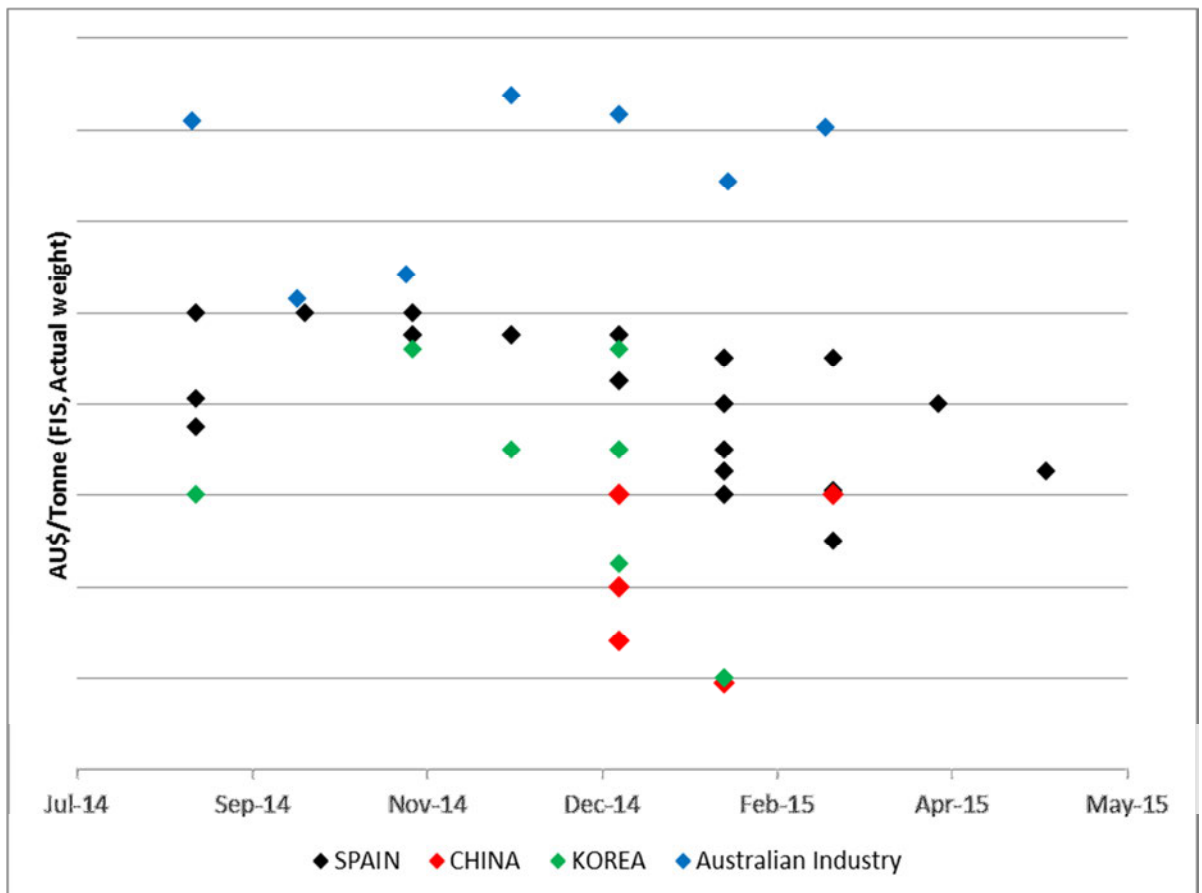


Figure A-9.2.4 Rebar in coils: scatter diagram plotting prices of dumped and subsidised imports from China and Dumping Investigation No. 264 sources (AU\$/tonne, FIS, actual weight) (*CONFIDENTIAL ATTACHMENT A-9.2.1*) and applicant's sales (AU\$/tonne, FIS, actual weight) (*Appendix A4*) (x-intercept: y \neq 0)

Figure A-9.2.3, above, illustrates that in the case of rebar straights, since [REDACTED], dumped and subsidised imports from China undercut, not just the Australian industry's prices, but also the prices of other dumped sources according to *Dumping Investigation No. 264*. This occurred throughout the proposed Investigation Period, except for an instance in February 2015, when the dumped and subsidised imports from China were marginally undercut by rebar [REDACTED], and in April 2015 against unknown Asian sources. In this latter case, the Australian industry suspects that the [REDACTED] are in fact from Chinese source.

Similarly, in the case of rebar in coils, figure A-9.2.4, illustrates that since the first [REDACTED], the dumped and subsidised imports from China have undercut the price of the goods and like goods from all sources, except for one instance in March 2015, when imports from [REDACTED] undercut Chinese prices.

Figure A-9.2.5, below, illustrates the undercutting margins of the dumped imported Chinese goods in the Australian rebar straights market.

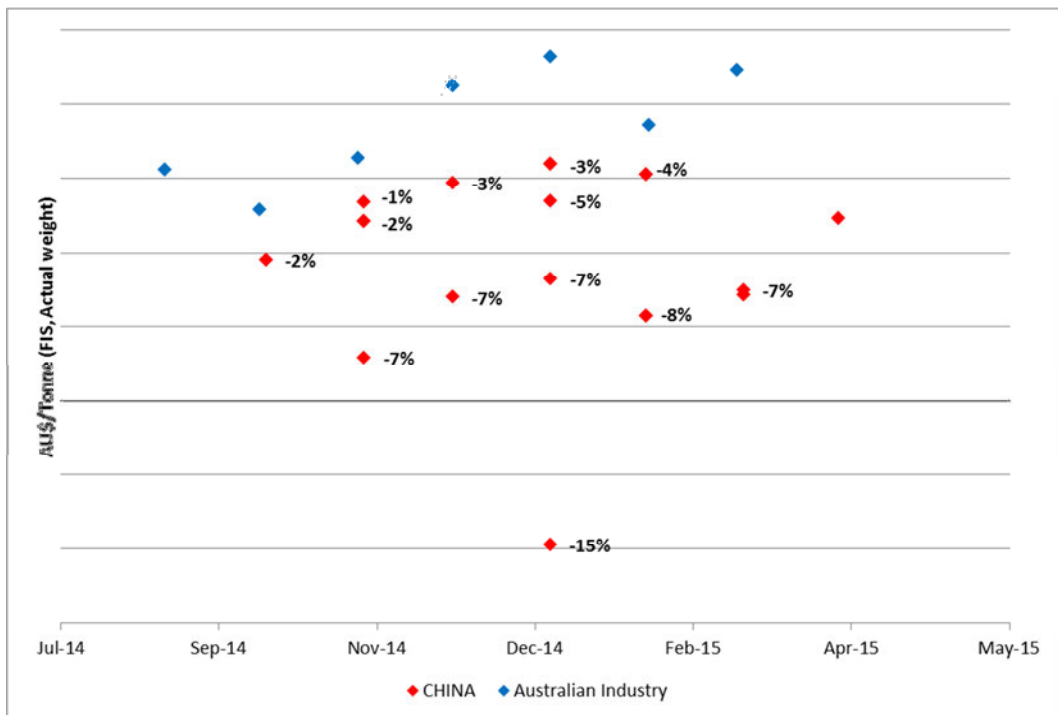


Figure A-9.2.5 Rebar straights: scatter diagram plotting the undercutting margins of dumped and subsidised imports from China (AU\$/tonne, FIS, actual weight) (*CONFIDENTIAL ATTACHMENT A-9.2.1*) against the applicant's average monthly unit sales value (AU\$/tonne, FIS, actual weight) (*Appendix A4*) (*x-intercept: y ≠ 0*)

Undercutting margins of between (+)1% and (+)15% are observed across the proposed Investigation Period.

Figure A-9.2.6, below, illustrates the undercutting margins of the dumped imported Chinese goods in the Australian rebar in coils market.

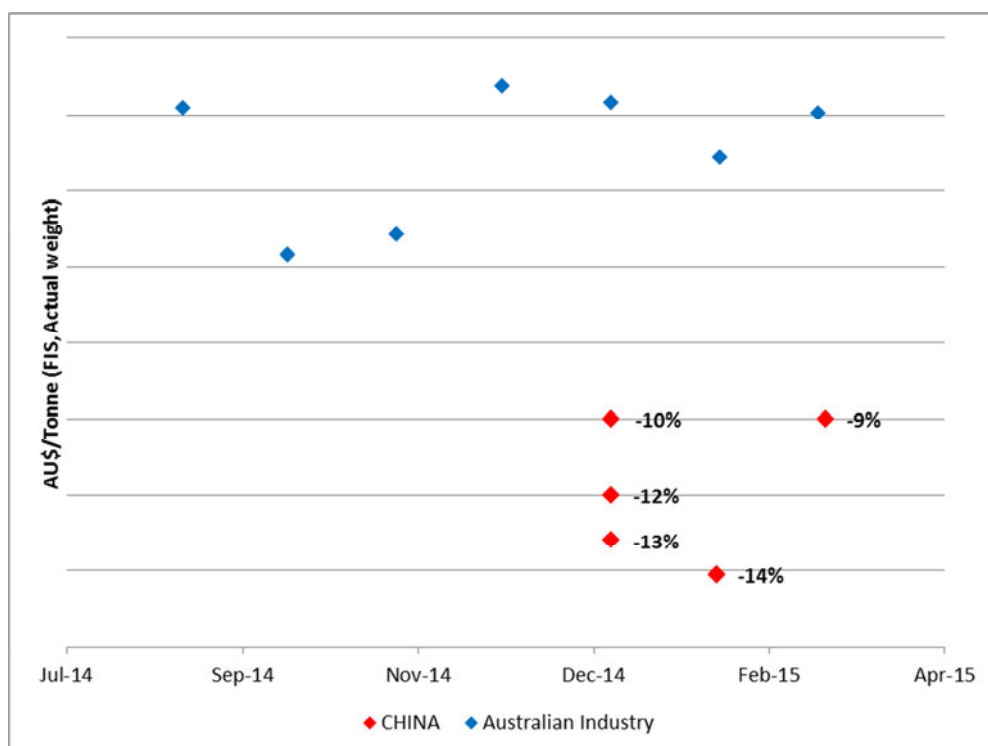


Figure A-9.2.6 Rebar in coils: scatter diagram plotting the undercutting margins of dumped and subsidised imports from China (AU\$/tonne, FIS, actual weight) (*CONFIDENTIAL ATTACHMENT A-9.2.1*) against the applicant's average monthly unit sales value (AU\$/tonne, FIS, actual weight) (*Appendix A4*) (x-intercept: y ≠ 0)

Notwithstanding the later introduction of the dumped imported goods from China in the case of rebar in coils, the undercutting margins were on average more severe, ranging between (+)9% and (+)14% across the proposed Investigation Period.

The effect of these undercutting margins on OneSteel's prices across the proposed Investigation Period is observed in *Figure A-9.2.7*, below.

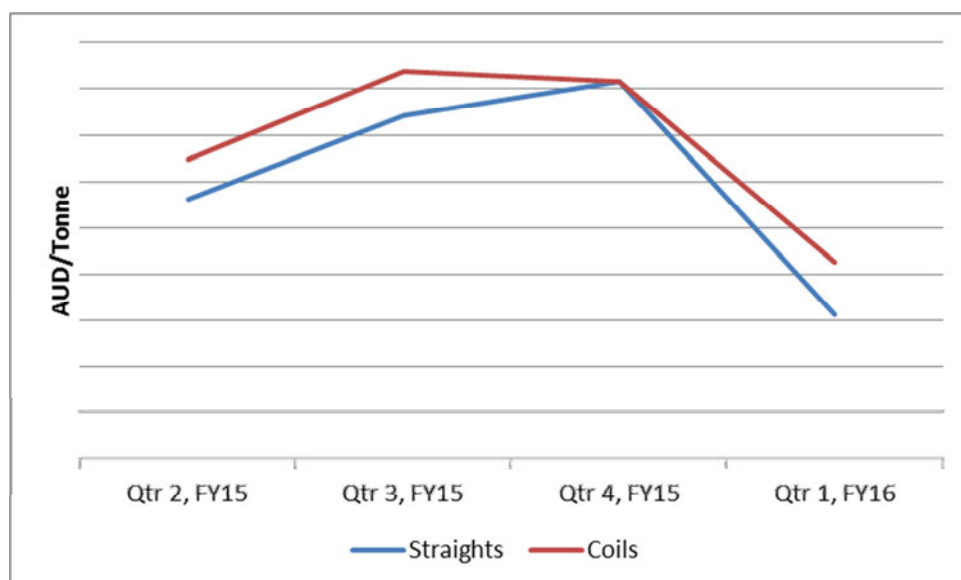


Figure A-9.2.7 Applicant's Australian sales unit revenue of like goods across the proposed Investigation Period (Source: *Appendix A6.1*) (x-intercept: y ≠ 0)

Figure A-9.2.7, above, demonstrates the direct correlation between the undercutting margins of the dumped and subsidised imports from China and the Australian industry's prices. For example during fiscal quarter 2, FY 2015, when undercutting margins of between 3% and 15% were reported in the

market for rebar straights, and 10% and 14% for rebar in coils, also corresponded with the most severe incidence of price depression recorded by the Australian industry during the proposed Investigation Period.

The impact of the trend in the price of the dumped and subsidised imports on OneSteel's overall net gains or losses from the Australian sales of like goods is observed in *Figure A-9.2.8*, below.

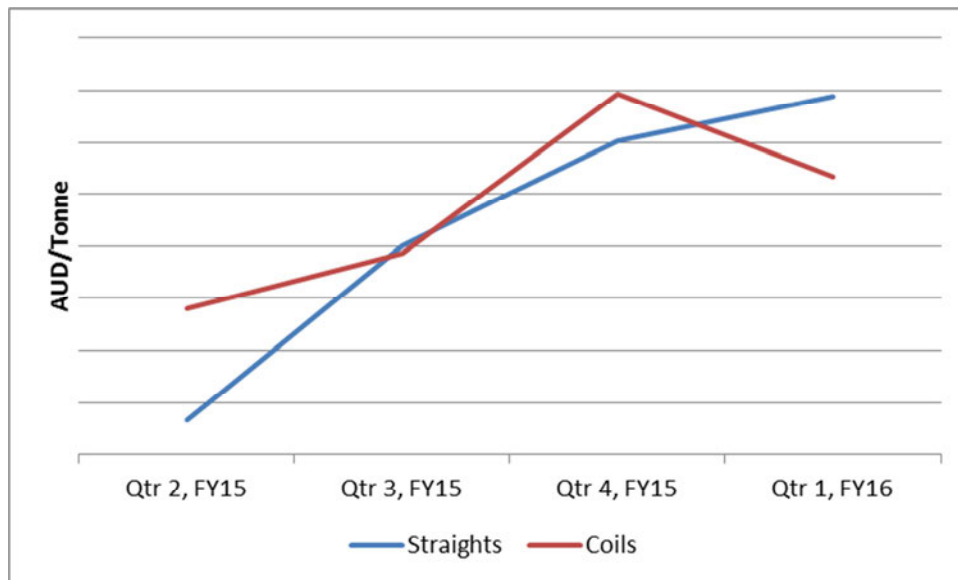


Figure A-9.2.8 Net gains or losses of the applicant's Australian sales of like goods
(Source: [Appendix A6.1](#))

Figure A-9.2.8, above, indicates that since the commencement of dumping and injury in October 2014, the Australian industry's improvement in net gains or losses stagnated (in the case of rebar straights) and deteriorated (in the case of rebar in coils) in fiscal quarter 1, FY 2016 in light of the record low export prices of the subsidised Chinese imports in the previous fiscal quarter (Qtr 4, FY 2015).

However, *figure A-9.2.8*, above, ignores that the improvement in Australian industry's overall net gain or loss position, has been driven by the reduction in the cost to make and sell the like goods, due in large part to the reduction in the material costs of the like goods, namely the cost of scrap.

Figure A-9.2.9, below, illustrates the decline in the cost of scrap to the Australian industry across the proposed investigation period. *Figure A-9.2.10*, below, also follows how this has translated into a reduced unit cost to make and sell for the Australian industry.

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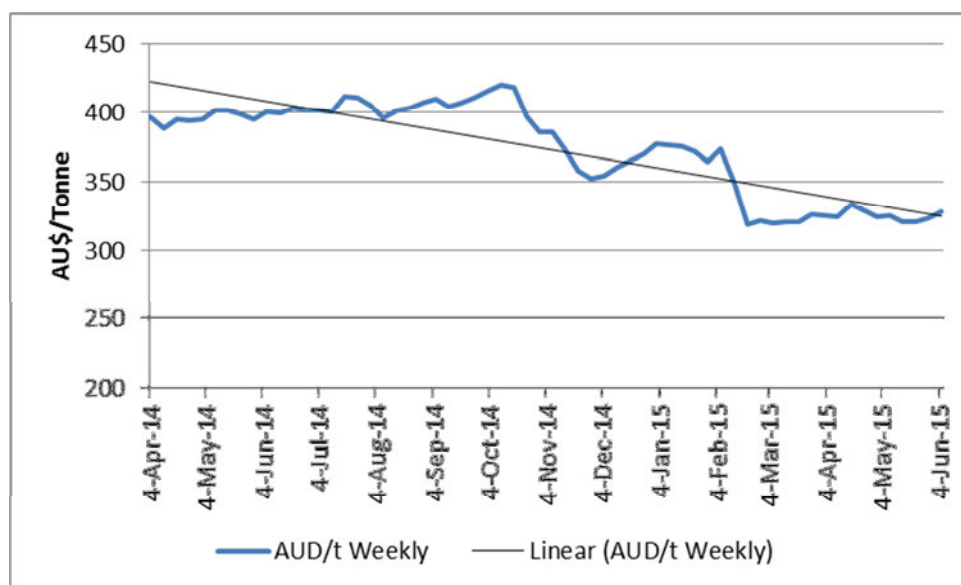


Figure A-9.2.9 Weekly Korean HM1 scrap price, [REDACTED] Report across the proposed investigation period
(Source: CONFIDENTIAL ATTACHMENT A-9.2.9)

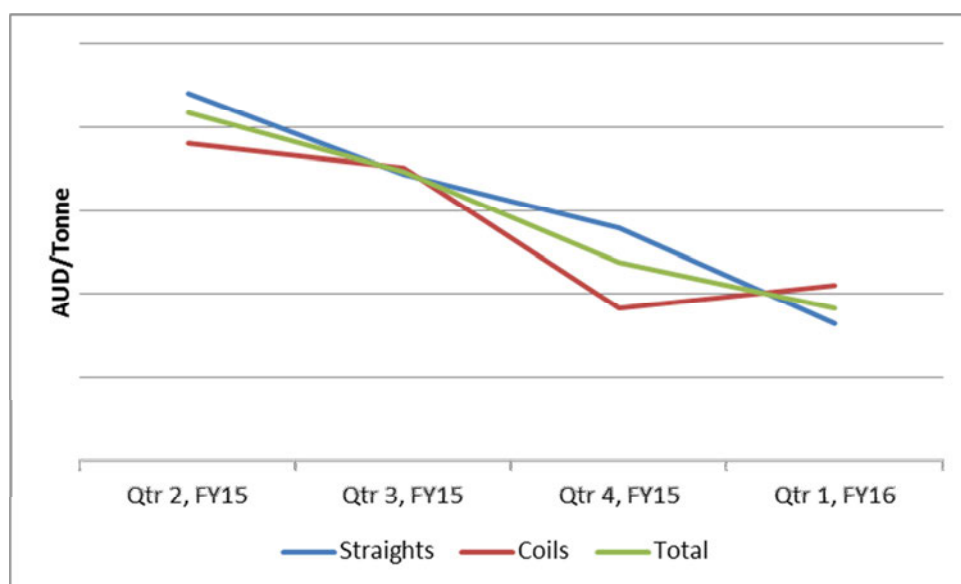


Figure A-9.2.10 Australian industry unit CTMS the like goods across the proposed investigation period
(Source: appendix A6.1)

Similarly, *figure A-9.2.11*, below, demonstrates the improvement in the Australian industry's profitability until 30 June 2015. Since 1 July 2015, the Australian industry's profitability has declined overall, notwithstanding a falling unit cost to make and sell the goods. The decline and stagnation in profitability is directly attributable to the record high volumes of subsidised goods exported from China since 1 April 2015, at record low export prices. In other words, the price undercutting by Chinese dumped and subsidised exports has caused the Australian industry to suffer material economic injury in the form of price depression, which in turn has caused the Australian industry to suffer material economic injury in the form of price suppression, deteriorating net gains or losses and profitability, that is worse than it would have been if not for the price undercutting by the Chinese dumped and subsidised exported goods.

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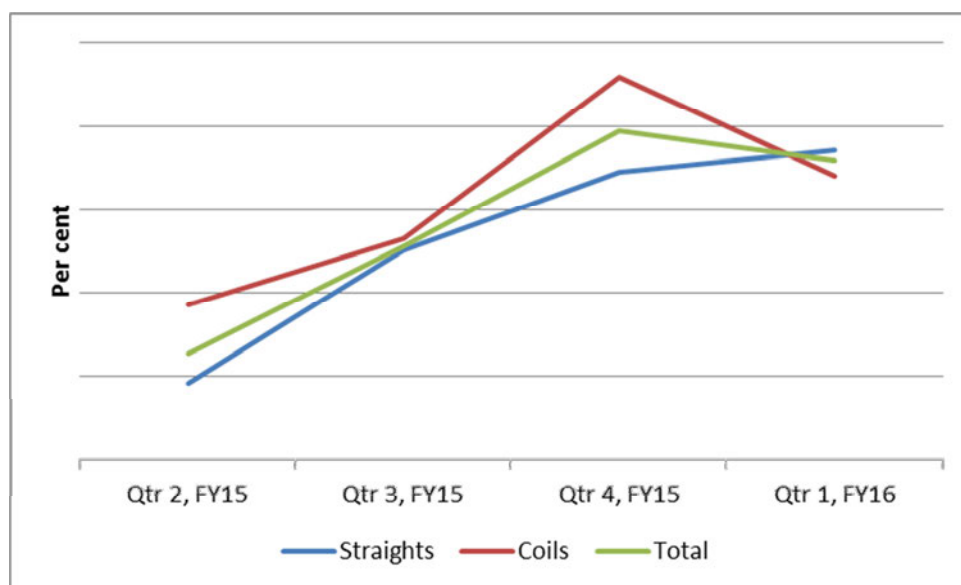


Figure A-9.2.11 Profitability of the applicant's Australian sales of like goods
(Source: Appendix A6.1)

Figure A-9.2.11, above, illustrates that since Qtr 4, FY15, the Australian industry's profitability has declined overall in response to record volumes of dumped and subsidised imports from China, at record low prices (since Qtr 4, FY15).

3. Compare the data at appendix A2 (Australian market) to identify the influence of dumped imports on your quarterly costs to make and sell at appendix A6.1 (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).

Due to the low volumes of imports from China before the commencement of the proposed Investigation Period, the analysis of the influence of dumped and subsidised imports on the Australian industry's costs to make and sell ("CTMS") are compared only across the four quarters of the proposed Investigation Period. Prior to fiscal quarter 2 (FY 2015), no Chinese mills had ACRS certification and therefore, were unable to sell rebar in significant volumes into established channels to market in Australia.

Figure A-9.3.1, below, illustrates the influence of the price trends in dumped and subsidised imports from China on the applicant's ability to raise prices in response to changes in material cost changes in its unit costs to make and sell.

[Figure A-9.3.1 is considered CONFIDENTIAL in its entirety]

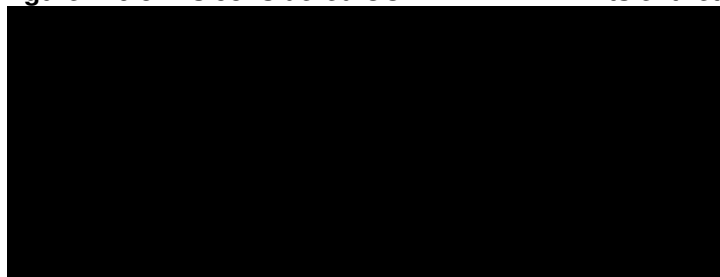


Figure A-9.3.1 FOB export prices of dumped and subsidised imports (Appendix A2) and unit sales revenue and unit cost to make and sell of the applicant's Australian sales of rebar (total) (Appendix A6.1)

In response to the (-)17% decline in the export price of the dumped and subsidised imports across the proposed investigation period, the Australian industry was unable to increase prices in fiscal quarter 1, FY 2016. Although, there was a decline in the applicant's unit CTMS over that time, OneSteel was

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unable to take advantage of the decline in costs across the proposed investigation period and therefore lost profit and profitability.

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4. The quantity and prices of dumped imported goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped imports on these factors and where applicable use references to the data you have provided at appendix A7 (other economic factors). If factors other than those listed at appendix A7 (other economic factors) are relevant, include discussion of those in response to this question.

Figure A-9.4.1, below, illustrates the influence of the dumped import price and volume trend on the applicant's capital investment in the production of the like goods for sale in Australia.

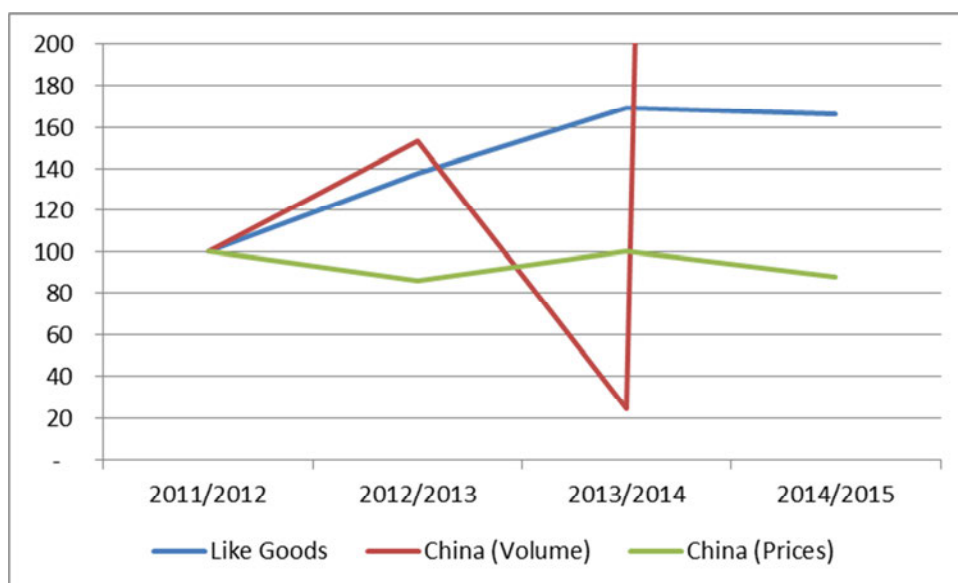


Figure A-9.4.1 Index of price and volume variation of dumped and subsidised imports and the applicant's capital investment in the production of like goods across the injury analysis period (Sources: Appendix A2 and Appendix A7) Note: for clarity, the maximum value has been limited to 200 index points

The influence of the trend in dumped import volumes on the applicant's capital investment is observed as falling investment during periods of increase in dumped import volumes, specifically, during the proposed Investigation Period. In contrast, falling dumped import volumes are characterised by rising capital investment in the like goods, as observed in 2013/2014.

Figure A-9.4.2, below, illustrates the influence of the dumped import price and volume trend on the applicant's employment of assets in the production of the like goods for sale in Australia.

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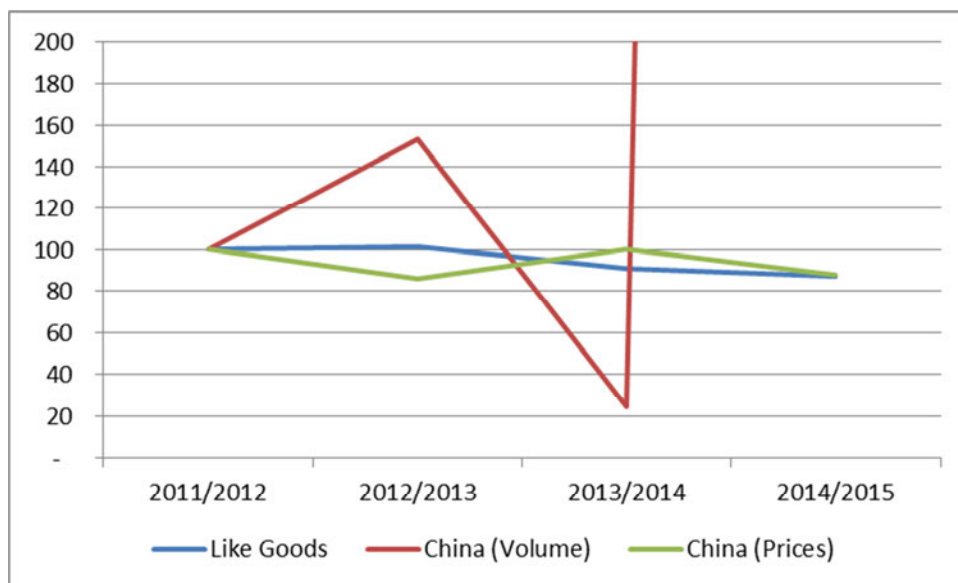


Figure A-9.4.2 Index of price and volume variation of dumped and subsidised imports and the applicant's assets employed in the production of like goods across the injury analysis period (Sources: Appendix A2 and Appendix A7) Note: for clarity, the maximum value has been limited to 200 index points

The influence of the trend in dumped import volumes on the applicant's assets employed in the production of like goods is observed as falling investment during periods of increase in dumped import volumes, specifically, during the proposed Investigation Period. In contrast, falling dumped import volumes are characterised by rising assets employed in like goods production, as observed in 2011/2012.

Figure A-9.4.3, below, illustrates the influence of the dumped import price and volume trend on the applicant's employment levels in the production of like goods.

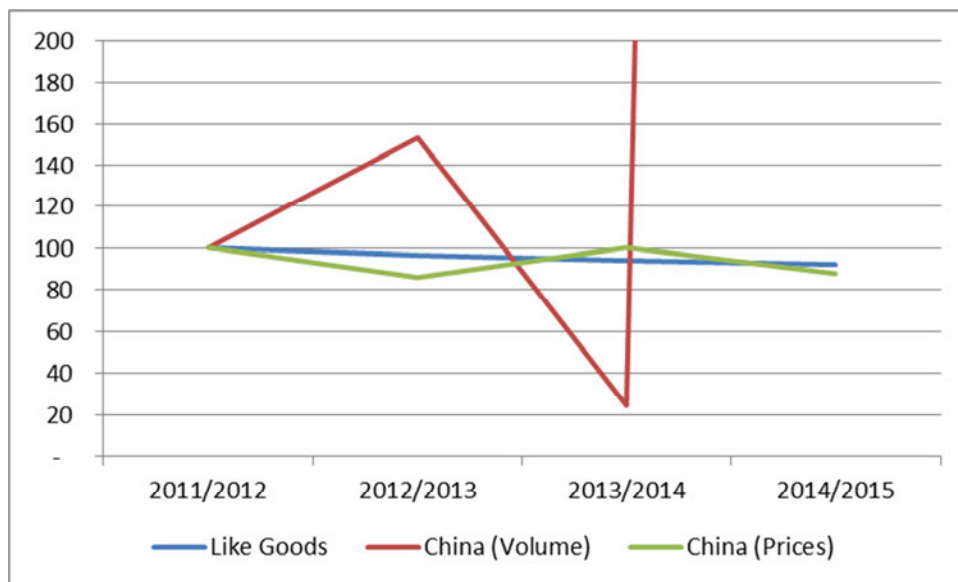


Figure A-9.4.3 Index of price and volume variation of dumped and subsidised imports and the applicant's employment levels in the production of like goods across the injury analysis period (Sources: Appendix A2 and Appendix A7) Note: for clarity, the maximum value has been limited to 200 index points

The influence of the trends in dumped import prices on the applicant's employment levels engaged in the production of the like goods is observed in terms of falling employment levels during periods of falling dumped import price trends, and rising dumped import volume trends. This was observed between 2010/2011 and 2012/2013.

Between 1 July 2013 and 30 June 2015, the observed significant increase in dumped import volumes from China were characterised by the most significant declines in employment levels.

5. Describe how the injury factors caused by dumping and suffered by the Australian industry are considered to be 'material'.

(a) Price effects

The price effects of dumping on the economic condition of the Australian industry producing like goods are occurring in the form of:

- price depression, which occurs when the Australian industry lowers its prices; and
- price suppression, which occurs when price increases for the applicant's like goods, which otherwise would have occurred, have been prevented.
-

(i) Price depression

Figures A-9.5.1 and A-9.5.2, below, indicate that the applicant has suffered injury in relation to its domestic sales of the like goods in the form of price depression in the proposed Investigation Period, and specifically, from fiscal quarter 4, FY 2015

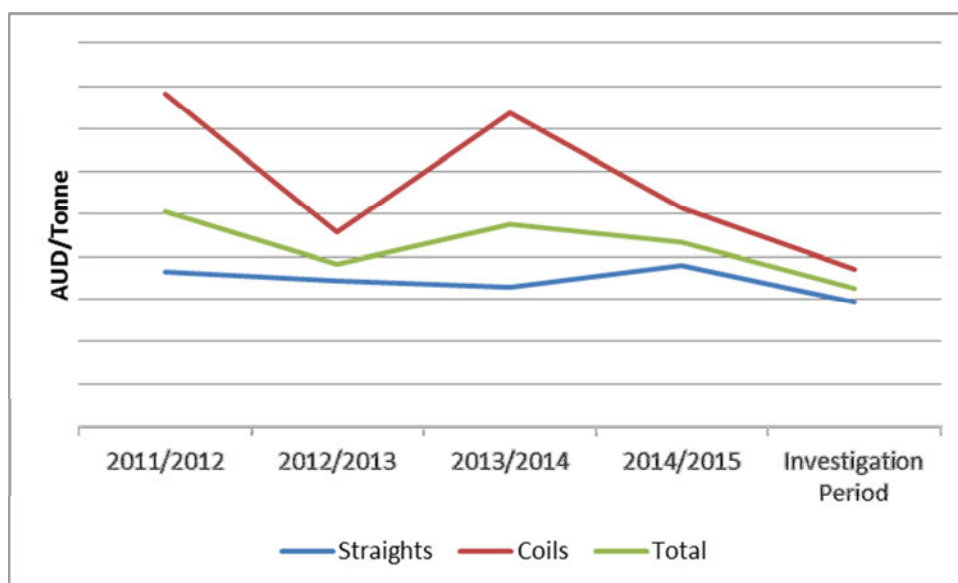


Figure A-9.5.1 Unit sales revenue of the applicant's Australian sales of like goods across the injury analysis period
(Source: Appendix A6.1)

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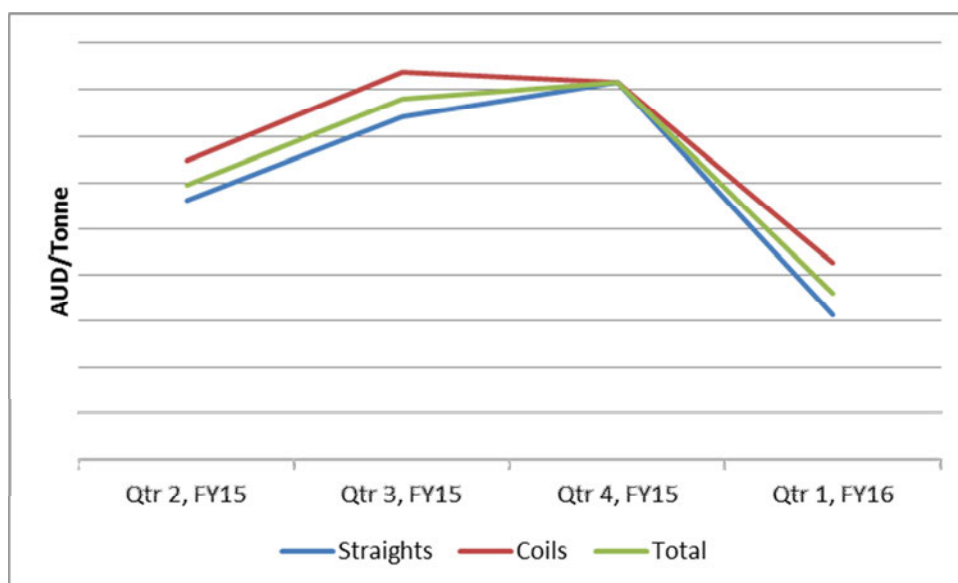


Figure A-9.5.2 Unit sales revenue of the applicant's Australian sales of like goods across the propose Investigation Period
(Source: Appendix A6.1)

Since the commencement of dumping and injury from October 2014, the applicant has responded to price undercutting by the importers of the dumped and subsidised imports from China, by reducing its prices for like goods to customers.

Examples of the importers' price undercutting, the applicant's knowledge and response to the price undercutting in the Australian rebar market are contained in CONFIDENTIAL ATTACHMENT A-9.5.1.

(ii) Price suppression

The applicant's approach in relation to analysing the existence of price suppression is to compare its weighted average unit sales revenue and cost to make and sell (CTMS) for the like goods, annually over the injury analysis period, and quarterly over the proposed Investigation Period, Figures A-9.5.5, A-9.5.6, A-9.5.7 and A-9.5.8, below, demonstrate.

[Figure A-9.5.5 is CONFIDENTIAL in its entirety]

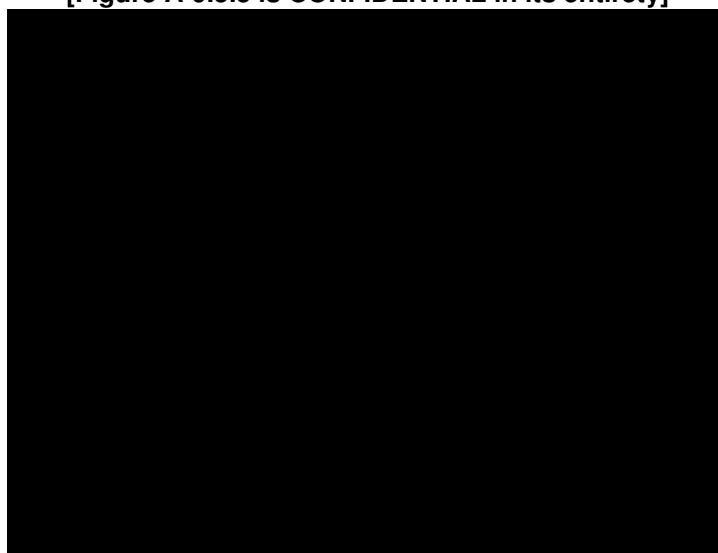


Figure A-9.5.5 Unit sales revenue, cost to make sell and unit gain or loss for the applicant's Australian sales of rebar straights across the injury analysis period (Source: Appendix A6.1)

Figure A-9.5.5, above, demonstrates that notwithstanding declining CTMS across the injury analysis period, the Australian industry was unable to increase its prices for rebar straights.

[Figure A-9.5.6 is CONFIDENTIAL in its entirety]

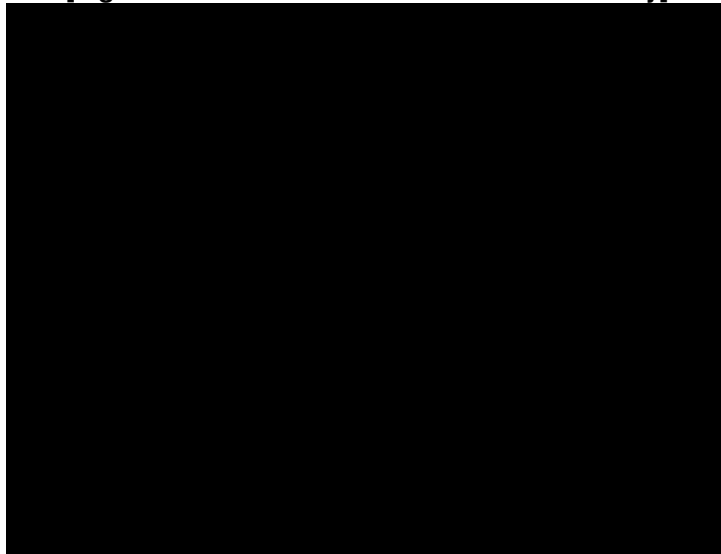


Figure A-9.5.6 *Unit sales revenue, cost to make sell and unit gain or loss for the applicant's Australian sales of rebar straights across the proposed Investigation Period (Source: Appendix A6.1)*

Figure A-9.5.6, above, focuses on the movement of the applicant's prices and costs, and demonstrates the existence of price suppression across the proposed Investigation Period. Price suppression was reduced in fiscal quarters 3 and 4 of FY 2015. However, in fiscal quarter 1, FY 2016, the Australian industry responded to the ongoing price undercutting by the dumped and subsidised Chinese exports by reducing its prices. Although the extent of price suppression lessened in fiscal quarters 1, FY 2016, due to the reduction in the Australian industry's unit CTMS, the Australian industry was not able to reduce the extent of price suppression by more because of the record high volume and historically low export prices of the Chinese dumped and subsidised exports which undercut the Australian industry over the proposed investigation period.

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[Figure A-9.5.7 is CONFIDENTIAL in its entirety]

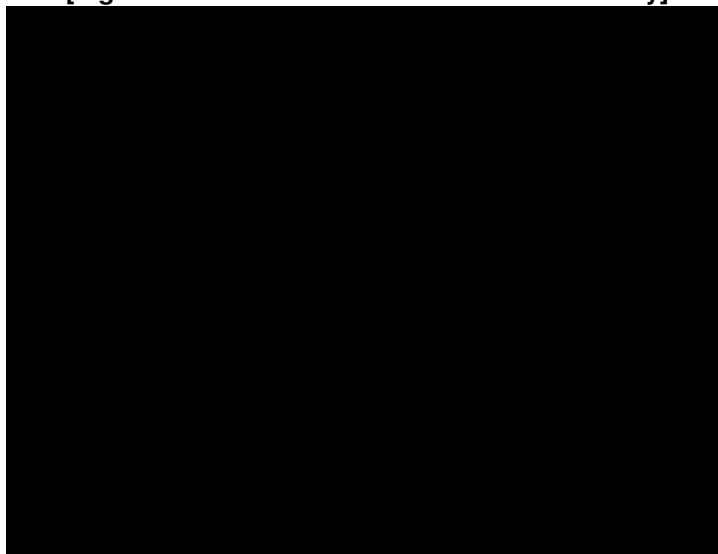


Figure A-9.5.7 *Unit sales revenue, cost to make sell and unit gain or loss for the applicant's Australian sales of rebar in coils across the injury analysis period (Source: Appendix A6.1)*

[Figure A-9.5.8 is CONFIDENTIAL in its entirety]

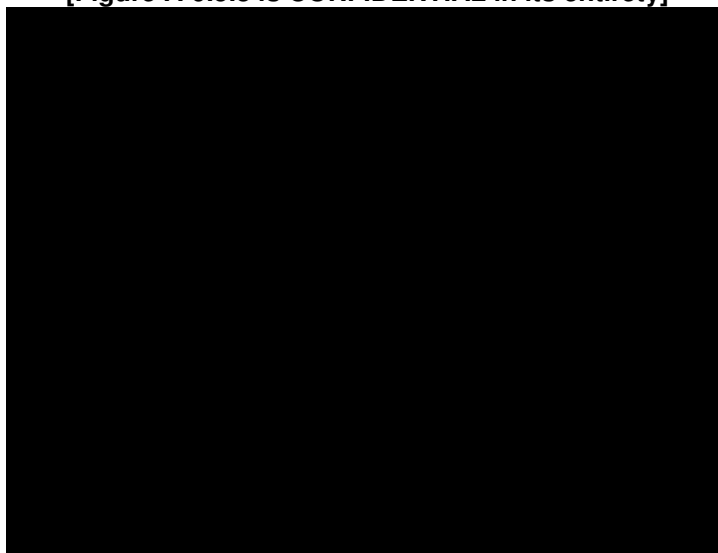


Figure A-9.5.8 *Unit sales revenue, cost to make sell and unit gain or loss for the applicant's Australian sales of rebar in coils across the proposed Investigation Period (Source: Appendix A6.1)*

Figure A-9.5.8, follows the movement in price suppression evident in the applicant's sales of rebar in coils across the proposed Investigation Period. The rate of decline of the applicant's costs exceeded the rate of decline in prices until Qtr 4, FY 2015. There was the emergence of price suppression in Qtr 1, FY 2016, as prices declined in the face of increasing costs. This reflected the greater incidence of Chinese dumped and subsidised [REDACTED] for rebar in coil in Qtr 4, FY 2015 and Qtr 1, FY 2016 (refer CONFIDENTIAL ATTACHEMENTA-9.5.1).

(b) Volume effects

The volume effects of dumping on the economic condition of the Australian industry has been in the form of:

- Lost sales volume; and
- Lost market share,

during the proposed Investigation Period.

(i) **Lost sales volume**

The applicant has experienced a loss of sales volume across the proposed Investigation Period due to the growth in volume of dumped goods imported from China. Evidence of lost sales volume is contained in CONFIDENTIAL ATTACHEMENTA-9.5.1.

(ii) **Loss of market share**

Figure A-9.1.8, above (reproduced below), illustrates quarterly trends for changes in market share for the Australian industry, dumped and subsidised imports from China, dumped imports from sources identified in *Dumping Investigation No. 264*, and imports from other countries,

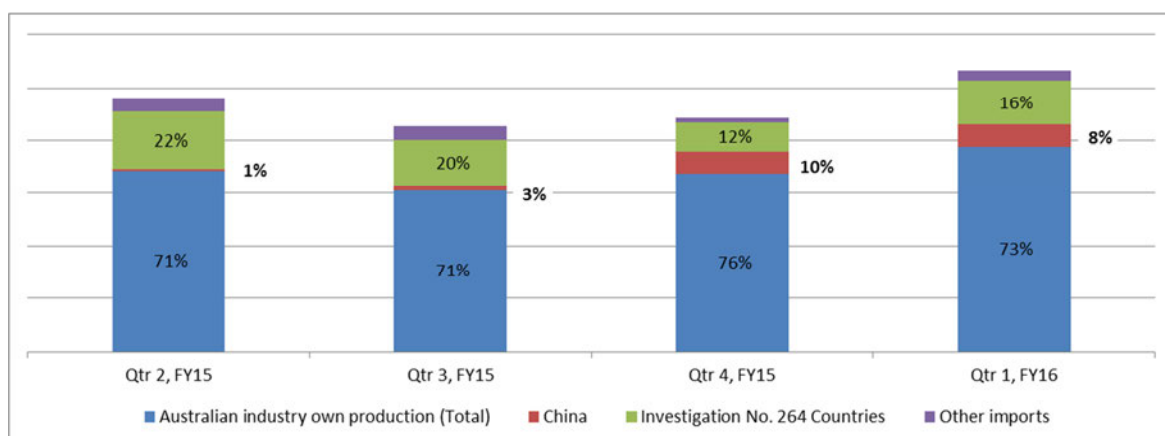


Table A-9.1.8 Australian market, market share, across proposed investigation period (Source: Appendix A2)

Table A-9.1.8 demonstrates that although, initially, the Australian industry gained from some of the loss of market share by importers of dumped product the subject of *Investigation No. 264*, by fiscal quarter 3, FY 2015, all market share lost by *Investigation No. 264* source countries was gained by importers of dumped Chinese goods. In other words, but for the growth in volume of dumped and subsidised imports from China, the Australian industry lost the opportunity to increase its market share, by at least 2%, following the decline in market share of imports from sources identified in *Investigation No. 264*. By fiscal quarter 1, FY2016, the Australian industry had lost almost all market share gain in the previous quarter to subsidised goods exported from China.

(c) **Value injury**

Further, the Australian industry is able to aggregate the total loss of sales value of rebar straights since the commencement of injury and dumping from China. This analysis is contained in CONFIDENTIAL ATTACHMENT A-9.5.1.

(d) **Conclusion**

In concluding whether or not the above injury factors caused by dumping and suffered by the Australian industry are considered to be 'material', the applicant refers to *Ministerial Direction on Material Injury* (Minister for Home Affairs, 27 April 2012), in relevant part:

"I note that anti-dumping or countervailing action is possible in cases where an industry has been expanding its market rapidly, and dumping or subsidisation has merely slowed the rate of the industry's growth, without causing it to contract. In cases where it is asserted that an Australian industry would have been more prosperous if not for the presence of dumped or subsidised imports, I direct that you be mindful that a decline in the industry's rate of growth may be just as relevant as the movement of an industry from growth to decline. I direct that it

is possible to find material injury where an industry suffers a loss of market share in a growing market without a decline in profits. As in all cases, a loss of market share cannot alone be decisive. I direct that a loss of market share should be considered with a range of relevant injury indicators before material injury may be established." [at pp. 3-4]

Applied here, on the evidence tendered, the Australian industry asserts that it has lost a material volume of sales and value, which if not for the dumped and subsidised imports would have resulted in higher prices, greater sales volume and overall value, market share and profitability.

Therefore, in summary, the applicant Australian industry submits that it has suffered material injury caused by dumping, as follows:

- Price depression;
- Price suppression;
- Price undercutting;
- Lost sales volume;
- Lost market share;
- Less than full capacity utilisation;
- Loss of employment;
- Loss of assets employed in the production of the like goods; and
- Loss of capital investment in the production of the like goods.

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6. Discuss factors other than dumped imports that may have caused injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping.

Other dumped imports: Dumping Investigation No. 264

The Australian industry notes the dumping investigation concerning goods meeting the description of this application from other sources, Korea, Malaysia, Singapore, Spain, Taiwan, Thailand and Turkey (*Dumping Investigation No. 264*).

The applicant has considered the possibility of material injury continuing to be caused by price undercutting by other sources of dumped imports identified in *Investigation No. 264*. In response, the applicant has compared price offers by importers of the dumped goods the subject of this application, dumped goods the subject of *Investigation No. 264*, and non-dumped goods from 'other exporters'. Figures A-9.2.3 and A-9.2.4, above (reproduced below), have traced the available price offers across the proposed investigation period for both rebar straights and rebar in coils.

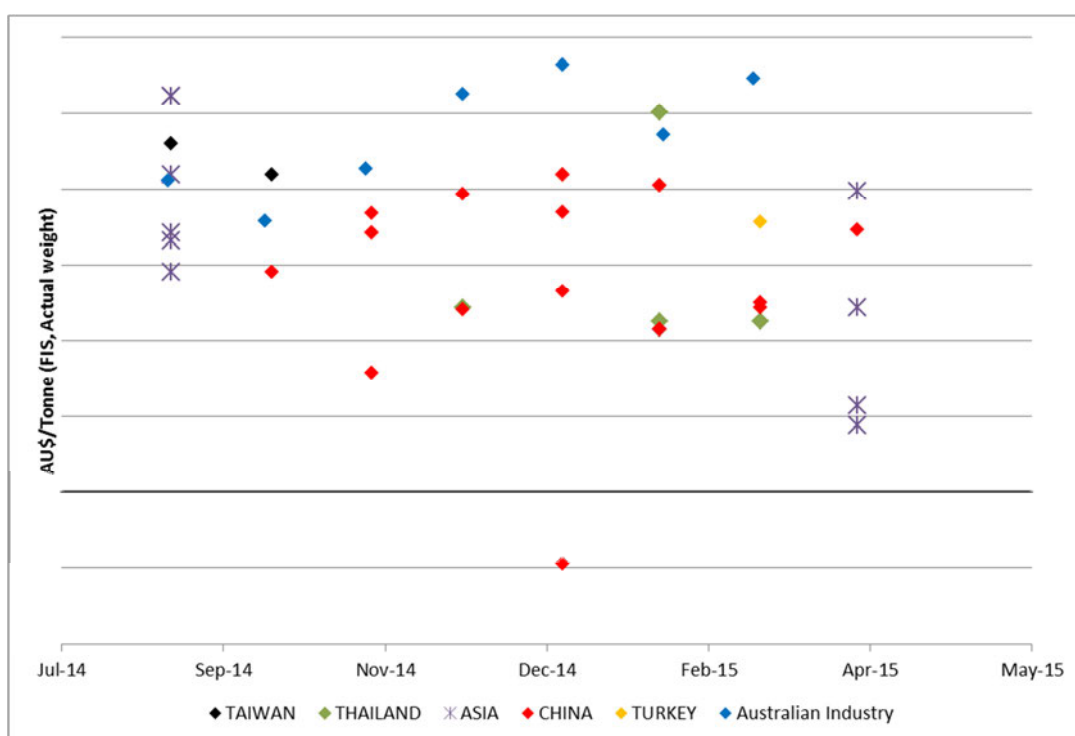


Figure A-9.2.3 Rebar straights: scatter diagram plotting prices of dumped and subsidised imports from China and Dumping Investigation No. 264 sources (AU\$/tonne, FIS, actual weight) (*CONFIDENTIAL ATTACHMENT A-9.2.1*) and applicant's sales (AU\$/tonne, FIS, actual weight) (*Appendix A4*) ($x\text{-intercept: } y \neq 0$)

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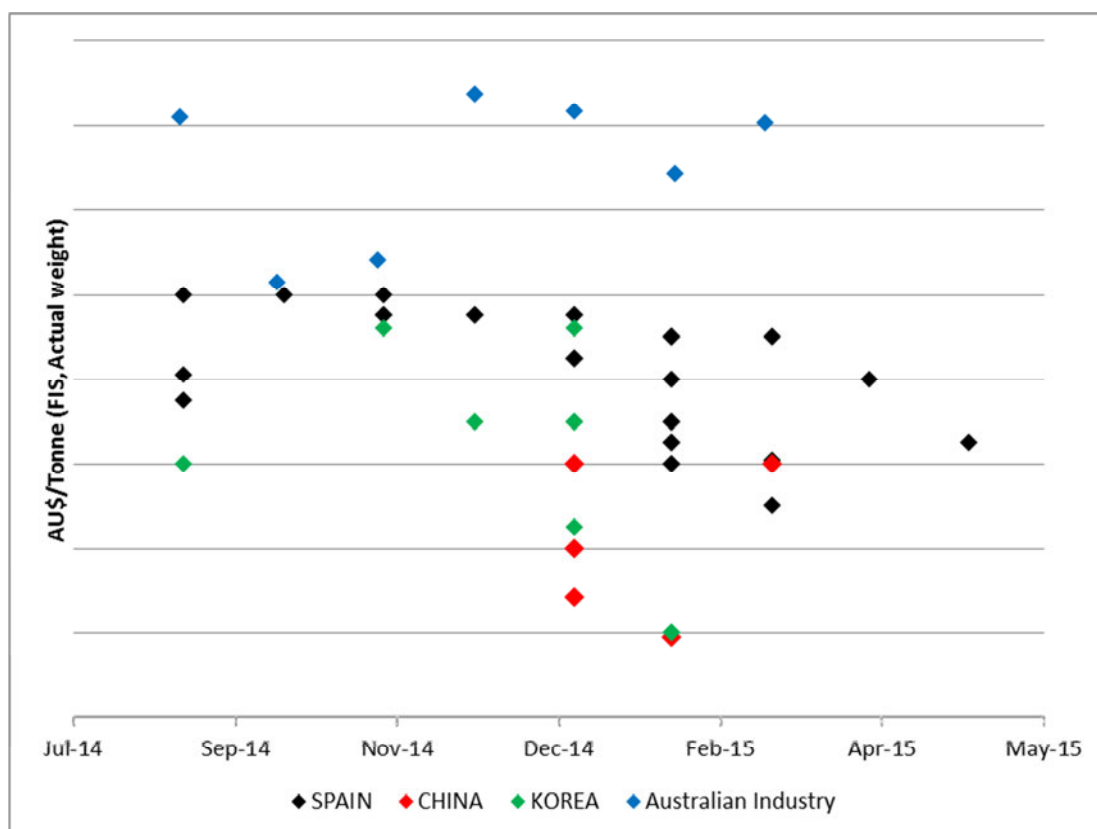


Figure A-9.2.4 Rebar in coils: scatter diagram plotting prices of dumped and subsidised imports from China and Dumping Investigation No. 264 sources (AU\$/tonne, FIS, actual weight) (CONFIDENTIAL ATTACHMENT A-9.2.1) and applicant's sales (AU\$/tonne, FIS, actual weight) (Appendix A4) x-intercept: y ≠ 0)

Where importers of the goods the subject of this application have made price offers into the Australian market, those price offers have consistently undercut offers from dumped imports the subject of *Dumping Investigation No.264*. Therefore, the dumped and subsidised imports from China have been the relevant source of injury to the Australian industry at all relevant times within the proposed Investigation Period.

7. **This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped imports, forecast their impact on your industry's economic condition. Use the data at appendix A2 (Australian market), appendix A6 (cost to make and sell), and appendix A7 (other economic factors) to support your analysis.**

The applicant anticipates that the exponential growth in the volume of the subsidised goods exported from China will continue to grow. It is noted that during the proposed Investigation Period, Chinese import volumes accounted for three times the entire volume of goods exported from China between 1 July 2010, and 30 June 2014. In fact, closer analysis of import volumes of the goods exported from China during the proposed Investigation Period reveals that in the second fiscal quarter, FY 2015, import volumes grew by (+)117%, and then again by (+)158% in the final quarter of the proposed Investigation Period.

There is no sign of abatement in this volume growth, with fiscal quarter 1, FY 2016 demonstrating record volumes of subsidised goods exported from China.

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PART B

DUMPING

IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

For advice about completing this part please contact the Commission's client support section on:

Phone: 1300 884 159
Fax: 1300 882 506
Email: clientsupport@adcommission.gov.au

B-1 Source of exports.

1. Identify the country(ies) of export of the dumped goods.

This application constitutes a request for the publication of a countervailing duty notice only.

Therefore, this question is not applicable.

2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.

Not applicable. Refer *section B-1.1*, above.

3. If the source of the exports is a non-market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.

Not applicable. Refer *section B-1.1*, above.

4. Where possible, provide the names, addresses and contact details of:

- producers of the goods exported to Australia;
- exporters to Australia; and
- importers in Australia.

Producers/Exporters

Not applicable. Refer *section B-1.1*, above.

Importers in Australia

Not applicable. Refer *section B-1.1*, above.

5. If the import volume from each nominated country at Appendix A.2 (Australian Market) does

Not applicable. Refer *section B-1.1*, above.

6. In the case of an application for countervailing measures against exports from a developing country, if the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application

Not applicable.

B-2 Export price

Possible sources of information on export price include export price lists; estimates from the Australian Bureau of Statistics; a deductive export price calculation from the Australian selling price of the imported goods; export sales quotations or invoices; foreign government export trade clearances.

1. Indicate the FOB export price(s) of the imported goods. Where there are different grades, levels of trade, models or types involved, an export price should be supplied for each.

Not applicable. Refer *section B-1.1*, above.

2. Specify the terms and conditions of the sale, where known.

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Not applicable. Refer *section B-1.1*, above.

3. **If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. Appendix B1 (Deductive Export Price) can be used to assist your estimation.**

Not applicable. Refer *section B-1.1*, above.

4. **It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.**

Not applicable. Refer *section B-1.1*, above.

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B-3 Selling price (normal value) in the exporter's domestic market.

Possible sources of information about domestic selling prices in the country of export include: price lists for domestic sales (with information on discounts); actual quotations or invoices relating to domestic sales; published material providing information on the domestic selling prices; or market research undertaken on behalf of the applicant.

1. **State the selling price for each grade, model or type of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.**

Not applicable.

2. **Specify the terms and conditions of the sale, where known.**

Not applicable.

3. **Provide supporting documentary evidence.**

Not applicable.

4. **List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.**

Not applicable.

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B-4 Estimate of normal value using another method.

This section is not mandatory. It need only be completed where there is no reliable information available about selling prices in the exporter's domestic market. Other methods of calculating a normal value include:

- the cost to make the exported goods plus the selling and administration costs (as if they were sold in the exporter's domestic market) plus an amount for profit (if applicable);
- OR
- the selling price of like goods from the country of export to a third country.

- 1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).**

Not applicable.

- 2. Provide supporting documentary evidence.**

Not applicable.

B-5 Adjustments.

A fair comparison must be made between the export price and the normal value. Adjustments should be made for differences in the terms and circumstances of the sales such as the level of trade, physical characteristics, taxes or other factors that affect price comparability.

- 1. Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.**

Not applicable.

- 2. State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.**

Not applicable.

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B-6 Dumping margin.

1. **Subtract the export price from the normal value for each grade, model or type of the goods (after adjusting for any differences affecting price comparability).**

This application constitutes a request for the publication of a countervailing duty notice only. Therefore, this question is not applicable.

2. **Show dumping margins as a percentage of the export price.**

Not applicable.

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PART C

SUPPLEMENTARY SECTION

IMPORTANT

Replies to questions in Part C are not mandatory in all instances, but may be essential for certain applications.

For advice about completing this part please contact the Commission's client support section on:

Phone: 1300 884 159
Fax: 1300 882 506
Email: clientsupport@adcommission.gov.au

C-1 Subsidy

This section must be completed where countervailing duties are sought to offset foreign government assistance through subsidies to exporters or producers.

If the application is for countervailing duty alone, the domestic price information required by Part B of the application need not be supplied.

Responses to questions A-9 will need to identify the link between subsidisation and injury.

1. Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:

- (i) the nature and title of the subsidy;**
- (ii) the government agency responsible for administering the subsidy;**
- (iii) the recipients of the subsidy; and**
- (iv) the amount of the subsidy.**

The goods the subject of the application are exported from the Peoples' Republic of China ("China").

In summary, the following countervailable subsidy programs are alleged to benefit Chinese producers/exporters of rebar.

CATEGORY ONE: PROVISION OF GOODS

- Program 1: Billet provided by government at less than adequate remuneration
- Program 2: Coking coal provided by government at less than adequate remuneration
- Program 3: Coke provided by government at less than adequate remuneration
- Program 4: Electricity provided by Government at less than adequate remuneration

CATEGORY TWO: PREFERENTIAL TAX POLICIES

- Program 5: Preferential Tax Policies for High and New Technology Enterprises
- Program 6: Preferential Tax Policies in the Western Regions
- Program 7: Land Use Tax Deduction
- Program 8: Tariff and VAT Exemptions on Imported Materials and Equipment
- Program 9: VAT refund on comprehensive utilization of resources

CATEGORY THREE: Financial Grants

- Program 10: One-time Awards to Enterprises Whose Products Qualify for "Well-Known Trademarks of China" and "Famous Brands of China"
- Program 11: Matching Funds for International Market Development for small and medium size enterprises (SMEs)
- Program 12: Superstar Enterprise Grant
- Program 13: Research and Development (R&D) Assistance Grant
- Program 14: Patent Award of Guangdong Province
- Program 15: Innovative Experimental Enterprise Grant
- Program 16: Special Support Fund for Non-State-Owned Enterprises
- Program 17: Venture Investment Fund of Hi-Tech Industry
- Program 18: Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment
- Program 19: Grant for Key Enterprises in Equipment Manufacturing Industry of Zhongshan
- Program 20: Water Conservancy Fund Deduction
- Program 21: Wuxing District Freight Assistance
- Program 22: Huzhou City Public Listing Grant
- Program 23: Huzhou City Quality Award
- Program 24: Huzhou Industry Enterprise Transformation & Upgrade Development Fund
- Program 25: Wuxing District Public List Grant

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Program 26: Anti-dumping Respondent Assistance
Program 27: Technology Project Assistance
Program 28: Transformation technique grant for rolling machine
Program 29: Grant for Industrial enterprise energy management - centre construction demonstration project Year 2009
Program 30: Key industry revitalization infrastructure spending in 2010
Program 31: Provincial emerging industry and key industry development special fund
Program 32: Environmental protection grant
Program 33: Environmental protection fund
Program 34: Intellectual property licensing
Program 35: Financial resources construction - special fund
Program 36: Reducing pollution discharging and environment improvement assessment award
Program 37: Grant for elimination of out dated capacity
Program 38: Grant from Technology Bureau
Program 39: High and New technology Enterprise Grant
Program 40: Independent Innovation and High Tech Industrialization Program
Program 41: Environmental Prize
Program 42: Jinzhou District Research and Development Assistance Program

CATEGORY FOUR: Equity programs

Program 43: Debt for equity swaps
Program 44: Equity infusions
Program 45: Unpaid dividends

CATEGORY FIVE: PREFERENTIAL LOANS AND INTEREST RATES TO PRODUCERS/EXPORTERS OF REBAR

Program 46: Preferential loans and interest rates

CATEGORY SIX: MISCELLANEOUS PROGRAMS DISCLOSED IN THE ANNUAL REPORT OF SHANDONG IRON AND STEEL CO., LTD.

Program 47: Project: Shortage of coke oven gas heat efficient return Development and Application Technology
Program 48: Project: Finance Bureau of independent innovative technology funds (seabed pipeline steel)
Program 49: Project: The first batch of industry and information technology development funds FY2014
Program 50: Project: Second five special funds for the national support program
Program 51: Project: Major technical equipment special plate manufacturing support fund
Program 52: Project: The second batch of key industrial adjustment and revitalization and transformation funds FY2009
Program 53: Project: Industrial enterprise energy management center demonstration project construction FY 2009
Program 54: Project: Coke ovens 1 - 5, Gas desulfurization renovation project
Program 55: Project: Industrial park wastewater treatment and reuse project funding
Program 56: Project: 2011 environmental protection special fund
Program 57: Project: Special funds for energy conservation
Program 58: Project: Coke oven gas desulfurization improvement project
Program 59: Project: Special promotion with steel caster reconstruction funds for support
Program 60: Project: Water Reuse project
Program 61: Project: 2010 key industry revitalization and transformation
Program 62: Project: Energy power plant waste heat heating reconstruction project grants
Program 63: Project: 320 sintering flue gas desulfurization project environmental protection funds
Program 64: Project: 400 sintering desulphurization funds
Program 65: 2012 annual special funds for energy
Program 66: Coke ovens No. 1, 2 & 5 tampers top-loading change project

Program 67:	Project: 2010 provincial emerging industries and key industries Development Special Fund Project
Program 68:	Regional Government economic incentives
Program 69:	Set aside safety production capital Jinan City Bureau of Finance
Program 70:	Nanshi Bureau of Water Resources water consumption units appraisal award funds
Program 71:	City key projects mentioned standard award
Program 72:	E420 marine platform steel research and application projects
Program 73:	Xuejiadao financial and tax refund payments
Program 74:	Jinan City Bureau of Finance Cleaner Production special funds
Program 75:	Security special funds
Program 76:	Patent Development Grant funds
Program 77:	Shandong Huimin Technology Development Co., Ltd. R & D funding
Program 78:	National Pillar Program special funds
Program 79:	Government allocated Industry Enterprises Award
Program 80:	Enterprise workers vocational training allowance
Program 81:	Municipal Export trade and economic development guide funds
Program 82:	Income received from Commerce Bureau in 2012 to guide the development of foreign trade financing
Program 83:	2013 annual export credit insurance subsidies 9.12
Program 84:	2013 municipal foreign trade development guide funds
Program 85:	Two by one guarantee fund to support foreign trade
Program 86:	The financial return of funds

Details of the above identified programs form NON-CONFIDENTIAL ATTACHMENT C-1.

C-2. Threat of material injury

Address this section if the application relies solely on threat of material injury (ie where material injury to an Australian industry is not yet evident).

- 1. Identify the change in circumstances that has created a situation where threat of material injury to an Australian industry from dumping/subsidisation is foreseeable and imminent, for example by having regard to:**
 - 1. the rate of increase of dumped/subsidised imports;**
 - 2. changes to the available capacity of the exporter(s);**
 - 3. the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;**
 - 4. inventories of the product to be investigated; or**
 - 5. any other relevant factor(s).**

The Australian industry submits that a Preliminary Affirmative determination ("PAD") imposing provisional measures is necessary to minimise any future threat of material injury from the subsidised and injurious exports.

- 2. If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that the threat is both foreseeable and imminent.**

OneSteel would like to highlight with the Commission that exports from the nominated country have increased by (+)7,012% across the injury analysis period, and export prices have fallen by (-)15% over that period. In the event that the dumped and injurious exports continue to grow in volume on annual basis, the Australian industry will experience reductions in profits and profitability.

C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Commission's client support section before completing this section.**

1. Fully describe the locally produced raw agricultural goods.

Rebar is not a raw agricultural product.

2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.

As indicated above, rebar is not a raw agricultural good. This question does not apply.

3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.

Not applicable.

4. Provide information to establish either:

- a close relationship between the price of the raw agricultural goods and the processed agricultural goods; or
- that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.

Not applicable.

C-4. Exports from a non-market economy

Complete this section only if exports from a non-market economy are covered by the application. The domestic price information required by Part B of the application need not be supplied if this question is answered.

Normal values for non-market economies may be established by reference to selling prices or to costs to make and sell the goods in a comparable market economy country.

1. Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.

China is not considered a 'non-market economy' country. This question is not applicable to the goods the subject of this application.

2. Nominate a comparable market economy to establish selling prices.

Not applicable.

3. Explain the basis for selection of the comparable market economy country.

Not applicable.

4. Indicate the selling price (or the cost to make and sell) for each grade, model or type of the goods sold in the comparable market economy country. Provide supporting evidence.

Not applicable.

C-5 Exports from an 'economy in transition'

An 'economy in transition' exists where the government of the country of export had a monopoly, or substantial monopoly, on the trade of that country (such as per question C-4) and that situation no longer applies.

Complete this section only if exports from an 'economy in transition' are covered by the application. Applicants are advised to contact the Commission's client support section before completing this section

1. Provide information establishing that the country of export is an 'economy in transition'.

China is not considered to be an 'economy in transition' for the purposes of Australia's anti-dumping law. This question is not applicable.

2. A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.

Not applicable.

3. Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.

Not applicable.

4. Estimate a 'normal value' for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.

Not applicable.

C-6 Aggregation of Volumes of dumped goods

Only answer this question if required by question B-1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	Quantity	%	Value	%
All imports into Australia		100%		100%
Country A*				
Country B*				
etc*				
Total				

* Only include countries that account for less than 3% of all imports (or 4% in the case of subsidised goods from developing countries). Use the data at [Appendix A.2](#) (Australian Market) to complete the table.

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Exports from China account for more than 3 per cent of the total import volume into Australia during the nominated Investigation Period (1 October 2014 to 30 September 2015). This question is therefore not applicable.

APPENDICES

Appendix A1	Australian Production
Appendix A2	Australian Market
Appendix A3	Sales Turnover
Appendix A4	Domestic Sales
Appendix A5	Sales of Other Production
Appendix A6.1	Cost to Make and Sell (& profit) Domestic Sales
Appendix A6.2	Cost to Make and Sell (& profit) Export Sales
Appendix A7	Other Injury Factors