



Australian Government
Department of Industry,
Innovation and Science

Anti-Dumping
Commission

CUSTOMS ACT 1901 - PART XVB

REPORT NO. 471

**ACCELERATED REVIEW OF
A DUMPING DUTY NOTICE APPLYING TO
STEEL REINFORCING BAR
EXPORTED TO AUSTRALIA FROM
THE KINGDOM OF THAILAND BY
THE SIAM CONSTRUCTION STEEL CO., LTD**

July 2018

CONTENTS

ABBREVIATIONS..... 3

1 SUMMARY AND RECOMMENDATIONS..... 4

1.1 INTRODUCTION 4

1.2 APPLICATION OF LAW TO FACTS 4

1.3 FINDINGS AND RECOMMENDATIONS..... 4

2 BACKGROUND 6

2.1 THE GOODS 6

2.2 THE ACCELERATED REVIEW PROCESS 6

2.3 EXISTING MEASURES..... 7

2.4 THE CURRENT REVIEW 7

2.5 RESPONSE TO THE EXPORTER QUESTIONNAIRE 9

2.6 EXPORTER QUESTIONNAIRE VERIFICATION 9

2.7 PUBLIC RECORD 9

3 ASSESSMENT OF VARIABLE FACTORS 10

3.1 FINDINGS 10

3.2 CIRCUMSTANCES OF SCSC'S PRODUCTION AND SALE OF LIKE GOODS 10

3.3 EXPORT PRICE..... 10

3.4 DOMESTIC SALES 11

3.5 ADJUSTMENTS TO NORMAL VALUE 13

3.6 NORMAL VALUE 16

3.7 NON-INJURIOUS PRICE 17

3.8 DUMPING MARGIN 17

4 FINDINGS AND PROPOSED RECOMMENDATIONS 18

4.1 PROPOSED RECOMMENDATIONS..... 18

4.2 PROPOSED FORM OF DUTY 18

5 APPENDICIES AND ATTACHMENTS 19

PUBLIC RECORD

ABBREVIATIONS

ACRS	Australasian Certification Authority for Reinforcing and Structural Steels Ltd
the Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
the Assistant Minister	the Assistant Minister for Science, Jobs and Innovation
AS/NZS 4671:2001	Australian Standard <i>AS/NZS 4671:2001 Steel Reinforcing Materials</i>
the Commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
Dumping Duty Act	<i>Customs Tariff (Anti-Dumping) Act 1975</i>
the goods	the goods the subject of the application, steel reinforcing bar
IDD	interim dumping duty
NIP	non-injurious price
NTS	N.T.S. Steel Group Public Company Limited
REP 418	Anti-Dumping Commission Report No. 418
REQ	response to the exporter questionnaire
the review period	1 January 2017 to 31 December 2017
SCSC, the applicant	The Siam Construction Steel Co., Ltd
TIS 24-2548	Thai Standard <i>TIS 24-2548 Steel bars for reinforced concrete</i>

1 SUMMARY AND RECOMMENDATIONS

1.1 Introduction

This final report has been prepared in response to an application under section 269ZF of the *Customs Act 1901*¹ (the Act) from The Siam Construction Steel Co., Ltd (SCSC, the applicant) seeking an accelerated review of the dumping duty notice applying to steel reinforcing bar (rebar or the goods) exported to Australia from the Kingdom of Thailand (Thailand), in so far as it affects SCSC.

This report sets out the facts on which the Commissioner of the Anti-Dumping Commission (the Commissioner) is basing his recommendations to the Assistant Minister for Science, Jobs and Innovation (Assistant Minister).²

1.2 Application of law to facts

Division 6 of Part XVB provides for eligible parties to apply for an accelerated review. This Division, among other matters:

- sets out the procedures to be followed and the matters to be considered by the Commissioner in conducting accelerated reviews for the purpose of making a report to the Assistant Minister; and
- empowers the Assistant Minister, after consideration of such reports, to leave the dumping duty notice unchanged, or to declare that the notice have effect with regard to the applicant as if different variable factors had been specified.

Subsection 269ZE(1) sets out that a new exporter may apply for an accelerated review. A new exporter is defined in subsection 269T(1) as an exporter who did not export such goods to Australia at any time during the investigation period in relation to the application for the dumping duty notice.

1.3 Findings and recommendations

Based on all relevant and available information, the Commissioner, in relation to the variable factors in so far as SCSC is affected, recommends that:

- the normal value be established by reference to domestic sales by other sellers which were arms length transactions and in the ordinary course of trade during the review period (1 January 2017 to 31 December 2017), with relevant adjustments;³

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

² On 20 December 2017 the Prime Minister appointed the Parliamentary Secretary to the Minister for Jobs and Innovation as the Assistant Minister for Science, Jobs and Innovation. For the purposes of this decision the Minister is the Assistant Minister.

³ Subsections 269TAC(1) and (8).

PUBLIC RECORD

- as SCSC did not export the goods to Australia during the review period, the export price be determined having regard to all relevant information, being equal to the normal value;⁴
- the non-injurious price (NIP) be equal to the normal value; and
- the amount of interim dumping duty (IDD) payable be calculated by reference to the floor price duty method.⁵

The Anti-Dumping Commission (the Commission) considers that, where it is found that an exporter has not dumped the goods as part of an accelerated review, the floor price duty method is the most appropriate form of duty. As a result, dumping duty will only be payable if SCSC exports the goods at a price below the ascertained normal value.

⁴ Subsection 269TAB(3).

⁵ Subsections 5(4) and (5) of the *Customs Tariff (Anti-Dumping) Regulation 2013*.

2 BACKGROUND

2.1 The goods

2.1.2 Description

The goods the subject of the 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 regardless of the particular grade, alloy content or coating.

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

2.1.3 Tariff classification

The goods are generally, but not exclusively, classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*.

Tariff Subheading	Statistical Code
7213.10.00	42
7214.20.00	47
7227.90.10	69
7227.90.90	01, 02, 04
7227.90.90	42
7228.30.10	70
7228.30.90	40
7228.60.10	72

2.2 The accelerated review process

If a dumping duty notice or a countervailing duty notice has been published in respect of certain goods, a new exporter, as defined in subsection 269T(1), may request an accelerated review of those measures in so far as they affect that exporter.

If an application for an accelerated review of anti-dumping measures is received and not rejected, the Commissioner has up to 100 days after the application is lodged to conduct his review and complete a report for the Assistant Minister.⁶

Under subsection 269ZG(1), the Commissioner must, after considering the application and making such inquiries as the Commissioner thinks appropriate, recommend to the Assistant Minister that the notice the subject of the application:

- remain unaltered; or
- be altered so as to apply to the applicant as if different variable factors had been fixed.

Following the Assistant Minister's decision, a notice is published on the Commission website advising of the decision.

2.3 Existing measures

2.3.1 The original investigation

On 16 June 2017, an investigation into the alleged dumping of rebar exported to Australia from various countries including Thailand was initiated following an application lodged by OneSteel Manufacturing Pty Ltd, now trading under the business name Liberty OneSteel (referred to in this report as OneSteel). In that investigation, as outlined in *Anti-Dumping Commission Report No. 418* (REP 418), it was found that, in relation to Thailand:

- exports of the goods from Millcon PLC were at dumped prices, with a dumping margin of 9.3 per cent;
- for all other exporters, the goods were exported at dumped prices, with a dumping margin of 11.9 per cent;
- the dumped goods caused material injury to the Australian industry producing like goods (OneSteel); and
- continued dumping may cause further material injury to the Australian industry (OneSteel).

Accordingly, the Commissioner recommended that the Assistant Minister impose anti-dumping measures on the goods exported from Thailand. The recommendation was accepted and, on 7 March 2018, public notice of the decision was published on the Commission's website (Anti-Dumping Notice (ADN) No. 2018/10 refers).

2.4 The current review

On 29 March 2018, SCSC, as a new exporter, lodged an application for an accelerated review of the dumping duty notice applying to the goods exported to Australia from Thailand in so far as the notice affects SCSC.

⁶ Subsection 269ZG(2) refers.

2.4.1 New exporter status

Subsection 269ZE(1) outlines the circumstance in which a new exporter may seek an accelerated review.

A new exporter is defined in subsection 269T(1) as, in relation to the goods the subject of the application for a dumping notice or like goods, an exporter who did not export such goods to Australia at any time during the investigation period in relation to the application. Subsection 269T(1) also defines 'application' in relation to a dumping duty notice as meaning an application for the publication of such a notice.

To fall within the definition of a new exporter, the period within which the applicant must not have exported the goods to Australia is 1 April 2016 to 31 March 2017 (the investigation period for the original investigation).

In order to establish the applicant's status as a new exporter, the Commission assessed the data available to the original investigation and conducted a search of the Australian Border Force's import database. The Commission's examination did not reveal the applicant as being a supplier of the goods during the investigation period for the original investigation.

The Commission also sought to establish that the applicant was not related to an exporter whose exports were examined in relation to the application for publication of the notice.⁷

After an examination of publically available company information and the Australian Border Force import database, the Commission found no evidence that the applicant, under its current or any former names, was related to an exporter whose exports were examined during the original investigation period.

2.4.2 Commission assessment of application

The Commission examined the application and considered that:

- the circumstances in which an accelerated review can be sought under subsection 269ZE(1) were satisfied;
- the conditions for rejection under subsection 269ZE(2) were not satisfied;
- the application satisfied the requirements set out in subsection 269ZF(1); and
- the application was lodged in accordance with subsection 269ZF(2).

Accordingly, the Commissioner did not reject the application and commenced the accelerated review. The Commissioner's decision was publicly notified in ADN No. 2018/62, which was published on 18 April 2018 and provides further details in relation to the Commission's consideration of the application. ADN No. 2018/62 should be read in conjunction with this report and is available on the public record.

The review period for this accelerated review is 1 January 2017 to 31 December 2017 (review period).

⁷ Subsection 269ZE(2)(b) refers.

2.5 Response to the exporter questionnaire

Following receipt of the application, the Commission sent an exporter questionnaire to SCSC for completion. SCSC provided a response to the exporter questionnaire (REQ) within the requested timeframe. A non-confidential version of the REQ is available on the public record.⁸

The Commission reviewed the REQ and determined that it did not contain any deficiencies that would prevent the Commission from conducting a verification of the data contained in the response.

2.6 Exporter questionnaire verification

In June 2018 the Commission visited SCSC at its parent company's head office in Bangkok and undertook a tour of its manufacturing facilities at Rayong, south of Bangkok. The majority of the verification was conducted at the parent company's head office on the basis that this is where the financial records relevant to the verification were located.

Details of this verification process are contained in the verification report which was published on the case public record.⁹

2.7 Public record

There is no legislative requirement for the Commissioner to maintain a public record for accelerated reviews. However, in the interests of ensuring the process is conducted in an open and transparent manner, a public record for this accelerated review has been maintained and is accessible on the Commission website at www.adcommission.gov.au.

⁸ Case No.471 Public Record Item No.3

⁹ Case No.471 Public Record Item No.5

3 ASSESSMENT OF VARIABLE FACTORS

3.1 Findings

On the basis of SCSC's REQ and the Commission's verification of information in the REQ, the Commissioner is satisfied that SCSC is a manufacturer of like goods. The Commissioner is satisfied that the variable factors insofar as they affect SCSC, have changed.

3.2 Circumstances of SCSC's production and sale of like goods

3.2.1 Status as a manufacturer

SCSC provided evidence of its production volumes, sales data, and details of costs to make and sell in its REQ. Based on the information that SCSC provided, the Commission is satisfied that SCSC is a manufacturer of rebar.

3.2.2 Like goods

Subsection 269T(1) defines like goods as:

goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.

Since SCSC did not export the goods to Australia during the review period, there are no goods available to compare to the goods produced by SCSC for sale on its domestic market in order to assess whether the goods it produces ought to properly be considered "like".

However, in readying itself for entry into the Australian rebar market SCSC has obtained accreditation from the Australasian Certification Authority for Reinforcing and Structural Steels Ltd (ACRS) in relation to the rebar products it plans to export to Australia.

SCSC has obtained ACRS accreditation in relation to straight rebar manufactured to Australian Standard AS/NZS 4671:2001. The scope of SCSC's ACRS accreditation covers straight rebar in diameters 10mm, 12mm and 16mm to grade 500N and 500E (**Non-confidential Attachment 1 refers**). An examination of SCSC's domestic rebar sales found that it sold straight rebar in the same or similar grade and diameter to the rebar covered by its ACRS accreditation.

In the Commission's view, the products sold on the domestic market either are identical or have characteristics that closely resemble the goods that SCSC would likely export to Australia. Accordingly, the Commission is satisfied that the goods produced by SCSC for sale on its domestic market are "like goods".

3.3 Export price

The Commission has found that SCSC did not export the goods to Australia during the accelerated review period. As such, the export price of the goods cannot be determined under subsection 269TAB(1).

Specifically, sufficient information is not available to determine the export price of the goods using:

- the price paid or payable by the importer;¹⁰
- the price in Australia less prescribed deductions;¹¹ or
- the price having regard to all the circumstances of the exportation.¹²

Therefore, the Commission has determined an export price under subsection 269TAB(3) having regard to all relevant information.

The Commission considers it appropriate to determine the ascertained export price to be the same amount as that determined to be the normal value for the purposes of this accelerated review.

3.4 Domestic Sales

3.4.1 Domestic sale of like goods

Subsection 269TAC(1) provides that:

the normal value of any goods exported to Australia is the price paid or payable for like goods sold in the ordinary course of trade for home consumption in the country of export in sales that are arms length by the exporter or, if the goods are not sold by the exporter, by other sellers of the like goods.

The Commission's assessment of SCSC's domestic sales of like goods revealed that its sales are to a related party NTS. NTS then on-sells those goods to the final customer in Thailand. The pricing arrangement between SCSC and NTS involves certain conditions whereby the price received by SCSC for the goods sold by NTS on its behalf involves a mark down on the market price achieved by NTS.

3.4.2 Assessment of arms length transactions

In accordance with subsection 269TAA(1)(b), the purchase or sale of goods shall not be treated as an arms length transaction if;

the price appears to be influenced by a commercial or relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller.

The Commission's *Dumping and Subsidy Manual* (the Manual) at section 5.2 further explains that the Commission will examine the relevant information in order to determine whether there has been genuine bargaining between buyer and seller.

¹⁰ Subsection 269TAB(1)(a).

¹¹ Subsection 269TAB(1)(b).

¹² Subsection 269TAB(1)(c).

PUBLIC RECORD

Verification of SCSC's domestic rebar sales established that:

- SCSC's customer for its domestic rebar sales was a related party, NTS;
- SCSC does not sell directly into the Thai domestic market, rather, NTS purchases rebar from SCSC and then on-sells those like goods to unrelated customers in the Thai domestic market;
- the price received by SCSC from NTS on its rebar sales to NTS are the result of a mark down applied to the price that NTS received for its sales of rebar to unrelated customers; and
- the price received by SCSC from NTS was not negotiated between SCSC and its customer, i.e. NTS. It was actually negotiated by SCSC's parent company sales team at Tata Steel Thailand (TST).

With respect to the above, the Commission is satisfied that, the price of the transactions between SCSC and NTS:

- were influenced by the commercial relationship between SCSC and NTS; and
- were not the result of a negotiation between SCSC and NTS.

The Commission is therefore satisfied that the price between SCSC and NTS on SCSC's domestic rebar sales were subject to the circumstance described in subsection 269TAA(1)(b) and these sales should not be treated as arms length transactions.

Domestic like goods sales reported by SCSC are provided at **Confidential Appendix 1**.

3.4.3 Suitability of sales by other sellers of the like goods

Notwithstanding that SCSC's domestic rebar sales are not considered appropriate for determining a normal value under subsection 269TAC(1), if domestic sales information from other sellers is available in the country of export, the Commission will consider this information before turning to the other methods for establishing normal value.¹³

The Manual at Chapter 8 provides guidance in relation to when it is considered appropriate to base an exporter's normal value on other seller's domestic sales. In examining whether a normal value based on domestic sales by other sellers can be calculated, the Commission examines whether those sales are 'suitable' and 'relevant' for the purpose of determining a price under subsection 269TAC(1) by having regard to the considerations set out in subsection 269TAC(2)(a).

To evaluate whether the other sellers prices are suitable, section 8.3 in the Manual describes a range of factors to which the Commission will have regard. In the case of this review, the other seller being considered is NTS. The Commission considers it appropriate that SCSC's normal value is established using domestic sales of like goods reported by NTS (the other seller) on the basis of the following:

¹³ Section 8.2, "Policy", Dumping and Subsidy Manual April 2017, p.38

PUBLIC RECORD

- NTS and SCSC both applied for an accelerated review at the same time and are being assessed with respect to the same review period (see *Anti-Dumping Commission Report No. 472*);
- NTS provided a fully completed exporter questionnaire response which was verified by the Commission for the purpose of its accelerated review application¹⁴;
- NTS is also a producer of like goods;
- being related parties through common parent company ownership, disclosure of confidential information between SCSC and NTS is not at issue;
- domestic rebar sales by NTS were to unrelated customers and are considered by the Commission to be arms length transactions;
- after comparing the CTMS reported by SCSC to the relevant domestic sales reported by NTS, the sales of the like goods reported by NTS were observed to be in the ordinary course of trade;
- since SCSC has not exported rebar to Australia, the volume of domestic sales reported by NTS does not preclude the Commission from using these sales as a basis for determination of a normal value for SCSC¹⁵;
- domestic sales of like goods sold to NTS by SCSC, which were comparable to the specification of rebar covered by SCSC's ACRS accreditation, were on-sold by NTS and could be readily identified in the domestic sales data provided by NTS;
- NTS' sales are considered suitable and relevant on the basis that the circumstances referred to in subsection 269TAC(2)(a), in relation to the absence of or a low volume of sales of like goods, or the presence of market situation, do not apply.

3.4.4 Assessment of domestic sales by other sellers

Having regard to the above, the Commission is satisfied that there is a sufficient volume of domestic sales of like goods, by other sellers (i.e. NTS), that were arms length transactions and at prices that were in the ordinary course of trade. The Commission is therefore satisfied that the prices paid in respect of domestic sales of like goods by other sellers are suitable for assessing the normal value for SCSC under subsection 269TAC(1).

The CTMS data relevant to the other seller is provided at **Confidential Appendix 2**. The Commission's assessment of NTS' domestic sales is provided at **Confidential Appendix 3**.

3.5 Adjustments to normal value

To ensure the normal value is comparable to the export price of goods which would be exported to Australia at free on board (FOB) terms, i.e. goods covered by SCSC's ACRS accreditation, the Commission has found it necessary to make several adjustments in accordance with subsection 269TAC(8). The findings in relation to adjustments have not

¹⁴ The circumstances outlined in subsection 269TAC(2)(b) in relation to the information being obtained in relation to other sellers being practicable and within a reasonable time, do not apply.

¹⁵ Subsection 269TAC(14) refers

deviated from the findings contained in the SCSC verification report at chapter six.¹⁶ For the purpose of this report, the Commission re-states these findings below.

3.5.1 Downwards adjustment for domestic credit

The Commission considers that a downward adjustment to the normal value for domestic credit is necessary to ensure a fair comparison to FOB export prices. However, since the domestic sales transactions reported by SCSC have not been found to be arms length transaction, the cost of domestic credit incurred in relation to SCSC's domestic sales has not been applied.

Consistent with the Commission's approach of utilising NTS' domestic sales for calculating SCSC's normal value, the Commission has applied the adjustment for domestic credit based on the number of credit days listed for each domestic transaction reported by NTS in its domestic sales listing (**Confidential Attachment 3 refers**). The Commission has applied the rate for short term borrowings from financial institutions identified at Note 16 in NTS' draft financial statements for the year ending 31 March 2018.

The Commission therefore considers it necessary to make a downwards adjustment to the normal value under subsection 269TAC(8) to account for the credit term difference between the like goods sold domestically and the goods exported to Australia.

3.5.2 Adjustment for packing costs

The Commission established at verification that there is no difference in packaging costs between domestic sales of TIS 24-2548 grade SD50 and possible exports to Australia of AS/NZS 4671 grade 500N.¹⁷ As such, no adjustment for packing cost differences is necessary.

3.5.3 Downwards adjustment for inland transport

The Commission considers that a downward adjustment for domestic inland freight is required, to ensure a fair comparison to a FOB export price. Consistent with the application of other sellers' domestic sales to determine SCSC's normal value, the Commission has used the verified domestic inland freight expense identified in the domestic sales listing for NTS as the basis of the adjustment.

3.5.4 Upwards adjustments – export inland transport and handling

The Commission considers that an upward adjustment for export inland freight expenses is required, to ensure a fair comparison to an FOB export price.

As SCSC did not export to Australia during the review period, the Commission has had regard to SCSC's third country exports as a measure of export inland freight. SCSC explained that only certain exports of like goods were made by ship (all others made by road transport). SCSC provided details of the costs incurred in transporting those third

¹⁶ Case No.471 Public Record Item No.6

¹⁷ Section 5.2.1, Case No.471 Public Record Item No.6

country exports from the plant to the nearby port in Rayong. The evidence included invoices and proof of payment.

The Commission considered that the evidence provided by SCSC in relation to its third country export inland freight was relevant and reliable for the purpose of estimating export inland freight for potential exports to Australia. The Commission calculated a weighted average cost per tonne for export inland freight and considers this amount should be included in calculating a normal value expressed at FOB delivery terms.

3.5.5 Upwards adjustments – Wharf handling charge and storage charges

The Commission considers that an upward adjustment for wharf handling charges and storage charges is required to ensure a fair comparison to an FOB export price.

SCSC provided evidence of export wharf handling charges and export storage charges incurred in relation to exports (by ship) of like goods to third countries during the review period. The verification team has calculated weighted average costs (per tonne) for these expenses and considers these amounts should be included in calculating a normal value expressed at FOB delivery terms.

3.5.6 Differences in physical characteristics - specifications

SCSC plan to export AS/NZS 4671 grade 500N rebar to Australia. SCSC acknowledges that, when compared to the most similar like goods that are sold domestically in Thailand, TIS 24-2548 grade SD50, the different composition and quantity of alloys required for it to manufacture AS/NZS 4671 grade 500N will incur an additional cost of production per tonne. SCSC confirmed that the different composition and quantity of alloys is required, in part, to achieve the lower carbon equivalent required of AS/NZS 4671 grade 500N.

The Commission considers it is reasonable to adjust for these differences in physical characteristics, and is of the view that a price difference can be estimated reasonably with reference to the difference in production costs. Further, in order for the adjustment calculation to reflect a market value of the differences, the Commission has added a gross margin to the production cost difference.

SCSC provided evidence of the production cost differences between TIS 24-2548 grade SD50 and AS/NZS 4671 grade 500N, based on standard costs. In order to be satisfied that such differences reasonably reflect the likely actual cost differences, the Commission compared these cost details (including alloy purchase prices and usage rates) to the bill of materials for another product exported to a third country. This allowed the Commission to compare and contrast the different standard usage rates, and differences in standard costs generally, among various models. Having regard to the evidence of differences in standard costs, the Commission is satisfied that this evidence was sufficient for estimating a difference in actual costs between TIS 24-2548 grades SD50 and AS/NZS 4671 500N and therefore is a reasonable basis for an adjustment.

The Commission has also added an amount for gross profit that was based on the domestic sales of TIS 24-2548 grade SD50 in the review period. The resulting amount per tonne was used as the basis of an upwards adjustment in calculating a normal value for exports of AS/NZS 4671 grade 500N.

3.5.7 Difference in mass tolerances between standards

The Commission observes that the mass tolerances between the Thai and Australian standards are marginally different. Further, SCSC advised there is no difference in the rolling process it will adopt for the Thai and Australian standards. On this basis the Commission has not made an adjustment to account for differences in the mass tolerance between the Thai and Australian rebar standards.

3.5.8 Adjustment - conclusion

The Commission is satisfied that there is sufficient and reliable information to justify the following adjustments, in accordance with subsection 269TAC(8), and considers these adjustments are necessary to ensure a fair comparison of normal values and export prices:

Adjustment Type	Deduction/addition
Domestic credit	Deduct the cost of domestic credit charges
Domestic inland freight	Deduct the cost of domestic inland freight
Export inland freight	Add the cost of export inland freight
Export wharf handling and storage	Add the cost of export wharf handling and storage
Differences in physical characteristics	Add the difference in price attributable to the different physical characteristics of the Australian AS/NZS 4671 500N grade and TIS 24-2548 grade SD50

The Commission’s adjustment calculations are included in normal value calculations at **Confidential Appendix 4** and further detailed in the SCSC Verification Work Program at **Confidential Attachment 1**.

3.6 Normal value

The Commission is satisfied that it found sufficient volumes of domestic sales of other domestic sellers (i.e. NTS) of like goods that were arms length transactions at prices that were in the OCOT. The Commission is satisfied that these sales are suitable for assessing normal value under subsection 269TAC(1), being sales by another seller.

However, in the absence of any exported goods that may be relied on for determining which domestic models are relevant to the normal value calculation, the Commission considers having regard to SCSC’s ACRS accreditation is appropriate in this review for informing what type of rebar is likely to be exported to Australia.

The Commission has therefore calculated a weighted average normal value using relevant domestic sales by NTS, having regard to models that are identical, or have characteristics that closely resemble goods covered by SCSC’s ACRS accreditation.

In using domestic sales by other sellers of like goods as a basis for normal value, the Commission considers that adjustments (as outlined in Section 3.5) applied in accordance with subsection 269TAC(8), are necessary to ensure fair comparison of normal values with export prices.

SCSC’s normal value calculations are provided at **Confidential Appendix 4**.

3.7 Non-injurious price

Under subsection 8(5B) of the *Customs Tariff (Anti-Dumping) Act 1975* (the Dumping Duty Act), if the NIP is less than the normal value, the Assistant Minister must have regard to the desirability of specifying a method such that the sum of the export price and the IDD payable does not exceed the NIP (the “lesser duty rule”). Subsection 269TACA(a) identifies the NIP of the goods exported to Australia as the minimum price necessary to remove the injury caused by the dumping.¹⁸

In REP 418 (which examined the period of 1 April 2016 to 31 March 2017) the Commission found that the NIP was equal to the normal value for all exporters and therefore the lesser duty rule did not apply.

The Commission has reviewed the evidence available for this review and is satisfied that the methodology used to determine the NIP in REP 418 remains relevant.

Consistent with the approach adopted in REP 418, the Commission recommends that the NIP applicable to exports by SCSC be set at the normal value determined for SCSC.

3.8 Dumping margin

Since SCSC did not export the goods the subject of the anti-dumping notice in the review period the Commission has not calculated a dumping margin for the purpose of this review.

¹⁸ The Commission notes that the period subject to examination in this accelerated review overlaps with the March 2017 quarter in the investigation period for the original investigation.

4 FINDINGS AND PROPOSED RECOMMENDATIONS

4.1 Proposed recommendations

The Commissioner recommends to the Assistant Minister that the dumping duty notice in respect of exports of the goods to Australia from Thailand have effect in relation to SCSC as if different variable factors had been ascertained.

4.2 Proposed form of duty

The Commissioner recommends to the Assistant Minister that the IDD payable on the goods the subject of the dumping duty notice, in respect of SCSC, is an amount which will be worked out in accordance with the floor price duty method pursuant to subsection 5(4) of the *Customs Tariff (Anti-Dumping) Regulation 2013*. The Commission considers that, where it is found that an exporter has not exported the goods as part of an accelerated review, the floor price duty method is the most appropriate form of duty.

IDD will be payable on exports by SCSC, if the actual export price is below the ascertained normal value, which is a specified (confidential) amount per tonne.

5 APPENDICIES AND ATTACHMENTS

Confidential Appendix 1	SCSC domestic sales
Confidential Appendix 2A	Cost to make and sell (other seller)
Confidential Appendix 2B	Cost to make and sell (SCSC)
Confidential Appendix 3	Domestic sales in OCOT (based on other seller)
Confidential Appendix 4	Normal value (based on other seller)
Non-Confidential Attachment 1	SCSC ACRS Accreditation
Confidential Attachment 2	Verification Work Program