

12 October 2017

The Director  
Operations 2  
Anti-Dumping Commission

**BY EMAIL** [operations2@adcommission.gov.au](mailto:operations2@adcommission.gov.au)

Dear Director,

**Review Inquiry No. 412 (steel reinforcing bar exported from China) and Review Inquiry No. 414 (steel rod in coil exported from China): Australian industry's response to the 'Verification Visit Report – Exporter' (Hunan Valin)**

OneSteel Manufacturing Pty Ltd, trading as *Liberty OneSteel*,<sup>1</sup> has reviewed the *Verification Visit Report* of the exporter, Hunan Valin Xiangtan Iron & Steel Co., Ltd. (**Hunan Valin**),<sup>2</sup> and makes the following observations in response to the corresponding headings and sub-headings of the report.

**"5.2.2 Irrelevant products – RIC"**

Liberty OneSteel requests the Commission clarify the like goods that were identified as not related to the goods. Our concern here lies in gaining a reasonable understanding of the substance of the goods excluded, in order to provide an opinion as to whether or not that is the correct or preferable decision.

**"6 Adjustments"**

It does not appear that the verification team has considered making a physical grade adjustment to the normal value determined for domestic like goods sales of rebar. Liberty OneSteel submits that the majority of sales of the like goods into the Chinese domestic rebar market would have been to the Grade HRB400 Chinese Standard GB 1499.2 : 2007. In contrast, the Australian Standard for rebar (AS/NZS 4671 :2001) does not define a 400MPa minimum yield strength reinforcing bar grade - the minimum yield strength for building construction in Australia is 500MPa rebar.

Therefore, it will be necessary for the Commission to make an upward adjustment to the normal value in order to achieve price comparability between the domestic sales of like goods, and the minimum yield strength typically exported to Australia.

Liberty OneSteel submits that an upward adjustment of RMB [REDACTED] per tonne is required as the minimum yield strength does affect price comparability. Evidence may be found in the published domestic price lists of other domestic sellers of like goods, in this case [REDACTED], where the price difference between grade HRB400 and

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<sup>1</sup> On 1 September 2017, GFG Alliance acquired the former Arrium Steel businesses, including OneSteel Manufacturing Pty Ltd. To reflect this change, the former 'OneSteel' businesses are re-branded as 'Liberty OneSteel'.

<sup>2</sup> EPR Folio Nos. 412/008 and 414/008.

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HRB500 rebar was consistently RMB [REDACTED] per tonne at six, monthly price comparison points across the Review period (March, April, September, October 2016 and February and March 2017).<sup>3</sup>

The Australian industry applicant requests the Commission's response to its enquiry concerning the nature of excluded products, and inclusion of an upward adjustment of at least RMB [REDACTED] per tonne to the normal value to account for the price comparability between the like goods sold into the domestic market and the compliant goods to be exported to Australia in accordance with AS/NZS 4671 : 2001.

FOR AND ON BEHALF OF THE AUSTRALIAN INDUSTRY APPLICANT

ONESTEEL MANUFACTURING PTY LTD (trading as 'LIBERTY ONESTEEL')

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<sup>3</sup> CONFIDENTIAL ATTACHMENTS A, B & C.