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Director
Operations 3
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Dear Director

Anti-circumvention inquiry – Steel reinforcing bars exported from Korea

This submission is made on behalf of Stemcor Australia Pty Ltd and Stemcor (SEA) Pte Ltd, collectively referred to in this submission as Stemcor, in response to the Anti-Dumping Commission's (the Commission) anti-circumvention inquiry and specific allegations raised by OneSteel Limited.

Stemcor supports and reiterates the comments presented on behalf of Daehan Steel CO. Ltd (Daehan) in its submission dated 13 March 2018. The Commission has established that in selling imported steel reinforcing bars into the Australian market, Stemcor's selling prices accounted for the fully absorbed cost to import and sell, including the cost of the interim dumping duties incurred on the relevant import consignments. As such, Stemcor's sales of steel reinforcing bars were found to be profitable during the inquiry period.

The Commission has also established that there was no rebate, reimbursement, compensation or any other such consideration relevant to the purchase of the imported goods.

Finally, the evidence gathered and verified by the Commission confirms that the observed reduction in export prices since the imposition of the interim dumping duties, corresponded to a decrease in global raw material input prices of billet. In addition, Stemcor's [REDACTED] have also reduced since the original investigation period, with [REDACTED] decreasing from approximately [REDACTED]/mt in the original investigation period, to approximately an average rate of [REDACTED]/mt over the inquiry period. This represents approximately a [REDACTED]% reduction in the overall cost of the imported goods during the inquiry period.

Therefore, Stemcor considers that the evidence demonstrates that there has been no circumvention activity take place as defined by the *Customs Act 1901* (the Act). On that basis, Stemcor requests the Commission to terminate the inquiry pursuant to subsection 269ZDBEA(2) of the Act, or recommend to the Minister that the original notice remain unaltered.

PUBLIC VERSION

Improper use of the anti-circumvention provisions

Stemcor also wishes to take this opportunity to express its strongest concerns about the obvious misuse of the anti-circumvention provisions in this particular case. The allegations made by Liberty OneSteel appear to only be, that the contemporary dumping margin during the inquiry period is estimated to be higher than the dumping margin determined during the original investigation period.

If this were in fact the case, then the appropriate path for addressing this situation would have been to apply for a review of measures any time after 19 November 2016. However, it is clear from the information highlighted in Daehan's submission, that billet prices and regional steel rebar prices had fallen substantially since the imposition of the original interim dumping duties. This provides a strong indication that Liberty OneSteel opted not to revise the duty rate applying to Daehan's exports by requesting a review of the measures, due to [REDACTED].

Then on 13 April 2017, the findings of the review relevant to steel reinforcing bar exported from Spain by Compania Espanola de Laminacion, S.L were published which prevented Liberty OneSteel from applying for a review of the measures until 14 April 2018.

Given that Liberty OneSteel chose not to initially apply for a review and were then prevented from applying for review, it is clear that this application for investigation into anti-circumvention activity is an attempt to bypass the normal review mechanism. This misuse of the anti-circumvention provisions is particularly concerning given that [REDACTED].

Therefore, Stemcor is concerned that the anti-circumvention provisions are being deliberately misused by Liberty OneSteel, to bypass the normal review mechanism [REDACTED].

[REDACTED]. For this reason, Stemcor urges the Commission to understand the strategy being adopted by Liberty OneSteel and reject the view that a mere increase in the dumping margin over a defined period is automatically indicative of an effort by the exporter or importer to circumvent the measure. [REDACTED].

Yours sincerely

John Bracic