



## ISSUES PAPER 2015/01

# STEEL REINFORCING BAR EXPORTED TO AUSTRALIA FROM THE REPUBLIC OF KOREA, MALAYSIA, SINGAPORE, SPAIN, TAIWAN, THE KINGDOM OF THAILAND AND THE REPUBLIC OF TURKEY

### PURPOSE

On 17 October 2014, the Anti-Dumping Commission (Commission) initiated an anti-dumping investigation following an application lodged by OneSteel Manufacturing Pty Ltd (OneSteel), a manufacturer of steel reinforcing bar (rebar) in Australia. The application requested the Commissioner of the Anti-Dumping Commission (Commissioner) to publish a dumping duty notice in respect of rebar exported to Australia from the Republic of Korea, Malaysia, Singapore, Spain, Taiwan, the Kingdom of Thailand and the Republic of Turkey.

The purpose of this paper is to outline the background, and the Commission's proposed position, in relation to the Commission's approach in applying a model-matching criteria for normal value purposes.

The approach in this paper is for this investigation only and may change subject to submissions received.

### ISSUES PAPER

Issues papers afford interested parties the opportunity to comment on significant issues relating to an investigation so that the Commission may consider those views before publishing the statement of essential facts (SEF).

In formulating the SEF, the Commission will take into account interested parties' submissions obtained in the course of the investigation to date, and those made in response to this paper that are received no later than **18 March 2015**. Interested parties should attach relevant evidence to support the views expressed in their submissions. A non-confidential version of submissions must be provided. Submissions can be provided:

by mail to: Director Operations 3  
Anti-Dumping Commission  
Customs House  
1010 LaTrobe Street  
Docklands VIC 3008

or by email to: [operations3@adcommission.gov.au](mailto:operations3@adcommission.gov.au)

or by fax to +61 3 9244 8902

### BACKGROUND TO INVESTIGATION

Refer to <http://www.adcommission.gov.au/cases/EPR264.asp>

# PUBLIC RECORD

## **MODEL-MATCHING CRITERIA FOR DETERMINATION OF NORMAL VALUE**

### **Background**

As provided in the Commission's Dumping and Subsidy Manual, when required, the Commission will apply model-matching criteria that will reflect common characteristics to the goods under consideration in order to ensure a fair comparison with those goods for the purposes of determining normal value. The purpose of model matching is to identify the model sold in the exporters' domestic market that has the most identical physical and technical characteristics to the exported model.

The most appropriate product characteristics have to be determined in order to select those particular domestic models that are most like the exported model it must be compared to. In applying a model-matching criteria, it is intended that there would be lesser need for adjustments due to differing physical qualities between the exported model and the selected domestic model.

The Commission notes that in applying the model-matching criteria, there may be circumstances where:

- the Commission determines that, subject to the preconditions outlined in subsections 269TAC(2)(a) and (b) of the *Customs Act 1901* (the Act), there are no comparable goods in the exporter's domestic market to determine normal value. In such a situation, the Commission may apply a constructive normal value under subsection 269TAC(2)(c) of the Act; or
- despite applying a model-matching criteria, there may still be grounds to apply adjustments under subsections 269TAC(8) and (9) of the Act in order to ensure a fair comparison between export price and normal value.

### **The Commission's proposed position**

In the Commission's dumping investigation relating to rebar, the Commission proposes to apply the following model-matching criteria: minimum yield strength, shape and diameter, for the purpose of identifying the model sold in the exporters domestic market that has the most identical physical and technical characteristics to the exported model.

#### *Minimum yield strength*

The Commission notes that as stated above, the goods under consideration are mostly produced according to the AS/NZS 4671:2001 G500N (with a minimum yield strength of 500 Megapascals (MPa)), however the Commission understands that a relatively small amount of rebar with yield strengths of 250MPa and 300MPa are also exported to Australia. Most exporters to Australia are accredited by the Australian Certification Authority for Reinforcing and Structural Steel.

After having regard to information provided by the applicant, exporters and importers, the Commission is of the view that the most closely resembling goods to the goods under consideration are rebar products with a minimum yield strength of 500 MPa, 300MPa and 250MPa.

The Commission is of the view that the best source of information for determining the minimum yield strength is considering the standard to which it was made. Exporters should carefully consider, for their domestically sold goods, what local standards are most comparable to the standard to which the exported goods are produced.

The Commission notes that there may be instances where rebar products may exceed the minimum yield strength of the goods under consideration. In these instances, the Commission will assess, on a case by case basis, whether such rebar products exceed the goods under consideration and therefore, may not be closely resembling goods.

#### *Shape (Coil or Straight)*

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It appears appropriate to match domestically sold and exported models according to whether they are in coils, or in straight lengths.

### *Diameter*

The Commission proposes to apply a model-matching criteria based on diameter. The Commission notes that rebar products typically range in sizes up to 50 mm. The Commission has observed that typical diameters used in one country may differ from another. Often these variations are minimal, say by a millimetre. Unless there are significant reasons not to do so, the Commission may compare rebar products that are close (for example, a variation by a millimetre), though not absolutely identical in diameter.

### *Other considerations*

In addition to the model-matching criteria described above, the Commission is considering whether carbon equivalence is an appropriate model-matching criterion. The Commission understands that the prescribed carbon equivalence for rebar products pursuant to AS/NZS 4671:2001 is a maximum level of 0.44. The Commission understands that carbon equivalence is critical to a product's suitability for welding.

