Australian Government
Department of Industry, Innovation and Science

Anti-Dumping Commission

CUSTOMS ACT 1901 - PART XVB

STATEMENT OF ESSENTIAL FACTS
REPORT NO. 319

ALLEGED DUMPING OF CHROME BAR EXPORTED FROM ITALY AND ROMANIA

9 May 2016

CONTENTS

ABBREVIATIONS

Abbreviation / short form	Full reference
$	Australian Dollar
ADN	Anti-Dumping Notice
CIF	Cost, insurance and freight
Cromsteel	ASO Cromsteel
CTMS	Cost to make and sell
DCS	Developing countries
DIBP	Department of Immigration and Border Protection
EXW	Ex works
FIS	Free into store
FOB	Free on board
Milltech	Milltech Pty Ltd
Minister	Minister for Industry, Innovation and Science
Ministerial Direction	*Ministerial Direction on Material Injury 2012*
Nimet	Nimet srl
OCOT	Ordinary course of trade
PAD	Preliminary Affirmative Determination
SEF	Statement of Essential Facts
SG&A	Selling, general and administrative costs
Stelmi	Stelmi S.p.A.
the Act	*Customs Act 1901*
the applicant	Milltech Pty Ltd; also Milltech
the Commission	Anti-Dumping Commission
the Commissioner	Commissioner of the Anti-Dumping Commission
the goods	the goods, the subject of the application (also referred to as the goods under consideration or GUC). In this case, chrome-plated steel bar.
the Guidelines	*Guidelines on the Application of the Form of Dumping Duty November 2013*
the Manual	*Dumping and Subsidy Manual November* 2015
the Parliamentary Secretary	The Assistant Minister for Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science

the Regulation	*Customs (International Obligations) Regulation 2015*

1 SUMMARY AND RECOMMENDATIONS

1.1 Introduction

This Statement of Essential Facts (SEF) Number 319 has been prepared in response to an application for a dumping duty notice by Milltech Pty Ltd (Milltech) in relation to its allegation that chrome bar exported to Australia from Italy and Romania at dumped prices has caused material injury to the Australian industry producing like goods.

This SEF sets out the facts on which the Commissioner of the Anti-Dumping Commission (the Commissioner) proposes to terminate the investigation, subject to any submissions received in response to this SEF.

1.2 Authority to make decision

Division 2 of Part XVB of the *Customs Act 1901*[1] (the Act) describes, among other matters, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application under subsection 269TB(1) for the purpose of making a report to the Parliamentary Secretary. Section 269TDA provides for when the Commissioner must terminate an investigation.

1.3 Application

Milltech alleges that the Australian industry has suffered material injury caused by exports of chrome bar to Australia from Italy and Romania at dumped prices. Milltech alleges that the industry has been injured in the form of:

- Price effects:
  - price depression;
  - price suppression;
- Profit effects:
  - loss of profits; and
  - reduced profitability;
- Volume effects:
  - loss of sales volume;
  - reduced market share;
- Other economic factors:
  - decrease in capacity utilisation; and
  - decrease in employment.

[1] All legislative references in this report are to the *Customs Act 1901*, unless otherwise stated.

Having considered the application, the Commissioner decided not to reject the application and initiated an investigation into the alleged dumping of chrome bar from Italy and Romania on 10 November 2015.

Anti-Dumping Notice (ADN) No. 2015/130 provides further details relating to the initiation of the investigation and is available on the public record.[2]

On 11 January 2016, the Commissioner published a Status Report on the public record.[3]

1.4 Preliminary affirmative determination

Following the publication of a Day 60 Status Report, under subsection 269TD(1)(a), the Commissioner was preliminarily satisfied that there appeared to be sufficient grounds for the publication of a dumping duty notice in respect of chrome bar exported to Australia from Romania. As such, a preliminary affirmative determination (PAD) was made on 24 March 2016.

Securities have applied to imports of chrome bar from Romania entered for home consumption on or after **30 March 2016**. A copy of the PAD is available on the public record.[4]

1.5 Investigation process and timeframes

The Commissioner must, within 110 days after the initiation of an investigation, or such longer period as the Parliamentary Secretary allows, place on the public record a SEF on which the Commissioner proposes to base a recommendation to the Parliamentary Secretary in relation to the application.[5] In formulating the SEF, the Commissioner must have regard to the application, and any submissions concerning publication of the notice that are received by the Commission within 37 days of the date of initiation of the investigation.[6] The Commissioner may also have regard to any other matters considered relevant.[7]

The SEF was originally due to be placed on the public record by 28 February 2016. However, the Commissioner was granted an extension by the Parliamentary Secretary. The Commissioner is now required to place the SEF on the public record by 8 May 2016.[8] As 8 May 2016 falls on a Sunday, the effective due date to publish the SEF will be the following business day, 9 May 2016.

In respect of the investigation:

- the investigation period [9] for the purpose of assessing dumping is 1 October 2014 to 30 September 2015; and

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[2] See number 1 on the public record.

[3] See number 8 on the public record.

[4] See number 17 on the public record.

[5] Subsection 269TDAA(1)

[6] Subsection 269TDAA(2)(a)

[7] Subsection 269TDAA(2)(b)

[8] Further details of the extension are available in ADN 2016/20 at number 15 on the public record.

[9] Subsection 269T(1)

- the injury analysis period for the purpose of determining whether material injury to the Australian industry has been caused by exports of dumped chrome bar is from 1 July 2011.

1.6 Findings and conclusions

The Commissioner has made the following findings and conclusions based on available information at this stage of the investigation, as explained in greater detail in the remainder of this report.

1.7 The goods and like goods (Chapter 3)

The Commissioner considers that locally produced chrome bar is 'like' to the goods the subject of the application and is satisfied there is an Australian industry producing those like goods, Milltech.

1.8 Australian market (Chapter 4)

The Australian chrome bar market is supplied from local production by Milltech and by imports from several countries including Italy and Romania.

1.9 Dumping (Chapter 5)

The Commissioner's assessment shows that chrome bar has been exported to Australia from Romania in the investigation period at dumped prices where:

- the margin of dumping was not negligible; and
- the volume of dumped goods was not negligible.

The Commissioner's assessment of dumping margins for chrome bar exported from Romania is set out in Table 1:

ROMANIAN EXPORTER / MANUFACTURER	DUMPING MARGIN
ASO Cromsteel	22.4%
Nimet srl	35.3%
All Other Romanian Exporters	66.9%

Table 1: Dumping margins for exports from Romania

The Commissioner has investigated alleged dumping of chrome bar from Italy and has found that chrome bar exported from Italy has not been at dumped prices.

ITALIAN EXPORTER / MANUFACTURER	DUMPING MARGIN
Stelmi S.p.A	-6.7%

Table 2: Dumping margins for exports from Italy

1.10 Economic condition of the Australian industry (Chapter 6)

In respect of the investigation period, the Commission has found that Milltech has experienced injury in the forms of:

- price suppression;

- loss of profits; and
- reduced profitability

but the injury was not material in degree during the investigation period.

1.11 Proposal to terminate investigation (Chapter 7)

The Commissioner is not satisfied that the Australian industry has suffered material injury as a result of dumped exports of chrome bar from Romania.

Based on the findings in this SEF, and subject to any submissions received in response to this SEF, the Commissioner proposes to terminate the investigation in so far as it relates to Romania and Italy under section 269TDA(13).

In respect of Stelmi S.p.A (Stelmi), the Commissioner proposes also to terminate the investigation under subsection 269TDA(1)(b)(i) on the basis of the Commission's finding that exports by Stelmi were not dumped.

1.12 Conclusion

Based on the information and evidence available, the Commissioner has found that:

- chrome bar has been exported from Romania at dumped prices;
- chrome bar exported from Italy has not been at dumped prices; and,
- there is an Australian industry producing like goods that has not experienced material injury.

The Commissioner is not satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice in respect of chrome bar exported to Australia from Romania. Therefore, the Commissioner recommends terminating the investigation.

1.13 Final report

The Commissioner's final report and recommendations in relation to this investigation must be provided to the Parliamentary Secretary on or before 22 June 2016, if this investigation is not terminated by the Commissioner.

2 BACKGROUND

2.1 Initiation

The Commissioner initiated this dumping investigation on 10 November 2015 following receipt and consideration of an application from Milltech.

Details on the initiation decision made by the Commissioner are available in Anti-Dumping Notice (ADN) 2015/130 and *Consideration Report 319*. Further details relating to the initiation of the investigation and is available on the public record.

2.2 Preliminary affirmative determination

A PAD was made on 24 March 2016 and securities have applied to imports of chrome bar from Romania entered for home consumption on and after 30 March 2016.

2.3 Submissions received from interested parties

The Commission has received submissions from interested parties during the course of the investigation. These submissions have been considered by the Commissioner in reaching the conclusions contained within this SEF. The submissions received are listed on the public record.

2.4 Public record

The public record contains non-confidential submissions by interested parties, the non-confidential versions of the Commission's visit reports and other publicly available documents. It is available online at www.adcommission.gov.au. Documents on the public record should be read in conjunction with this SEF.

2.5 Responding to this statement of essential facts

This SEF sets out the facts on which the Commissioner proposes to base a recommendation to the Parliamentary Secretary, unless the investigation is terminated earlier. The SEF informs interested parties of the facts established to date and allows them to make submissions in response. It is important to note that this SEF may not represent the final views of the Commissioner.

The Commissioner must have regard to submissions received in relation to this SEF within 20 days of the SEF being placed on the public record in making his final report to the Parliamentary Secretary.[10] This would mean submissions would be due on 29 May. However, as 29 May 2016 falls on a Sunday, submissions will be due on the next business day: 30 May 2016.

The Commissioner is not obliged to have regard to any submission made in response to the SEF received after 30 May 2016, if to do so would, in the opinion

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[10] Subsection 269TEA(3)(a)(iv).

of the Commissioner, prevent the timely preparation of a final report if the investigation is not terminated earlier.[11]

The final report, if the investigation is not terminated, will set out the Commissioner's findings of fact in relation to the investigation and recommend whether a dumping duty notice should be published, and the extent of any interim duties that are, or should be, payable.

Submissions should preferably be emailed to operations4@adcommission.gov.au.

Alternatively, submissions may be sent to fax number +61 3 8539 2499, or posted to:

> The Director - Operations 4
> Anti-Dumping Commission
> GPO Box 1632
> Melbourne VIC 3001
> AUSTRALIA

Confidential submissions must be clearly marked accordingly and a non-confidential version of any submission is required for inclusion on the public record. A guide for making submissions is available at www.adcommission.gov.au.

[11] Subsection 269TDAA(3).

3 THE GOODS AND LIKE GOODS

3.1 Findings

The Commissioner considers that locally produced chrome bar is 'like' to the goods under consideration.

3.2 Legislative and policy framework

Subsection 269TC(1) provides that the Commissioner shall reject an application for a dumping duty notice if, *inter alia*, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

In making this assessment, the Commissioner first determines that the goods produced by the Australian industry are 'like' to the imported 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*.

An Australian industry can apply for relief from injury caused by dumped imports even if the goods it produces are not identical to those imported. However, the Australian industry must produce goods that are 'like' to the imported goods.

Where the locally produced goods and the imported goods are not alike in all respects, the Commissioner assesses whether they have characteristics closely resembling each other against the following considerations:

- physical likeness;
- commercial likeness;
- functional likeness; and
- production likeness.

3.3 The goods

The Commission considers that locally produced chrome bars are like goods to the goods the subject of the application.

3.4 The goods under consideration

The goods which are the subject of the investigation are:

> *Chromium plated circular solid steel bars (chrome bars) that have all of the following characteristics:*
>
> - *circular cross section;*
> - *made from alloy or non-alloy steel bar;*
> - *chrome plating of any thickness;*
> - *lengths not greater than 8 metres; and*

- *diameters in the range 18mm to 170mm.*

Goods excluded from this application include:

- *chromium plated steel bars with oval or flattened circle cross sections; and*
- *hollow or tubular chrome plated bars;*

Further detail regarding this description (including products which are not the goods) can be found in *Consideration Report 319* which is available on the public record.

3.5 Tariff classification

Since initiating this investigation, the Commission has modified the list of tariff classifications that the goods are typically classified under. The goods are listed under following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

- Tariff subheading 7215.90.00 with statistical code 55
- Tariff subheading 7215.50.90 with statistical code 54
- Tariff subheading 7228.30.10 with statistical code 70
- Tariff subheading 7228.50.00 with statistical code 54
- Tariff subheading 7228.60.10 with statistical code 72
- Tariff subheading 7228.60.90 with statistical code 55.

3.6 Submissions received in relation to tariff classifications

On 24 December 2014, the Commission received a submission from Valbruna Australia recommending that the Commission exclude tariff classification 7222.30.00 from the investigation for three reasons: the Australian industry does not use stainless steel to produce chrome bar; no chrome bar has been imported to Australia under that classification; and the investigation only relates to chrome bar made from alloy or non-alloy steel bar.[12]

3.7 The Commission's consideration

The Commission's analysis has found that there was a small amount of goods described as 'chrome-plated bar' imported to Australia under tariff classification 7222.30.00 during the injury analysis period, but not during the investigation period. All three exporters in this investigation manufacture chrome bar from stainless steel. However, this product is not exported to Australia and does not compete with the Australian industry.

The Commission excluded tariff classification 7222.30.00 from the investigation. *ADN No. 2016/22* is available on the public record and provides advice of this change.

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[12] See number 2 on the public record.

3.8 Addition of tariff classification

During the investigation, the Commission found that goods imported under tariff classification 7228.50.00 (statistical code 54) also match the goods description. Therefore, the Commission has added this tariff classification to the list of tariff classifications as above.

3.9 The Australian Industry

Under subsection 269T(2), goods are not to be taken to have been manufactured in Australia unless the goods were wholly or partly manufactured in Australia. Under subsection 269T(3), goods shall not be taken to have been partly manufactured in Australia unless at least one process in the manufacture of the goods was carried out in Australia.

The Commission visited Milltech to examine its manufacturing processes and to verify its claims. The Commission found:

- chrome bars manufactured by Milltech are like the goods under consideration;
- the chrome bars were wholly, or partly, manufactured in Australia by Milltech; and
- at least one substantial process of manufacture of chrome bars is carried out in Australia.

The Commission has found that there is an Australian industry, being Milltech, manufacturing like goods in Australia.

Further information on Milltech, its production process and its product range is available on the public record.

3.10 Like goods assessment

The Commission considers that Milltech produces goods that are 'like' to the goods under consideration for the following reasons:

- the primary physical characteristics of the goods and locally produced goods bear a close resemblance, conforming to a general standard regarding steel grades and meeting certain standards of production in a comparable range of sizes between 18 mm and 170 mm in diameter.
- the goods and locally produced goods are commercially alike as they are sold to common users who use chrome bar in the manufacture or service of hydraulic machinery, and directly compete in the same market;
- the goods and the locally produced goods are functionally alike as the range of end-uses are alike; and
- the goods and the locally produced goods are manufactured in a manner which is alike.

Further analysis of the goods and like goods is in *Consideration Report 319* and is available on the public record.

Having regard to the above, the Commissioner is satisfied that the Australian industry produces ‘like’ goods to the goods the subject of the application, as defined in subsection 269T(1).

The Commissioner is satisfied that there is an Australian industry in respect of ‘like’ goods in accordance with subsection 269TC(1).

3.10.1 Submissions received in relation to like goods

On 11 January, the Commission received a submission from Romanian exporter, Nimet, in relation to, *inter alia*, whether a model of chrome bar exported by Nimet to Australia can be classified as the goods, and hence used when calculating export price to determine a dumping margin.[13]

Nimet acknowledges that:

> *although the goods subject of the Application are not limited to those bars (as the Application covers all goods that have the physical characteristics listed in the Application), Nimet notes that Milltech has based its calculations of export prices based on estimated prices of 1045 and 4140 bars exported from Romania. Bars 1045 and 4140 are therefore relevant to Milltech's claim of alleged material injury.*

In its submission, Nimet stated that it exported two models of chrome bar to Australia during the investigation period, based on steel grades C45E and 38MnVS6. Nimet considers grade C45E to be a direct substitute for grade 1045, which is manufactured by the Australian industry. Nimet claims that the chrome bar based on steel grade 38MnVS6 is not a direct substitute for chrome bars based on either the 1045 or 4140 steel grades as manufactured by Milltech. Nimet claims chrome bar produced from steel grade 38MnVS6 is not the goods as it has different chemical composition, different mechanical properties, and different end-uses to the grades produced by the Australian industry. It also claims that the selling price is higher than chrome bar made from 1045 steel and lower than 4140 chrome bars.

3.11 The Commission’s assessment

The Commission notes that the American Iron Steel Institute’s (AISI) equivalent number for model 38MnVS6 is 1045V. This indicates it is a plain carbon steel – as is grade 1045. However, it does have different chemical composition and physical properties to grade 1045.

Chrome bar manufactured from different steel grades can have specialised end-uses depending on particular physical or chemical properties. However, the Commission notes that during visits to importers, importers suggested that different grades of chrome bar can be substituted in some circumstances, usually by using a higher grade of steel. Further, product specification sheets of specialised metal suppliers suggest that some end-uses for chrome bar are possible with different grades. The Commission notes that importers suggested

[13] See document number 7 on the public record.

that end-users would not normally substitute one grade of chrome bar for another, higher grade due to their higher costs.

As Nimet acknowledges, the goods description does not limit steel grades other than 1045 and 4140 from being considered like goods. Although Milltech does not manufacture chrome bar from 38MnVS6 grade steel, this does not mean Milltech is unable to manufacture it. The processes to produce chrome bar do not vary on the basis of steel grade.

The Commission considers that model 38MnVS6 meets the description of the goods. As such, the export of this grade can be used to calculate export prices. Further, the presence of this steel grade in the Australian market, given it can compete with products manufactured by Milltech as a substitute for grades 1045 and 4140 in some circumstances, means that those exports can be used when analysing injury to the Australian industry.

4 THE AUSTRALIAN MARKET

4.1 Background

The Commission has found that the Australian market for chrome bar is supplied by the Australian industry and imports from other countries including Italy and Romania. The Commission estimates that the size of the Australian market during the investigation period was approximately 1,300 tonnes.

4.2 Milltech

Milltech competes with importers of chrome bar in all market segments and in all states and territories in Australia.

The Commission conducted a verification visit to Milltech and is satisfied that there is an Australian industry producing like goods which comprises one Australian producer, Milltech.

The Commissioner has had regard to the information verified at the visit to Milltech, as well as the matters discussed in the visit report, in preparing this SEF. The report on the visit by the Commission to Milltech includes further information on its market practices and is available on the public record at public record.[14]

4.3 Importers

Following the initiation of this investigation, the Commission identified the importers of chrome bar from Italy and Romania. Four of these importers were considered to be 'major' importers based on volume and accounted for 84 per cent of imports of chrome bar from Italy and Romania during the investigation period. These four importers were sent importer questionnaires.

The Commission received responses from the following importers:

- Van Leeuwen Pipe and Tube (Australia) Pty Ltd (Van Leeuwen)
- Interlloy Pty Ltd (Interlloy);
- Sanwa Pty Ltd (Sanwa); and
- Nordon Cylinders.

The data submitted by Van Leeuwen, Interlloy and Sanwa has been verified by the Commission in terms of its relevance, completeness and accuracy. Van Leeuwen, Interlloy and Sanwa cooperated with the investigation and provided their internal records and source documents for their import and sales transactions.

The importer verification reports are available on the public record.[15]

4.4 Market distribution

The Commission has found that Milltech primarily sells chrome bar to distributors. These distributors may also purchase imported chrome bar for sale to end-users.

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[14] See number 12 on the public record.

[15] See numbers 10,11 and 14 on the public record.

End-users use the chrome bar in the manufacture of hydraulic cylinders, machinery or machine components. Importers of chrome bar are usually distributors and generally sell to end-users.

Further information on market distribution is available in the visit report to Milltech and the PAD which are available on the public record.

4.5 Demand variability

The Commission has found that demand variability is driven by the hydraulic cylinder business across a range of industries, including:

- mining;
- agricultural;
- construction; and
- automotive.

4.6 Price sensitivity

The Commission has analysed information collected from the Australian industry and importers and found that the Australian chrome bar market is price sensitive. The Commission has found that in the investigation period, Milltech increased the frequency by which it issues prices of chrome bar. Milltech claims it has done so in response to changing market conditions due to price competition from chrome bar exported from Romania and Italy at dumped prices. Some examples of Milltech's price negotiations over the investigation period are listed in a confidential submission, which is at **Confidential Attachment 1.**

Some importers claimed that there is no single or select group of countries or companies that are setting the price for chrome bar. Rather, the whole market is driving the price down. According to these importers, no entity is willing to set prices that are excessively higher or lower than prevailing prices.

The Commission has found that price is the major factor influencing purchasing decisions, but other factors are present as well. These other factors include quality, the range of models available (including steel grade and diameters) and the ability to purchase complementary products like tube also affect whether importers choose Australian chrome bar or imported chrome bar.

Milltech has indicated to the Commission that there is no annual cycle of demand in the chrome bar market. The Commission has found no trend in annual sales of chrome bar that indicate varying levels of demand throughout the year. As discussed in section 4.7 of this report, the size of the Australian chrome bar market in financial year (FY) 2015 was around 1,300 tonnes.

The Commission has found that in a market of this size, sales to a single customer can represent significantly high proportions of volumes and values in relation to the entire market and, as such, can have a relatively high impact on the market.

4.7 Market size

The size of the market for chrome bar and the volume of Australian industry sales for the financial years 2012 to 2015 are shown in Figure 1.

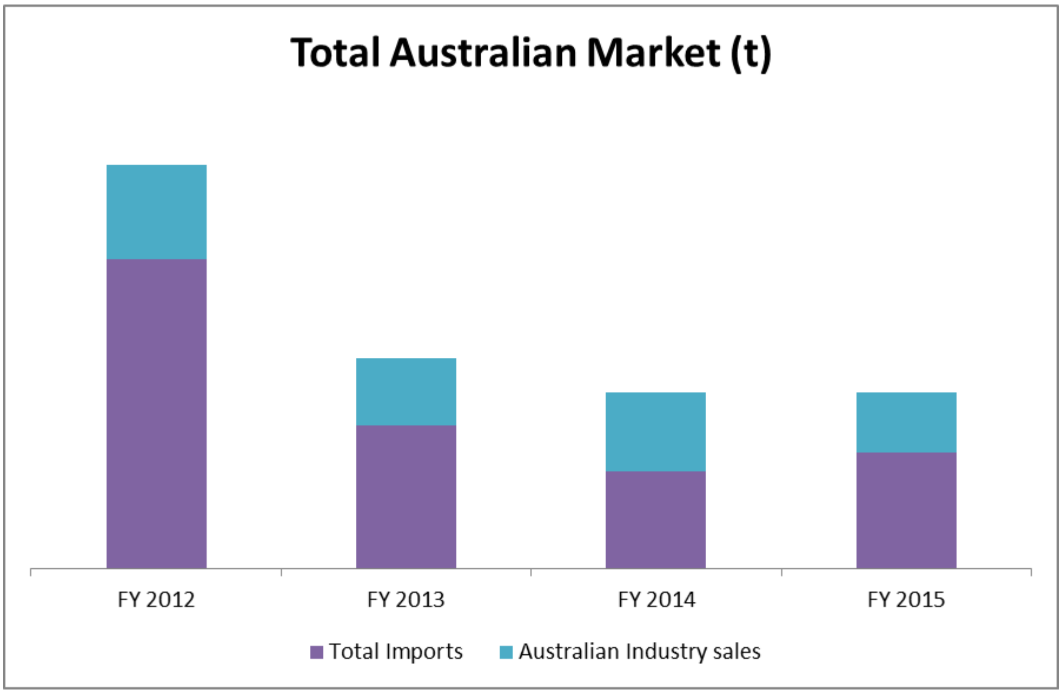

Figure 1: Size of chrome bar market in Australia *(Source: DIBP import data and verified data provided by Milltech)*

The Commission has analysed data from the Department of Immigration and Border Protection's (DIBP) import database and verified data from importers and exporters and the Australian industry. The Commission has found that from FY2012 to FY2013, the size of the domestic market for chrome bars fell markedly and subsequently remained smaller, but stable over the remainder of the injury analysis period. Milltech has not provided the Commission with evidence to describe the reasons behind such a large fall in the market at this time.

The Commission considers that two factors could have caused this decline. One is the fall in investment in major capital equipment in the mining sector. The other is an increase in the importation of finished hydraulic cylinders, of which chrome bar is one component.

With regard to the mining sector, investment in the mining sector declined sharply since 2013. This is reflected in Figure 2, which is a Reserve Bank of Australia analysis of total investment in Australia's mining sector.

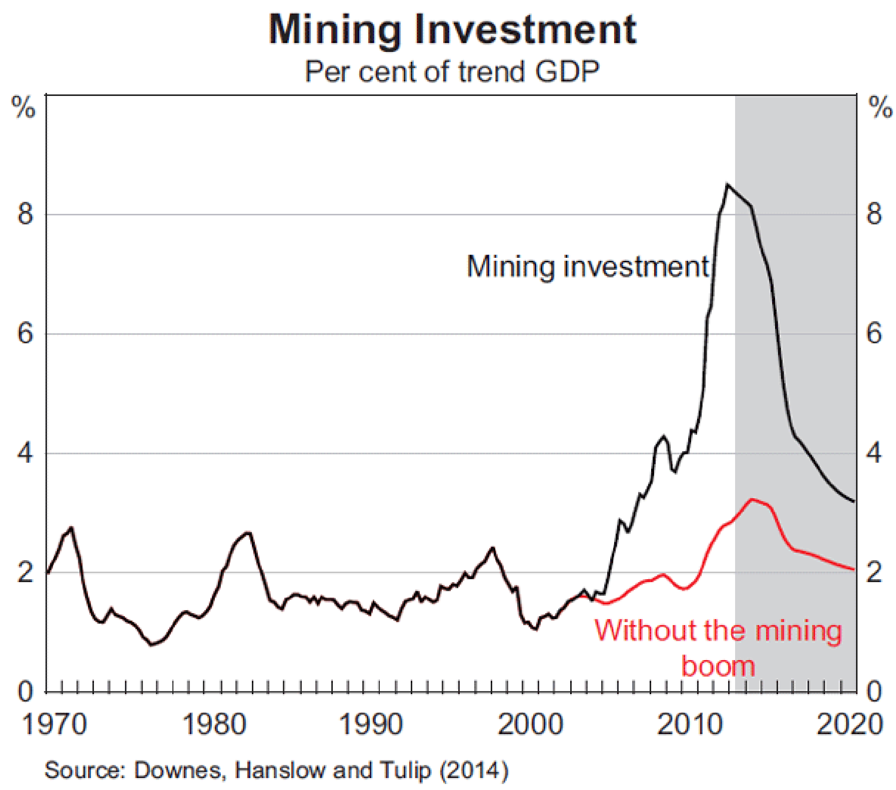

Figure 2: Mining investment in Australia *(Source: Reserve Bank of Australia)*

Figure 3 indicates the annual growth rate of private capital expenditure on machinery and equipment in all industries. Machinery and equipment includes construction equipment (excavators, backhoes), cranes, drills and other equipment that incorporates chrome bar. In 2012-13, after significant growth the previous year, machinery and equipment expenditure contracted, and then contracted sharply in 2013-14. The Commission considers there is a correlation between the lower levels of investment in machinery and equipment and the contraction of the chrome bar market.

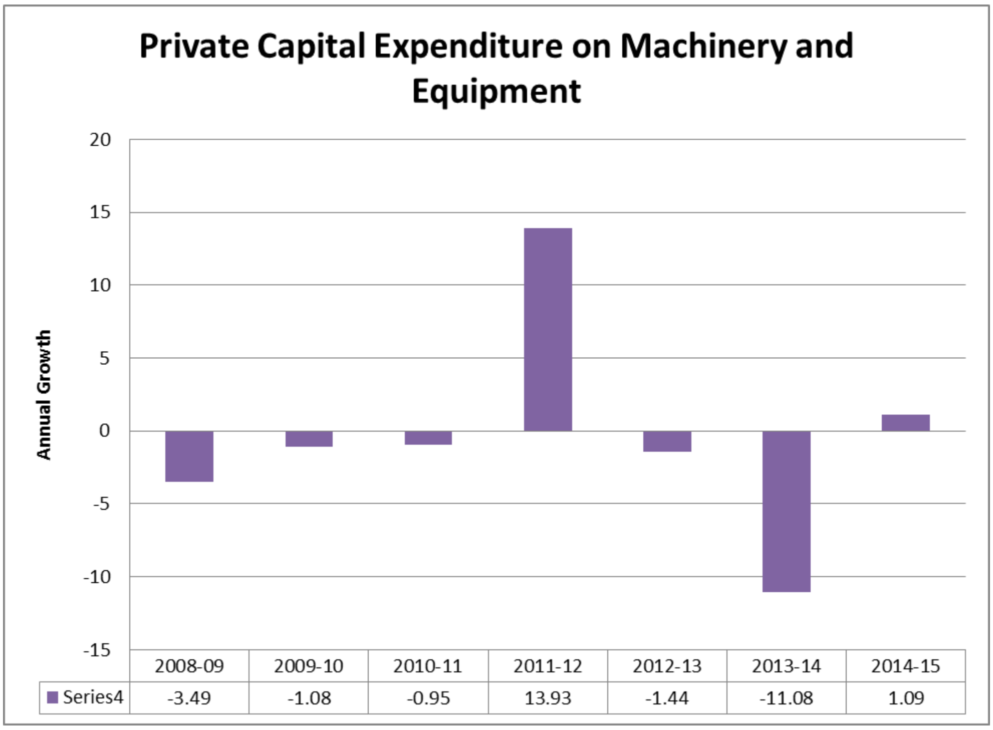

Figure 3: Private capital expenditure on machinery and equipment – all industries in Australia *(Source: IBISWorld and Australian Bureau of Statistics)*

Since FY2012, the size of the Australian chrome bar market has been relatively stable. In the investigation period, the size of the Australian chrome bar market was around 1,300 tonnes.

The proportion of imports also changed during the injury period. Imports accounted for approximately 76 per cent of volume in FY2012 and fell to about 55 per cent in FY2014. Imports then rose to about 66 per cent in FY2015.

During visits to importers of chrome bar, the Commission noted that importers indicated that the market for fully assembled hydraulic cylinders is one of the factors responsible for the decline in the size of the Australian chrome bar market. As explained above, chrome bar is one component of a hydraulic cylinder. The Commission has found that end-users are sourcing hydraulic cylinders direct from overseas at cheaper prices than purchasing bar and tube from distributors in Australia.

The Commission does not have sufficient information about the hydraulic cylinder market in Australia to determine its impact on the chrome bar market. There have been no submissions made to the Commission concerning the performance of the hydraulic cylinder market or its impact on the chrome bar market.

Further details of the Australian market for chrome bar are at **Confidential Appendix 1**.

5 DUMPING INVESTIGATION

5.1 Introduction

In order to determine whether dumping has occurred, the export price and normal value of the goods must be compared.[16] Dumping occurs when a product from one country is exported to another country at a price less than its normal value. The export price and normal value of goods are determined under section 269TAB and section 269TAC respectively.

5.2 Findings

The Commissioner has found that chrome bar exported to Australia from Romania by:

- Cromsteel; and
- Nimet

was at dumped prices during the investigation period. The Commissioner has also found that the volume of dumped goods was not negligible during the investigation period.

The Commissioner has also found that chrome bar exported to Australia from Italy by Stelmi was not at dumped prices during the investigation period.

5.3 Exporters

The Commission identified and contacted all exporters from Italy and Romania of the goods within the relevant tariff subheadings for chrome bar, as identified in the DIBP import database.

The Commission contacted each identified exporter of the goods and invited them to complete an exporter questionnaire which requested information necessary to determine whether goods were exported at dumped prices.

The Commission received questionnaire responses that were assessed as being substantially complete from:

- Cromsteel;
- Nimet; and
- Stelmi.

These exporters have cooperated with the investigation.

The Commission has verified the data submitted by these exporters and visited Cromsteel, Nimet and Stelmi. The verification reports for each of the cooperating exporters are available on the public record.[17]

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[16] Subsection 269TACB(1).

[17] See numbers 19, 20 and 21 on the public record.

Individual dumping margins are calculated using verified information for each of the cooperating exporters.

5.4 State aid in Romania

In its application, Milltech alleged that Romanian exporters may be eligible for state aid programs that may distort its normal value. The Commission included questions on state aid in the exporter questionnaires sent to Romanian exporters.

At the verification visit, the Commission found that the state aid programs as described by the Australian industry are not relevant to the chrome bar investigation.

The Commission also sent a questionnaire to the Romanian Government concerning state aid programs. The Romanian Government has not provided a response to the Commission.

5.5 Model matching

For each exporter, the Commission applied model matching criteria based on steel grade, whether the product is induction hardened, length, diameter, and chromium thickness. The Commission applied the most appropriate criteria depending on the specific circumstances of each exporter. The Commission notes that the most important criterion for the purposes of model matching was the steel grade of chrome bar.

5.6 Uncooperative exporters

Subsection 269T(1) provides that an exporter is an ‘uncooperative exporter’, where the Commissioner is satisfied that the exporter did not give the Commissioner information that the Commissioner considers to be relevant to the investigation, within a period the Commissioner considers to be reasonable or where the Commissioner is satisfied that the exporter significantly impeded the investigation.

There were no uncooperative exporters in relation to this investigation. The Commission found no other Italian or Romanian exporters that exported chrome bar to Australia during the investigation period other than those listed above.

5.7 Dumping margin calculations

5.7.1 Cromsteel

5.7.1.1 Export price

The Commission has relied on data provided by Cromsteel and has calculated export prices under subsection 269TAB(1)(a) as the goods:

- have been exported to Australia other than by the importer;
- have been purchased from the exporter by the importer; and
- the purchase of the goods by the importer was an arm’s length transaction.

Therefore, the export price is the price paid or payable by the importer, other than amounts which represent a charge in respect of transport and other costs arising after exportation of the goods.

5.7.1.2 Normal value

For models where there were sufficient sales in the ordinary course of trade, the Commission determined that normal value be calculated under subsection 269TAC(1), using the price paid or payable for like goods sold in the ordinary course of trade (OCOT) for home consumption in Romania, in sales that are arm's length transactions by Cromsteel.

For these models, in accordance with subsection 269TAC(8), the Commission considers that certain adjustments are necessary to ensure fair comparison of normal values with export prices, including adjustments for physical differences where exact model matches have not been found. These adjustments were discussed in the verification report, which can be found on the public record.

However, for models where there are insufficient sales in the ordinary course of trade and there are no reasonable adjustments to ensure fair comparison of normal values with export prices, the normal value cannot be ascertained under subsection 269TAC(1). For these models, the normal value was determined using a constructed method, as permitted under subsection 269TAC(2)(c).

As required by subsections 269TAC(5A) and 269TAC(5B), in ascertaining the normal value of the goods under subsection 269TAC(2)(c), the costs of production or manufacture, the selling, general and administrative (SG&A) costs and profit were established in accordance with sections 43, 44 and 45 of the *Customs (International Obligations) Regulation 2015* (the Regulation), respectively.

The cost of production was calculated under subsection 43(2) of the Regulation, using the exporter's records.

Selling, general and administrative (SG&A) costs were calculated under subsection 44(2) of the Regulation, using the exporter's records.

The amount of profit was worked out under subsection 45(2).

5.7.1.2.1 Adjustments

When the normal value was calculated under subsection 269TAC(1), to ensure the comparability of normal values to export prices, the Commission considers that the following adjustments are required for maintaining price comparability pursuant to subsection 269TAC(8): [18]

[18] No adjustments under 269TAC(9) were required.

Adjustment type	Deduction/addition
Specification adjustment	**Add / subtract** amount for specification adjustment to normal value of surrogate models
Export commissions	**Add** costs relating to commissions paid on exports
Domestic credit	**Deduct** cost of extending credit to domestic customers

5.7.1.3 Dumping margin

The Commission compared the weighted average of monthly export prices over the whole of the investigation period with the weighted average of monthly corresponding normal values over the whole of that period, in accordance with subsection 269TACB(2)(a).

The weighted average product dumping margin for chrome bar exported to Australia by Cromsteel for the investigation period is **22.4 per cent**.

Cromsteel's dumping margin calculations are at **Confidential Appendix 2.**

5.7.2 Nimet

5.7.2.1 Export price

The Commission has relied on data provided by Nimet and has calculated export prices under subsection 269TAB(1)(a) as the goods:

- have been exported to Australia other than by the importer;
- have been purchased from the exporter by the importer; and
- the purchase of the goods by the importer was an arm's length transaction.

Therefore, the export price is the price paid or payable by the importer, other than amounts which represent a charge in respect of transport and other costs arising after exportation of the goods.

When conducting verification of Nimet, the Commission determined that it was appropriate to conduct dumping margin calculations on an ex-works (EXW) basis, taking into account the difficulty in separating inland freight from the cost, insurance and freight (CIF) prices.

5.7.2.2 Normal value

The Commission found that for three models exported to Australia, there were sufficient volumes of domestic sales by Nimet of chrome bar that were arm's length transactions and at prices that were OCOT for home consumption in Romania. The Commission has determined that the prices paid in respect of domestic sales of chrome bar for those models are suitable for assessing normal value under subsection 269TAC(1).

The Commission does not consider that these domestic selling prices require any adjustment under subsections 269TAC(8) and (9) to ensure proper comparison with export prices.

When calculating normal values under subsection 269TAC(1), the Commission noted there was one instance where no sales were recorded for a particular model in a particular quarter, and so the Commission did not possess a weighted average normal value for the exported Australian model in this circumstance. In this case, the weighted average normal value from the later quarter has been used as the base for the normal value, with a timing adjustment applied based on the difference between quarters for a similar model sold domestically.

For the remaining models, the Commission has constructed normal values in accordance with paragraph 269TAC(2)(c). To construct the normal value for each quarter, the Commission has used:

- the weighted average cost to make (CTM) for Australian export sales; plus
- SG&A applicable to goods sold domestically; plus
- profit on domestic sales made in the OCOT (see verification visit report on the public record).

As required by subsections 269TAC(5A) and 269TAC(5B), in ascertaining the normal value of the goods under subsection 269TAC(2)(c), the costs of production or manufacture, the SG&A costs and profit were established in accordance with sections 43, 44 and 45 of the *Customs (International Obligations) Regulation 2015* (the Regulation), respectively.

The cost of production was calculated under subsection 43(2) of the Regulation, using the exporter's records.

SG&A costs were calculated under subsection 44(2) of the Regulation, using the exporter's records.

The amount of profit was worked out under subsection 45(2).

In constructing normal values using CTMS information, the Commission considered that no adjustment is necessary to ensure a fair comparison with EXW export prices.

5.7.2.3 Submissions received

On 11 January 2016, Nimet provided a submission[19] to the Commission in relation to how normal values are calculated. Nimet submitted that normal values of the goods must be calculated on sales to a third country rather than domestic sales. This is because Nimet claims it sells a low volume of like goods in Romania, and considers the Romanian market to be unsuitable as a basis for calculating normal values.

Nimet claims that the goods it produces are for the purpose of sales to European and non-European markets. They are not produced for the purpose of Romanian

[19] See number 7 on the public record.

domestic sales. Nimet claims only small quantities of goods are left on stock and are made available for domestic sales. These sales are made mainly to Romanian businesses that use small length bars for hydraulic cylinder repairs.

5.7.2.4 The Commission's assessment

Under subsection 269TAC(3)(a), there is no requirement to consider third country sales. Therefore, where the conditions of subsection 269TAC(1) are not met, the normal value can be constructed under paragraph 269TAC(2)(c). In doing this, an amount for profit will usually be included.[20]

The Commission calculated the profitability of domestic sales of like goods by comparing the selling price of chrome bar with the corresponding quarterly CTMS.[21] In calculating the profit percentage, the Commission only included domestic sales made in the OCOT.

The Commission is satisfied that the sales data included in the domestic sales listing is complete, relevant and accurate, and can be used for assessing normal value under subsection 269TAC(1) for three models exported to Australia. For the remaining models, it is recommended that normal value be constructed under paragraph 269TAC(2)(c).

5.7.2.4.1 Adjustments

The Commission was satisfied that no adjustments to the normal value to ensure a fair comparison with Australian export prices are necessary under either subsections 269TAC(8) or (9).

5.7.2.5 Dumping margin

The Commission compared the weighted average of monthly export prices over the whole of the investigation period with the weighted average of monthly corresponding normal values over the whole of that period, in accordance with subsection 269TACB(2)(a).

The weighted average product dumping margin for chrome bar exported to Australia by Nimet for the investigation period is **35.3 per cent**.

Nimet's dumping margin calculations are at **Confidential Appendix 3**.

5.7.3 Stelmi

5.7.3.1 Export price

The Commission has relied on data provided by Stelmi and has calculated export prices under subsection 269TAB(1)(a) as the goods:

- have been exported to Australia other than by the importer;
- have been purchased from the exporter by the importer; and

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20 Subject to the rules set out in section 45 of the *Customs (International Obligations) Regulation 2015*.

21 Subsection 45(2) of the *Customs (International Obligations) Regulation 2015* refers.

- the purchase of the goods by the importer was an arm's length transaction.

The Commission calculated export prices at EXW terms, as it was not possible to accurately identify inland transport cost from the expenses incurred for goods shipped on CIF terms. Further information can be found in the Commission's visit report for Stelmi, which is located on the public record.

5.7.3.2 Normal value

The Commission used Stelmi's domestic sales data to calculate a normal value, being the price paid or payable for like goods sold in the ordinary course of trade for home consumption in Italy, in sales that are arm's length transactions by Stelmi, pursuant to subsection 269TAC(1).

5.7.3.2.1 Adjustments

To ensure the comparability of normal values to export prices, the Commission considers that following adjustments to the normal value are required for maintaining price comparability pursuant to subsection 269TAC(8):

Adjustment Type	Deduction/addition
Export packaging charges	**Add** cost of export packaging charges
Domestic credit charges	**Subtract** cost of domestic credit
Export credit charges	**Add** cost of export credit
Specification adjustment	**Add / subtract** amount for specification adjustment to normal value of surrogate models

5.7.3.3 Dumping margin

The weighted average product dumping margin for chrome bar exported to Australia by Stelmi for the investigation period is **-6.7 per cent**. Under subsection 269TDA(1), if the Commissioner is satisfied that there has been no dumping by an exporter, the Commissioner must terminate the investigation so far as it relates to that exporter.

Further details regarding the calculations for Stelmi are at **Confidential Appendix 4.**

5.8 All other dumping margins

The Commission did not find evidence of any other exporters of chrome bar from Romania or Italy to Australia during the investigation period. However, the Commission has calculated a rate for all other exporters from Romania because the investigation relates to exports of chrome bar from Romania rather than exports of chrome bar by specific Romanian exporters.

As sufficient information is not available to enable the export price to be ascertained under the preceding subsections, the Commission has determined an export price pursuant to subsection 269TAB(3) after having regard to all relevant information. Specifically, the Commission has used the lowest of the weighted average export prices of those that were established for cooperating exporters in the investigation period.

As sufficient information is not available to enable the normal value to be ascertained under the preceding subsections, the Commission has determined normal value for all other exporters pursuant to subsection 269TAC(6) after having regard to all relevant information. Specifically, the Commission has used the highest of the weighted average normal values of those that were established for the cooperating exporters in the investigation period.

The dumping margin for all other exporters from Romania is **66.9 per cent**.

These calculations are at **Confidential Appendix 5.**

5.9 Volume of dumped imports

Pursuant to subsection 269TDA(3), the Commissioner must terminate the investigation, in so far as it relates to a country, if satisfied that the total volume of goods that are dumped is a negligible volume. Subsection 269TDA(4) defines a negligible volume as less than 3 per cent of the total volume of goods imported into Australia over the investigation period if subsection 269TDA(5)(c) does not apply.

Using the DIBP import database and having regard to the information collected and verified from the importers and exporters, the Commission determined the volume of imports in the Australian market. Based on this information, the Commission is satisfied that, when expressed as a percentage of the total Australian import volume of the goods, the volume of allegedly dumped goods from Romania was greater than three per cent of the total import volume and is therefore not negligible. The volume of dumped goods exported from Italy, when expressed as a percentage of the total Australian import volume, is zero per cent and is therefore negligible.

5.10 The Commission's assessment

The Commission has assessed that chrome bar exported to Australia from Romania by Cromsteel and Nimet were at dumped prices during the investigation period. The Commissioner has also found that the volume of dumped goods was not negligible during the investigation period.

The Commission has assessed that chrome bar exported to Australia from Italy by Stelmi was not at dumped prices during the investigation period.

The Commission has assessed that the dumping margin for all other exporters from Romania is 66.9 per cent.

A summary of the Commission's assessment of dumping margins is set out in Table 3.

EXPORTER / MANUFACTURER	DUMPING MARGIN
Stelmi S.p.A	-6.7%
ASO Cromsteel	22.4%
Nimet srl	35.3%
All Other Romanian Exporters	66.9%

Table 3: Dumping margins

6 ECONOMIC CONDITION OF THE INDUSTRY

6.1 Commencement of injury

Milltech claimed in its application that material injury from the allegedly dumped chrome bar exports from Italy and Romania commenced in late 2012. At the initiation of this investigation, the injury analysis period was set to start from July 2011 in order to gain an understanding of the longer term trends in the chrome bar market.

The investigation period was set from 1 October 2014 to 30 September 2015 and is the relevant period for assessing whether injury has been caused by dumping. [22]

All information used to analyse the economic condition of the industry and injury effects is contained in **Confidential Appendix 6**.

6.2 Injury findings in the PAD

In the PAD, the Commissioner made a preliminary finding that Milltech has experienced injury in the form of:

- loss of sales volume;
- price depression and suppression; and
- loss of profits and reduced profitability;

and that this injury is material.

In the PAD, no analysis was conducted on whether Milltech had experienced injury in the form of other economic factors.

The Commission received no submissions in response to the PAD with respect to injury.

6.3 Price effects

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs.

Figure 4 indicates that Milltech's weighted average net unit prices have declined over the injury analysis period. However, since 2013/14, they have remained relatively stable. Figure 4 also demonstrates that Milltech's unit cost to make and sell per tonne has increased slightly over the injury analysis period. The margin between prices and costs increased over the period.

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[22] In respect of the injury analysis period, Milltech provided the Commission with data on a financial year basis. In respect of the investigation period, Milltech provided the Commission with data on a quarterly basis. For completeness, the analysis has been conducted on both the injury analysis and investigation periods respectively. All data provided by Milltech has been verified by the Commission.

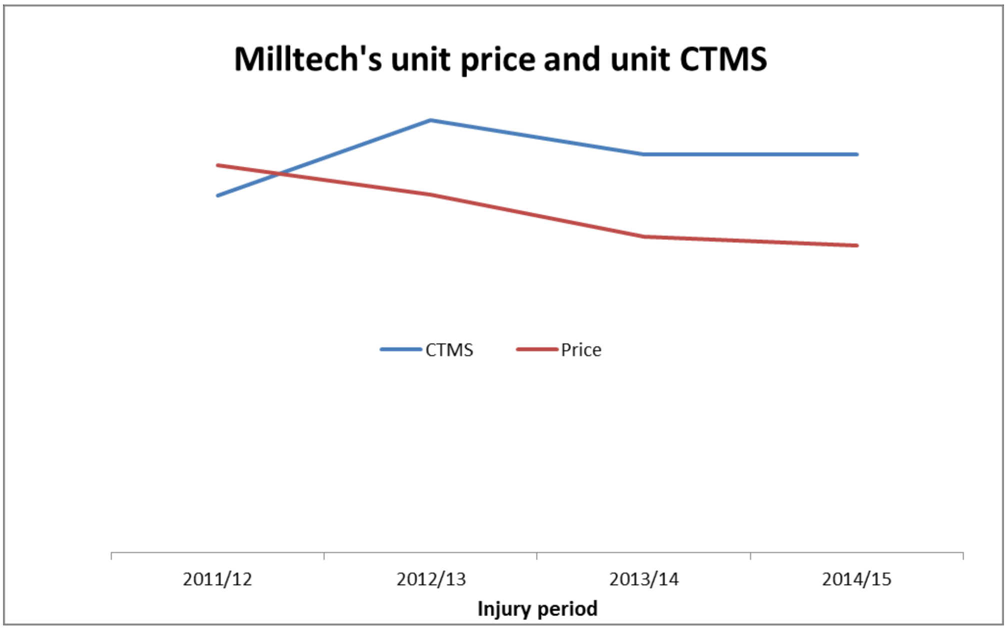

Figure 4: Milltech's unit selling price and unit cost to make and sell for chrome bars in the injury period *(Source: verified data provided by Milltech)*

The Commission considers that Milltech suffered price depression and suppression over the injury analysis period.

Figure 5 indicates that Milltech's weighted average net unit prices have remained constant over the investigation period. It also demonstrates that Milltech's unit cost to make and sell (CTMS) chrome bar has fallen over the investigation period. At the end of the investigation period, Milltech's sales of chrome bar were at a small loss per unit.

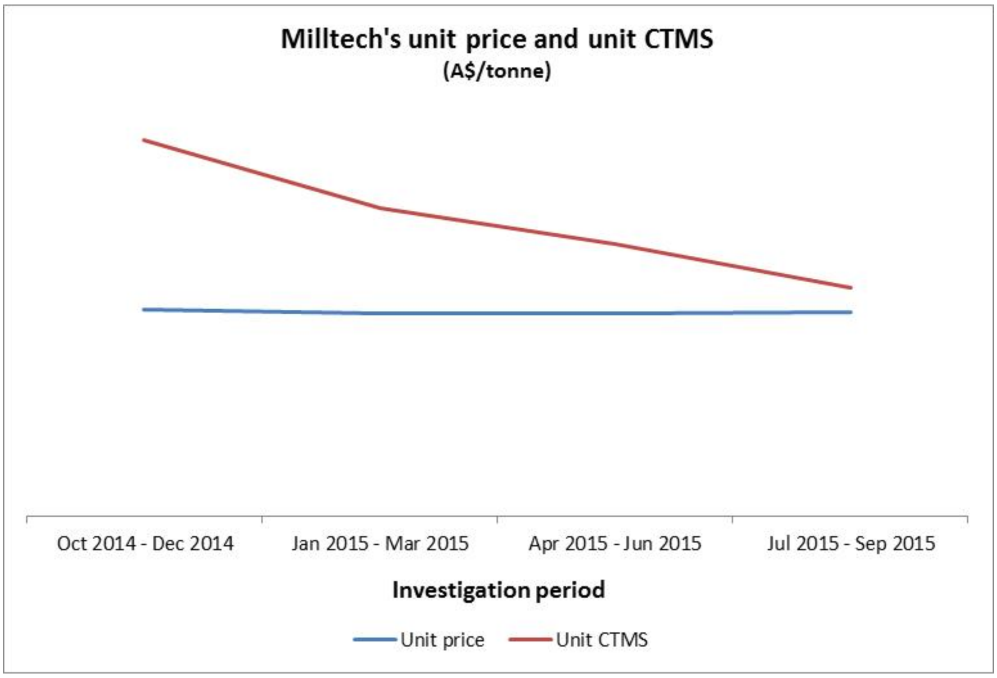

Figure 5: Milltech's unit selling price and unit cost to make and sell for chrome bars in the investigation period *(Source: verified data provided by Milltech)*

The Commission considers that Milltech has not suffered injury in the form of price depression in the investigation period. The Commission notes that Milltech has not been able to increase its prices to cover its CTMS, but that in the investigation period, Milltech's margin has improved.

Overall, the Commission considers that Milltech has not suffered injury in the form of price depression but has suffered injury in the form of price suppression.

6.4 Volume effects

6.4.1 Sales volume

In Section 4.7, the Commission charted the market size for chrome bars in Australia using DIBP import data and verified data provided by Milltech. The Commission found that the size of the domestic market for chrome bars fell markedly in FY2012 and subsequently remained smaller over the remainder of the injury analysis period.

Figure 6 indicates that over the injury analysis period, Milltech's domestic sales volumes of like goods fell by approximately one third.

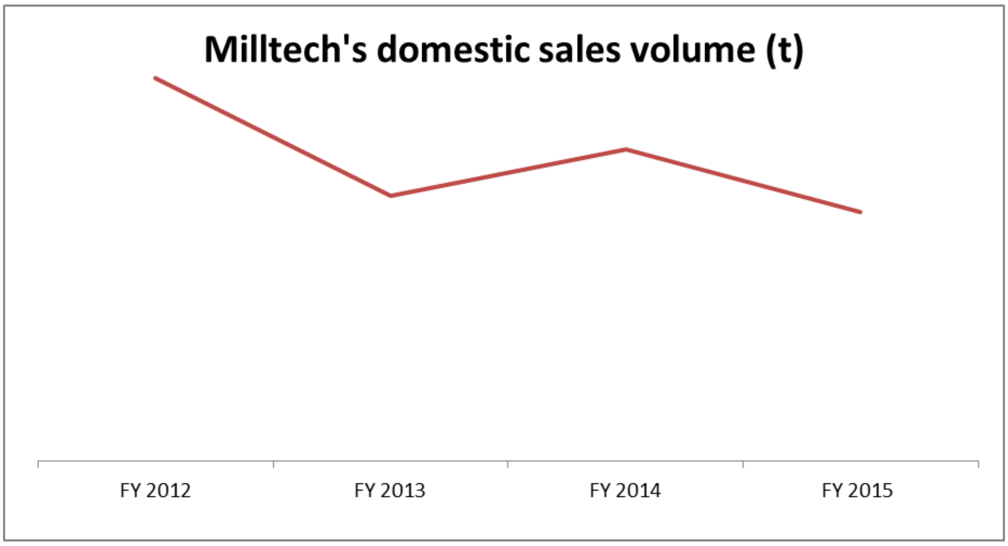

Figure 6: Milltech's domestic sales volume over the injury analysis period *(Source: verified data provided by Milltech)*

The Commission considers that the Australian industry suffered injury in the form of lost sales volume in the injury analysis period.

However, the sales volume of like goods achieved by the Australian industry increased over the investigation period, as indicated in Figure 7.

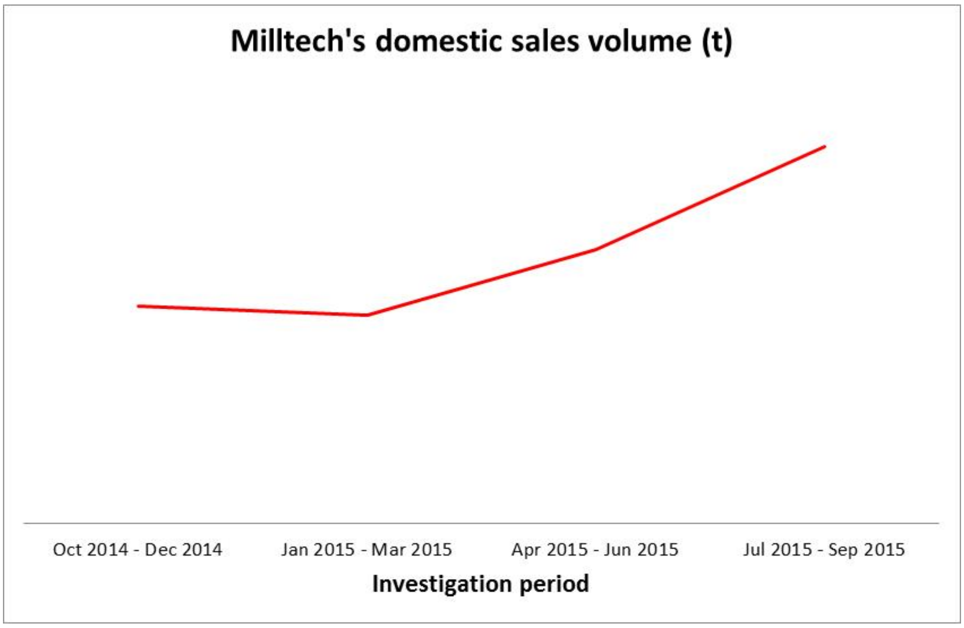

Figure 7: Milltech's domestic sales volume over the investigation period *(Source: verified data provided by Milltech)*

The Commission considers that the Australian industry did not suffer injury in the form of lost sales volume of like goods in the investigation period.

6.4.2 Market share

Figure 8 indicates that over the injury analysis period, Milltech's market share grew from about a quarter of the market in FY2012 to nearly half of the market in FY2014, before falling to about one third in FY2015. The proportion of imports also changed during the injury analysis period, with imports accounting for approximately 75 per cent of volume in FY2012 and falling to about 50 per cent in FY2014. Imports then rose to about 66 per cent in FY2015. The Commission notes that the Australian market for chrome bar has decreased in volume terms since FY2012. The Australian industry's market share fell from FY2014 to FY2015.

The Commission considers that the Australian industry did not suffer injury in the form of lost market share in the injury analysis period.

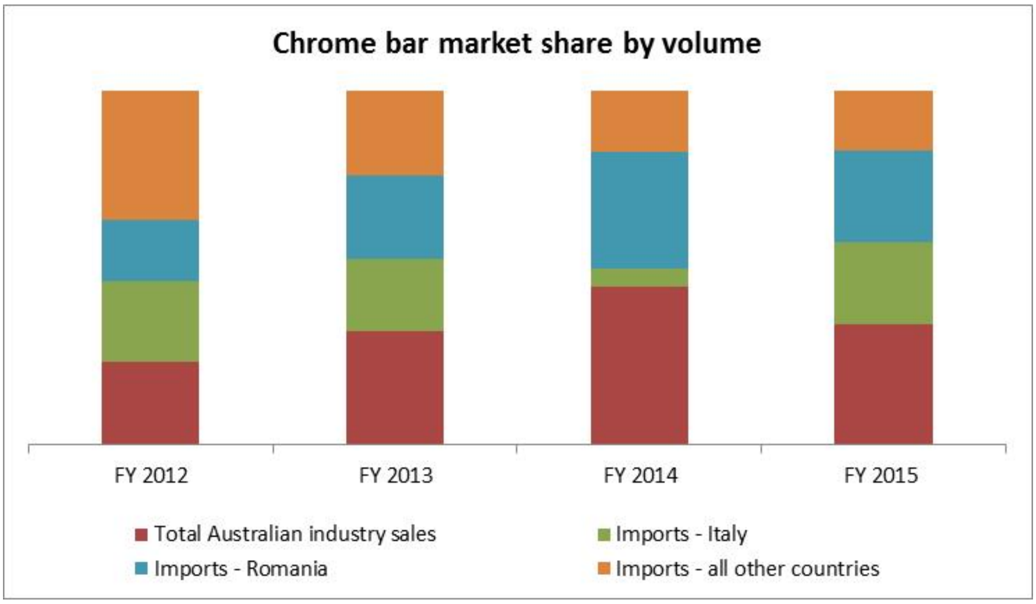

Figure 8: Market share of chrome bar in Australia in the injury analysis period
(Source: DIBP import data and verified data provided by Milltech)

Figure 9 indicates that Milltech's market share grew from about a quarter of the market at the start of the investigation period to nearly half of the market in the last quarter of the investigation period.

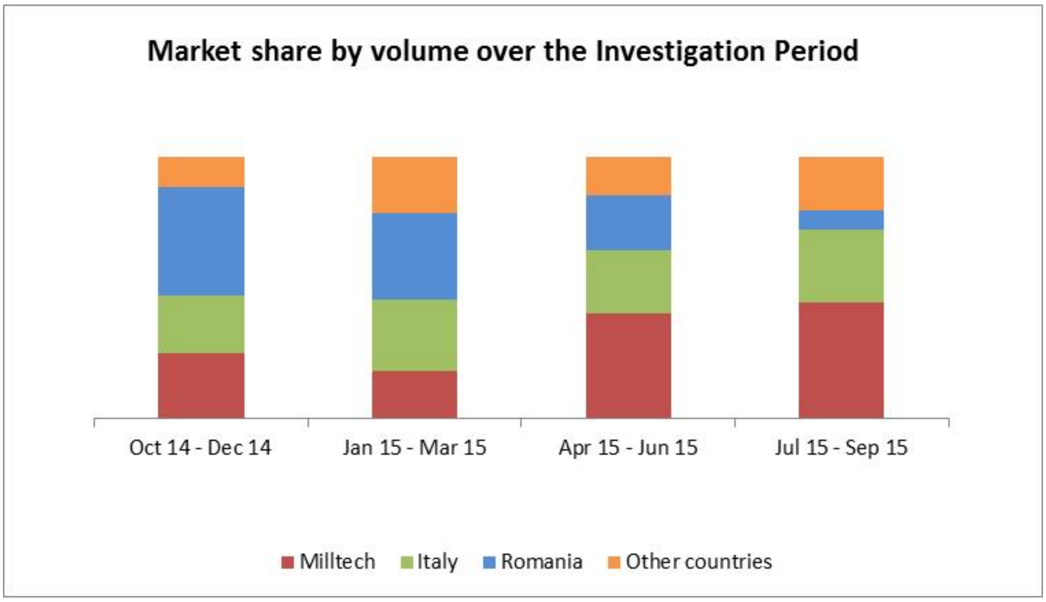

Figure 9: Market share of chrome bar in Australia in the investigation period *(Source: DIBP import data and verified data provided by Milltech and exporters)*

The Commission considers that the Australian industry did not suffer injury in the form of lost market share in the investigation period.

Overall, the Commission considers that Milltech has not suffered injury in the form of reduced sales volumes and lost market share.

6.5 Profit effects

6.5.1 Profit

Figure 10 indicates that Milltech's profit for like goods has declined over the injury analysis period.

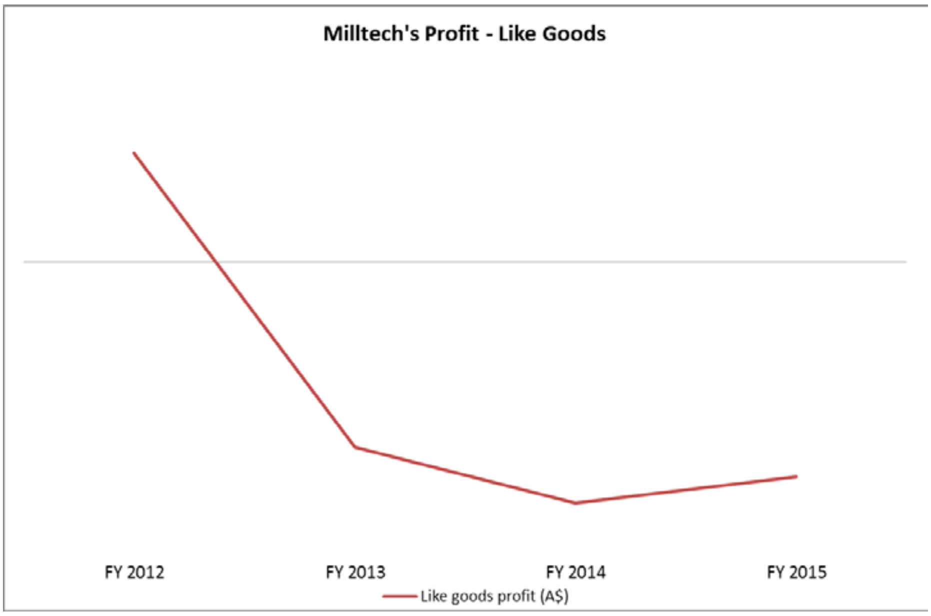

Figure 10: Milltech's total profit during the injury analysis period *(Source: verified data provided by Milltech)*

The Commission considers that the Australian industry has suffered injury in the form of loss of profits for like goods in the injury analysis period.

Figure 11 indicates that Milltech's profit for like goods has increased over the investigation period. At the end of the period, Milltech's sales of chrome bar were still at a loss.

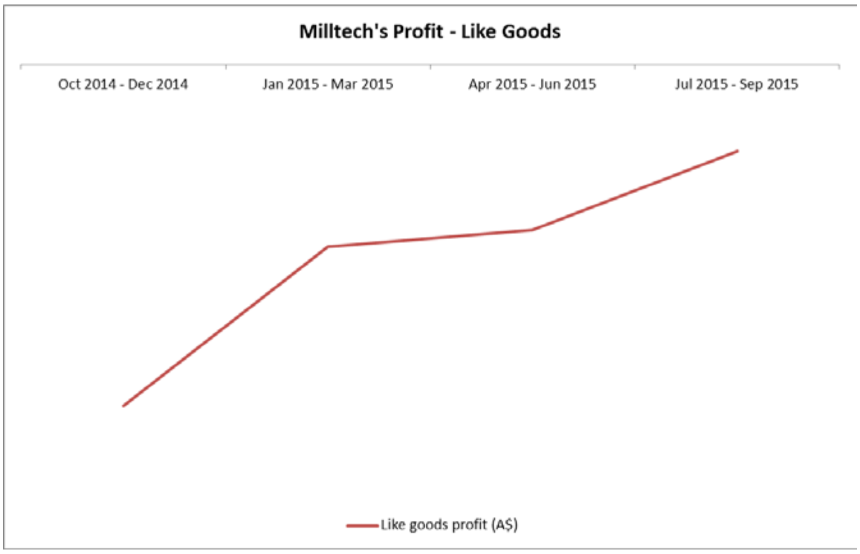

Figure 11: Milltech's total profit during the investigation period *(Source: verified data provided by Milltech)*

The Commission notes that the Australian industry has improved its performance over the investigation period. However, it is still not profitable for like goods. Therefore, the Commission considers that, on balance, the Australian industry has suffered injury in the form of loss of profits in the investigation period.

6.5.2 Profitability

Figure 12 indicates that Milltech's unit profitability (unit profit measured as a percentage of unit revenue) has declined over the injury analysis period.

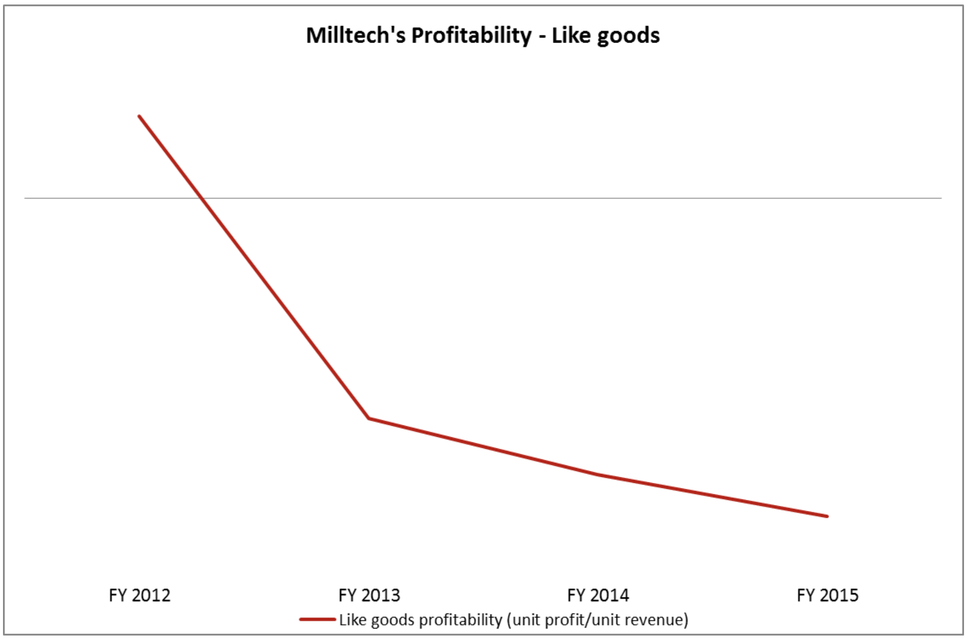

Figure 12: Milltech's profitability during the injury analysis period *(Source: verified data provided by Milltech)*

The Commission considers that the Australian industry has suffered injury in the form of reduced profitability in the injury analysis period.

Figure 13 indicates that Milltech's unit profitability (unit profit measured as a percentage of unit revenue) increased over the investigation period. However, Milltech's unit profitability is still negative.

Figure 13: Milltech's profitability during the investigation period *(Source: verified data provided by Milltech)*

The Commission notes that the Australian industry has improved its performance over the investigation period. However, it is still not profitable. The Commission considers that the Australian industry has suffered injury in the form of reduced profitability in the investigation period.

The Commission considers that, on balance, the Australian industry has suffered injury in the form of negative profitability.

6.6 Other relevant economic factors

The Commission has considered the following economic indicators in addition to the injury factors above. [23]

6.7 Revenue

Figure 14 indicates that Milltech's revenue from sales of like goods decreased from FY2012, but remained relatively stable since that time. The Commission considers that, on balance, the Australian industry has suffered injury in the form of reduced revenue in the injury analysis period.

[23] Milltech provided the Commission with data on a financial year basis only in respect of employment and capacity utilisation. All data provided by Milltech has been verified by the Commission.

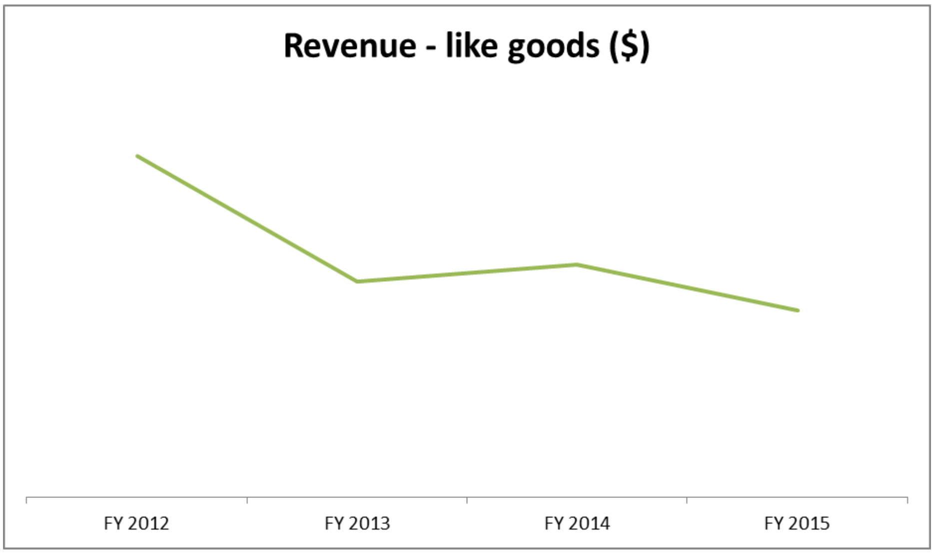

Figure 14: Milltech's revenue of like goods over the injury analysis period *(Source: Verified data from Milltech)*

However, as with the other injury indicators discussed above, Milltech's revenue from sales of like goods increased over the investigation period, as shown in Figure 15.

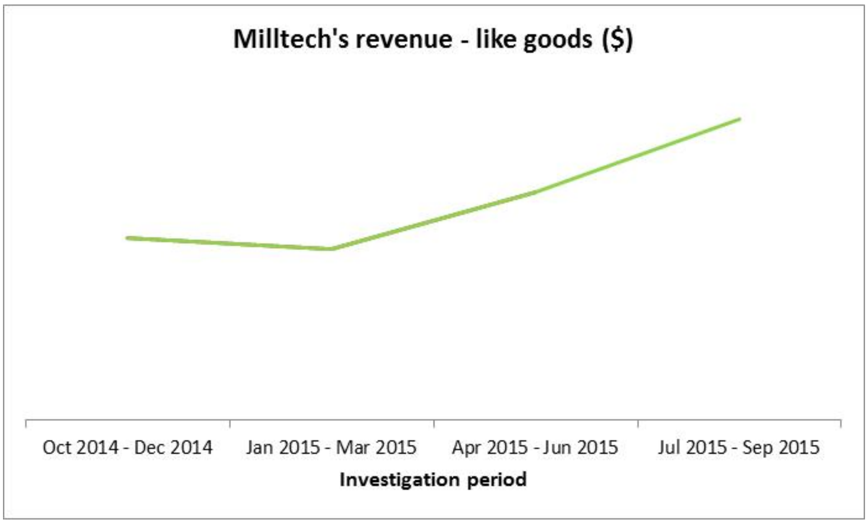

Figure 15: Milltech's revenue of like goods over the investigation period *(Source: Verified data from Milltech)*

The Commission notes that the Australian industry has increased its quarterly revenue over the investigation period. The Commission considers that the Australian industry has not suffered injury in the form of lost revenue in the investigation period.

The Commission considers that, on balance, the Australian industry has not suffered injury in the form of lost revenue.

6.8 Capacity utilisation

Figure 16 indicates that Milltech's utilisation of production capacity to produce like goods decreased from FY2012, but remained relatively stable since that time.

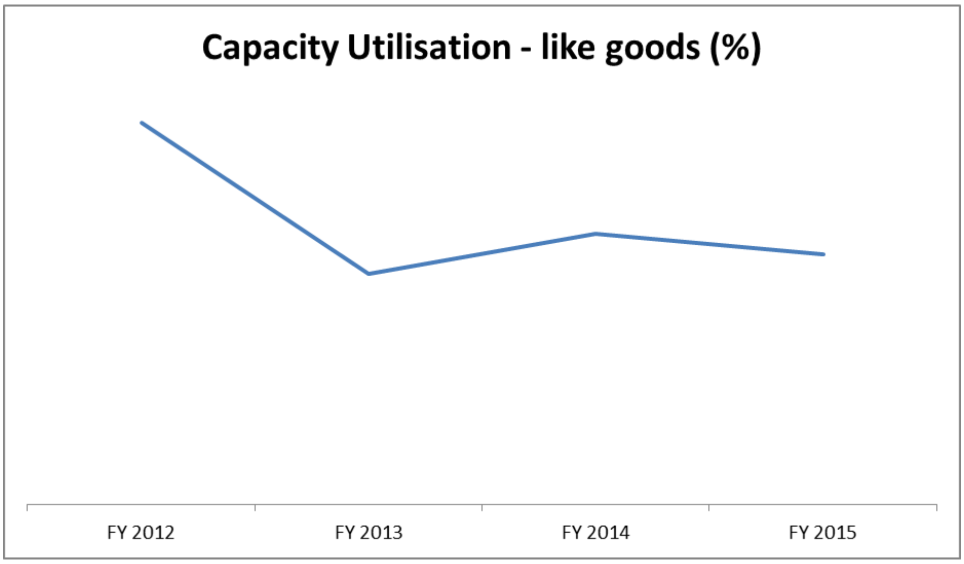

Figure 16: Milltech's capacity utilisation *(Source: Verified data from Milltech)*

The Commission considers that the Australian industry has not suffered injury in the form of reduced utilisation of production capacity to produce like goods.

6.9 Employment

Figure 17 indicates that the number of people it employs in the production of like goods has declined over the injury analysis period.

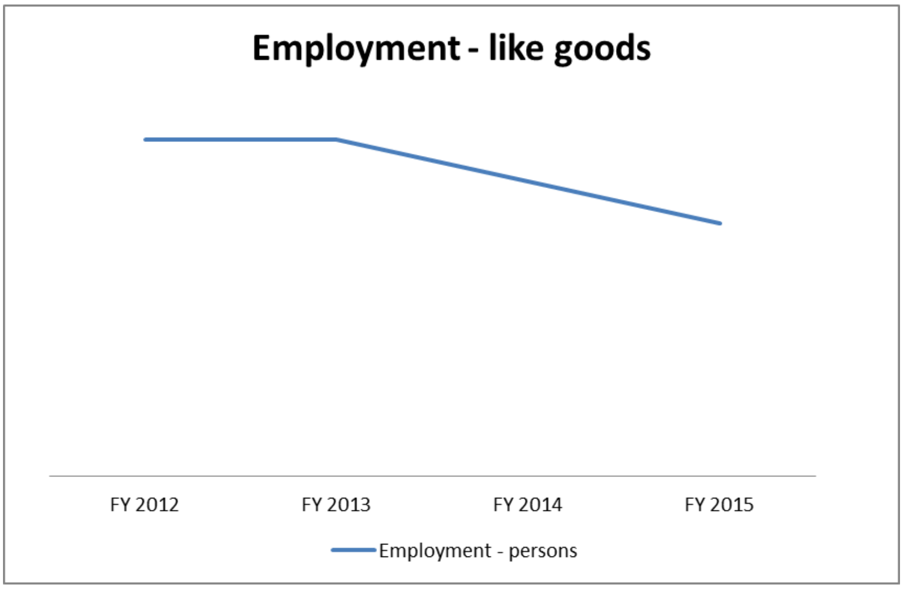

Figure 17: Milltech's employment level producing like goods *(Source: Verified data from Milltech)*

The Commission considers that the Australian industry has suffered injury in the form of reduced employment.

6.10 The Commissioner's assessment

The Commission has analysed the economic condition of the Australian industry in both the injury analysis and investigation periods respectively. Under subsection 269TDA(13), the Commissioner must terminate the investigation if the Commissioner is satisfied that the injury, if any, caused by exports of the goods is negligible.

The Commission's assessment of dumping margins is limited to the investigation period. It is unable to assume that dumping has occurred prior to that period. As such, any injury that the Australian industry may have suffered prior to the investigation period cannot be attributed to exports of dumped goods. The injury analysis period enables the Commission to examine alleged indicators of injury over a period of time so that trends may be established to assess the materiality of any injury that may occur in the investigation period.

In respect of the investigation period, the Commission has found that Milltech has experienced injury in the forms of:

- price suppression;
- loss of profits; and
- reduced profitability.

The *Ministerial Direction on Material Injury 2012* (the Ministerial Direction) directs that any injury caused by dumping must be material in degree.

In respect of price suppression, the Commission found that Milltech's performance had improved and at the end of the investigation period, its sales of chrome bar were at a small loss per unit.

In respect of reduced profits, the Commission has found that Milltech improved its performance over the investigation period, but was still negative at the end of the investigation period.

In respect of reduced profitability, the Commission has found that Milltech's unit profitability had increased, but was still negative at the end of the investigation period.

In each of these three factors, Milltech's performance was such that it is reasonable to find that it has suffered injury. However, the Commissioner does not find that when these factors are considered together, the injury is material in degree and greater than that likely to occur in the normal ebb and flow of business.

Under subsections 269TG(1) and (2), one of the matters the Parliamentary Secretary must be satisfied of in order to publish a dumping duty notice is that, because of the dumping, material injury has been, or is being caused, or has been threatened to the Australian industry producing like goods.

The Commission notes Milltech's performance has been negatively affected by several factors including:

- a contraction of the chrome bar market resulting from falling investment in machinery in the mining sector;
- the availability of cheap imports of finished hydraulic cylinders; and
- the availability of chrome bar exported from Romania, Italy and other countries; and

Milltech's ability to reduce its cost to make and sell chrome bar has, to some extent, mitigated these negative influences.

In this case, the Commissioner has found that the injury is negligible. As this injury is negligible, the Commissioner is not satisfied that material injury has been caused by dumping.

7 PROPOSAL TO TERMINATE INVESTIGATION

Section 269TAE outlines the factors that the Parliamentary Secretary may take into account in determining whether material injury to an Australian industry has been or is being caused or is threatened, or would or might have been caused, or whether the establishment of an Australian industry has been materially hindered, because of any circumstances in relation to the exportation of goods to Australia from the country of export.

Under subsection 269TDA(13), if the Commissioner is satisfied that the injury, if any, to an Australian industry caused by exports is negligible, the Commissioner must terminate the investigation so far as it relates to that country.

The Commissioner has assessed that the injury suffered by Milltech is not material in degree and, as such, is negligible.

Therefore, the Commissioner proposes, subject to the consideration of any submissions made in relation to this SEF, to terminate the investigation so far as it relates to chrome bar exported from Romania and Italy.

In relation to Italy, the Commissioner proposes to terminate the investigation under subsection 269TDA(3) on the basis that the volume of dumped goods exported from Italy to Australia is negligible (being less than 3 per cent of the total Australian import volume) [24]. This is because, based on the Commission's finding that exports from Stelmi S.p.A. (Stelmi) were not dumped, and that there were no other exporters of chrome bar from Italy during the investigation period, the volume of dumped goods from Italy is zero. Therefore, the volume of dumped goods exported from Italy, when expressed as a percentage of the total Australian import volume, is zero per cent which is less than three per cent. Subject to any submissions to the SEF, the Commissioner is therefore required to terminate the investigation so far as it relates to Italy under subsection 269TDA(3).

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[24] Subsection 269TDA(4).

8 APPENDICES AND ATTACHMENTS

Confidential Attachment 1	Milltech's price lists
Confidential Appendix 1	Australian chrome bar market
Confidential Appendix 2	Cromsteel dumping margin calculations
Confidential Appendix 3	Nimet dumping margin calculations
Confidential Appendix 4	Stelmi dumping margin calculations
Confidential Appendix 5	All other exporters dumping margin calculations
Confidential Appendix 6	Economic condition of the industry