



INVESTIGATION 264

INVESTIGATION INTO THE ALLEGED DUMPING OF STEEL REINFORCING BAR EXPORTED FROM

**THE REPUBLIC OF KOREA, MALAYSIA, SINGAPORE,
SPAIN, TAIWAN, THE KINGDOM OF THAILAND AND THE
REPUBLIC OF TURKEY**

DUMPING MARGIN CALCULATION

**HABAS SINAI VE TIBBI GAZLAR ISTIHSAL
ENDUSTRI A.S**

THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED
THEREIN WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY
NOT REFLECT THE FINAL POSITION OF THE ANTI-DUMPING COMMISSION

July 2015

1 BACKGROUND

1.1 Background

On 8 August 2014, OneSteel Manufacturing Pty Ltd (OneSteel) lodged an application requesting that the then Parliamentary Secretary to the Minister for Industry (the Parliamentary Secretary) publish a dumping duty notice in respect of steel reinforcing bar (rebar) exported to Australia from the Republic of Korea (Korea), Malaysia, Singapore, Spain, Taiwan, the Kingdom of Thailand (Thailand) and the Republic of Turkey (Turkey).

Subsequent to receiving further information on two occasions from OneSteel, the Commissioner of the Anti-Dumping Commission decided not to reject the application and initiated an investigation into the alleged dumping of rebar from the nominated countries. Public notification of initiation of the investigation was made in *The Australian* newspaper on 17 October 2014. Anti-Dumping Notice (ADN) No. 2014/100 provides further details of the investigation and is available on the Commission's website at www.adcommission.gov.au.

OneSteel alleged that the Australian industry has suffered material injury caused by rebar being exported to Australia from the nominated countries at dumped prices. It alleges that the Australian industry has been injured through:

- loss of sales volumes;
- loss of market share;
- price suppression; and
- reduced profits and profitability.

A search of Customs and Border Protection's (ACBPS) import database indicated that Habas Sinai ve Tibbi Gazlar Istihsal Endustri A.S (Habas) exported rebar from Turkey to Australia during the investigation period. The Commission wrote to Habas advising them of the initiation of the investigation, requesting co-operation with the investigation and providing copies of an exporter questionnaire for it to complete. Habas completed exporter questionnaires. The exporter questionnaire response was supported by confidential appendices and attachments, including confidential spreadsheets containing sales and cost data requested in the exporter questionnaires. The non-confidential version of the exporter questionnaire response has been placed on the public record.

1.2 Purpose of this report

Based on the volume of Habas's exports relative to the total export volume during the investigation period a decision was made not to conduct an on-site verification visit at Habas's premises.

The purpose of this report is to assess Habas's exporter questionnaire response and make preliminary assessments regarding:

- export price (Chapter 2);
- normal value (Chapter 3); and
- a dumping margin (Chapter 4).

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Whilst a decision was made not to conduct an on-site verification visit, an analysis of the exporter questionnaire response provided by Habas was completed. This analysis included tests for the reasonableness of the export price, domestic sales and cost to make and sell (CTMS) data provided to calculate the dumping margin.

2 EXPORT PRICE

2.1 Australian export sales

In its response to the exporter questionnaire response, Habas provided a detailed spreadsheet listing its Australian export sales of rebar during the investigation period. It also provided the source documents of two export transactions which reconciled to the relevant transactions in the detailed export sales listing.

There were no rebates, discounts or commissions identified in this data.

Export sales quantity was provided on both theoretical and actual weight basis.

The assessment team has adopted the invoice date as the date of sale.

In its response to the exporter questionnaire response, Habas stated that it was not related to any of its Australian customers during the investigation period.

2.2 Export price – preliminary assessment

The assessment team considers that:

- Habas is the exporter;
- the goods have been exported to Australia otherwise than by the importer; and
- purchases of the goods by the importer were arm's length transactions.

The export price has been determined under section 269TAB(1)(a) of the *Customs Act 1901* (the Act)¹ using the invoiced price by Habas less any part of that price that represents a charge in respect of the transport of the goods after exportation or in respect of any other matter arising after exportation.

[REDACTED] export prices have been calculated the ex-works level. **[Confidential information concerning transaction costs]**

Details of the export price calculations and summary export prices are at **confidential appendix 1**.

¹ References to any section, subsection or paragraph in this report relate to provisions of the Act, unless specifically stated otherwise.

3 NORMAL VALUE

3.1 Domestic sales

In its exporter questionnaire response, Habas provided a detailed spreadsheet listing its domestic sales of rebar during the investigation period. It also provided the source documents of two export transactions which reconciled to the relevant transactions in the detailed export sales listing.

Having reviewed the documentation provided by Habas, the assessment team considers that the goods manufactured for domestic consumption have characteristics closely resembling the goods exported to Australia and are therefore 'like goods' in accordance with subsection 269T(1).

There were no rebates, discounts or commissions identified in this data.

Domestic sales quantity was provided on actual weight basis.

The assessment team has adopted the invoice date as the date of sale.

In its response to the exporter questionnaire response, Habas stated that it was not related to any of its domestic customers during the investigation period.

3.2 Model matching

As outlined in Issues Paper 2015/01 (Public Record Document 24 of Case 264 refers), model matching has been applied based on minimum yield strength (i.e. 500MPa), shape (coil or straight) and diameter. The export models were matched to domestic models with the Australian and British standards with minimum yield strengths of 500Mpa.

3.3 Ordinary course of trade and sufficiency

The assessment team assessed whether the domestic sales are made in the ordinary course of trade (OCOT) by comparing the unit selling price to the corresponding quarterly weighted average CTMS for each model.

In its exporter questionnaire response, Habas provided a CTMS spreadsheet for rebar showing quarterly costs data for rebar sold domestically and exported to Australia. The calculation of unit costs to make and sell for rebar from Habas is contained in **confidential appendix 2**.

The volumes of domestic sales made in OCOT for specific models were then compared to the model exported to Australia using the model matching methodology outlined in section 3.2 above. The assessment team found that there were sufficient volumes of comparable models sold in OCOT on the domestic market for some export models.

3.4 Domestic sales and constructed normal values – preliminary assessment

The assessment team found sufficient volumes of certain models of domestic sales of rebar by Habas that were arm's length transactions and at prices that were in the ordinary course of trade. The assessment team is therefore satisfied that the prices paid in respect of domestic sales of rebar for are suitable for assessing normal value under subsection 269TAC(1) for those models.

In relation to the export models where there were insufficient sales of comparable domestic models, the assessment team constructed the normal value based on:

- the cost to make rebar exported to Australia
- domestic selling, general and administrative expenses; plus
- profit of domestic OCOT sales of like goods.

The domestic sales spreadsheet, including the OCOT test, is at **confidential appendix 3**.

3.5 Adjustments

In using domestic sales as a basis for normal value, the assessment team considers that certain adjustments are necessary to ensure fair comparison of normal values with export prices.

The following adjustments have been made to the normal value that were based on domestic selling prices in accordance with subsection 269TAC(8):

Specification adjustment	Add or deduct as required based on differences in prices of export models
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No adjustments for inland transport are required as export prices are calculated at the ex-works level and domestic sales are also ex-works.

No adjustments are required for constructed normal values.

The assessment team's preliminary adjustment calculations are included in normal value calculations at **Confidential Appendix 4**.

Duty drawback

In the exporter questionnaire response, Habas claimed a downwards adjustment for duty drawback of import duties and other charges it would have had to pay had the finished product not been exported to Australia.

The assessment team notes that in the recent Anti-Dumping investigation into rod in coil (Case 240), Habas' claim for a duty drawback adjustment was not accepted as there was no evidence that the prices of the domestically sold goods and the exported goods had been influenced unequally due to the import duties paid. Habas

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has not provided any evidence in the exporter questionnaire response that would lead the assessment team to make a different conclusion.

Domestic credit

The domestic sales listing identified payment terms of up to ■ days. However, the exporter questionnaire Habas' stated that it does not use any short term Turkish lira loans and it does not believe a credit adjustment is required. Therefore an adjustment for domestic credit was not made.

4 DUMPING MARGIN – PRELIMINARY ASSESSMENT

Dumping has been assessed by comparing quarterly weighted average export prices to corresponding quarterly weighted average normal values for the investigation period, in accordance with paragraph 269TACB(2)(a) of the Act.

The weighted average product dumping margin for rebar exported to Australia by Habas for the investigation period is **-1.7%**.

Details of the dumping margin calculations are at **Confidential Appendix 5**.

5 LIST OF APPENDICES

Confidential Appendix 1	Export sales
Confidential Appendix 2	Cost to make and sell
Confidential Appendix 3	Domestic sales
Confidential Appendix 4	Normal value
Confidential Appendix 5	Dumping margin