

24 August 2015

Mr Tim King
Investigator
Anti-Dumping Commission
Level 35
55 Collins Street
MELBOURNE CITY VICTORIA 3000

Public File

Dear Mr King

Investigation into Steel Reinforcing Bar Case 264 – Habas Sinai Ve Tibbi Gazlar Istihsal Endustri A.S Dumping Margin Calculation

Introduction

The Anti-Dumping Commission (“the Commission”) has recently placed the dumping margin calculation report for Habas Sinai Ve Tibbi Gazlar Istihsal Endustri A.S (“Habas”) on the public file.

OneSteel Manufacturing Pty Ltd (“OneSteel”) provides the following comments in respect of the report.

Non verification of exporter data

OneSteel notes the comments of the Commission that *“Based on the volume of Habas’ 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’ premises”*.

OneSteel finds it difficult to comprehend the Commission’s decision not to visit Habas when the Commission was aware that they and other Turkish exporters were involved in a dumping investigation related to Rebar in Canada where the POI (Jan13 to Mar14) overlapped with the POI (Jul13 to Jun 14) for Investigation 264 and were subsequently found to be dumping.

OneSteel considers that verification of the cooperative exporter’s financial data is central to the integrity of the Anti-Dumping system and the Commission’s decision on non-verification and dismissal of verification of Habas’ financial information in a ‘safe’ third-country location (as practised by other leading administrations), serves to damage the Commission’s ability to make decisions based on accurate and reliable information and maintain the confidence of the Australian industry and key stakeholders. OneSteel does not support the practise of non-verification.

Tests for reasonableness

The Commission further stated that

“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.”

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

In the absence of actual verification being conducted, or any other Turkish rebar exporter's verified data being available for comparison, OneSteel fails to understand how the Commission can purport to undertake “tests for reasonableness” or have any confidence in the accuracy of the information submitted, when there is no verified benchmark against which to compare.

Model matching

The Commission determined normal values for certain models for Habas under s.269TAC(1) of the *Customs Act* having determined that:

“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”.

For those 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.

OneSteel seeks clarification of the models considered for comparison and the nature of the “specification adjustment” made to the normal value that were based on domestic selling prices in accordance with subsection 269TAC(8). Habas has stated in their EQR response that it

“believes rebar exported to Australia can be compared to rebar sold in domestic market since rebar is a fungible product except for the small sizes that are less than 10 mm.”

OneSteel does not concur with this view (as expressed in submission EPR264/No.027) and it is unclear from the report whether the Commission has sought to verify whether a rebar grade with minimum yield strength of 300MPa in Turkey would sell for the same price as a 500MPa rebar grade.

It is also unclear whether any verification was done for the production method employed to make rebar for export and domestic sales. In the event that rebar has been produced for export with the addition of microalloys whereas domestic rebar has been produced using a quench & self-temper process (QST), the additional alloy component of the CTMS would require an upward adjustment to normal values to be made.

If you have any questions concerning this letter please do not hesitate to contact OneSteel's representative Mr John O'Connor on (07) 3342 1921 or Mr Matt Condon of OneSteel on (02) 8424 9880.

Yours sincerely



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