



File Note

Alloy round steel bar

Exported from the People's Republic of China

Scope of the Goods Description

7 June 2017

An investigation into alloy round bar exported from the People's Republic of China was initiated on 10 January 2017.¹ Anti-Dumping Notice No. 2017/02 described the goods the subject of the investigation as follows:

Hot-rolled solid sections of 'alloy steel', having round or near-round cross-sectional dimensions of not less than 9.5 millimetres (mm) and not greater than 98.5 mm, not in coil.

For the purpose of the description of the goods the subject of this application, 'alloy steel' here means steel containing a chemical composition that at least meets or exceeds the minimum chemical element proportions specified in Note (f) "Other alloy steel" to Chapter 72 under Schedule 3 of the Customs Tariff Act 1995 ("the Tariff") as appearing on the date of this application.

Commonly identified as 'rod', 'round bar', 'engineering bar', 'spring steel', 'alloy bar', 'high alloy bar', 'silico-manganese bar', 'grinding rod' or 'bar used for the production of grinding media', the goods covered by this application include all round or near-round hot-rolled solid sections of alloy steel bar meeting the above description of the goods regardless of the particular grade, coating, or minor modification of bar-end finish (including but not limited to, painting or chamfering).

Goods excluded from this application are:

- *round or near-round hot rolled solid steel sections composed of:*
 - *'stainless steel' as defined under Note (e) "Stainless steel" to the Tariff; or*
 - *'high-speed steel' as defined under Note (d) "High speed steel" to the Tariff;*
- *steel reinforcing bar containing indentations, ribs, grooves or other deformations produced during the rolling process;*
- *steel rod in coil;*
- *chromium plated steel; and*
- *solid sections of steel which may be square, rectangular or hexagonal in cross-section.*

¹ Anti-Dumping Notice No. 2017/02 refers.

On 4 May 2017, the Anti-Dumping Commission (Commission) published a position paper on the electronic public record setting out its preliminary assessment of the scope of the goods description.² The Commission received five submissions in response to the position paper.³

The Commission has determined that the description of alloy round steel bar as ‘hot rolled’ in the goods under consideration differentiates the bar from alloy round steel bar that is finished at lower temperatures than the process for hot rolling, commonly referred to as ‘cold rolled’.

The goods description includes alloy round steel bar that is commonly referred to as ‘engineering bar’ and ‘spring steel’. The Commission accepts that ‘engineering bar’ and ‘spring steel’ can be a description of alloy round steel bar which has been further processed through the application of heat and/or surface treatments. These treatments include, but are not limited to:

- annealing
- flame or induction hardening
- quenching and tempering
- rough machining
- peeling and polishing
- turning
- centreless grinding.

Certain treatments, such as annealing, can be undertaken as part of the production process for alloy round steel bar. Other treatments are a separate process undertaken subsequent to production and have the ability to alter the mechanical or physical properties of the bar. These treatments do not detract from the goods accurately being described as ‘hot-rolled solid sections of ‘alloy steel’.

Accordingly, the Commission considers that alloy round steel bar which has been subject to heat and/or surface treatment is not excluded from the goods description, a view that differs from the view proposed by the Commission in the position paper published on 4 May 2017. However, the Commission notes that ‘chromium plated steel’, which is a type of surface treatment, is specifically excluded from the goods description.

The Commission recognises that the position it has now taken requires it to examine other parties in the Australian industry, in order to assess whether dumping has caused material injury to the Australian industry as a whole. The Commission will seek to obtain relevant data and information from Milltech Pty Ltd, another manufacturer of alloy round bar as defined in this file note, in order to undertake further verification activities. The Commission has also gathered sufficient information from co-operating exporters in order to calculate dumping margins for this segment of the goods.

² See document 19 on the electronic public record.

³ See documents 22 to 25 and 27 on the electronic public record.