



*Customs Act 1901 – Part XVB*

## **ANTI-DUMPING NOTICE NO. 2017/152**

### **ALLOY ROUND BAR**

### **EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA**

### **Termination of part of Investigation**

#### ***Public notice under subsection 269TDA(15) of the Customs Act 1901***

On 10 January 2017, I, Dale Seymour, the Commissioner of the Anti-Dumping Commission, initiated an investigation into the alleged dumping of alloy round bar (the goods) exported to Australia from the People's Republic of China (China), following an application lodged by OneSteel Manufacturing Pty Ltd (OneSteel) under subsection 269TB(1) of the *Customs Act 1901* (the Act).<sup>1</sup>

Public notice of my decision to not reject the application and to initiate the investigation was published on the Anti-Dumping Commission's (Commission) website on 10 January 2017. The Anti-Dumping Notice (ADN) is available at [www.adcommission.gov.au](http://www.adcommission.gov.au).

#### **The Goods**

As outlined in ADN 2017/02<sup>2</sup>, the goods the subject of the investigation are:

*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).*

<sup>1</sup> All legislative references are to the *Customs Act 1901*, unless otherwise specified.

<sup>2</sup> Refer to document 3 on the electronic public record for Investigation 384.

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.

## **Jiangsu Yonggang Group Co. Ltd (Yonggang)**

### **Verification**

Following initiation of the investigation, Yonggang provided a completed response to the Commission's exporter questionnaire. The Commission tested the data provided by Yonggang for relevance and reliability by performing a desktop verification, as outlined in the verification report published on the public record.<sup>3</sup>

### **Export Price**

The Commission is satisfied that the goods have been exported to Australia otherwise than by the importer and were purchased in arms length transactions by the importer from the exporter.

Therefore, the export price for Yonggang was calculated under subsection 269TAB(1)(a), as the price paid by the importer to the exporter less transport and other costs arising after exportation.

### **Normal Value**

As noted in Appendix 1 to *Statement of Essential Facts No. 384* (SEF 384), the Commission has formed a view that there is a particular market situation in China with respect to Chinese domestic alloy round bar prices, such that domestic prices are not suitable to be used for establishing normal values under subsection 269TAC(1). As such, the Commission has utilised subsection 269TAC(2)(c) to construct normal values.

The Commission has constructed Yonggang's normal values as follows:

<b>Raw materials</b>	Platts monthly Latin American Free on Board (FOB) steel billet prices uplifted by the average cost for the investigation period for each alloy necessary to bring the billet to the chemical specification required for each grade of alloy round bar exported to Australia.
<b>Conversion costs</b>	Yonggang's actual verified costs to convert billet to alloy round bar.
<b>Selling, general &amp; administrative costs</b>	Yonggang's actual verified selling, general and administrative (SG&A) costs.
<b>Profit</b>	Yonggang's profit on domestic sales which met the original ordinary course of trade test based on Yonggang's verified cost to make and sell.

**Table 1: Yonggang's normal value construction**

<sup>3</sup> Refer to document 36 on the electronic public record for Investigation 384.

## Adjustments

To ensure the comparability of normal values to export prices, the Commission made adjustments pursuant to subsection 269TAC(9)<sup>4</sup> as follows:

<b>Adjustment Type</b>	<b>Deduction/addition</b>
Domestic inland transport and handling charges	<b>Subtract</b> export inland transport and handling charges
Export inland transport and handling charges	<b>Add</b> export inland transport and handling charges
Value Added Tax (VAT)	<b>Add</b> an amount for non-refundable VAT

**Table 2: Adjustments to Yonggang's normal value for alloy round bar**

## Dumping margin

The Commission has calculated the dumping margin for Yonggang as **-10.8 per cent**. Further details regarding the calculations can be found in the relevant attachments to SEF 384 and the verification report for Yonggang.

As a result of the Commission's investigation, I am satisfied that:

- in relation to Yonggang, the goods exported by this exporter have not been dumped, therefore I terminate the investigation in accordance with subsection 269TDA(1) of the Act so far as it relates to the exporter.

In terminating part of the investigation, I have considered the application, submissions from interested parties in response to the initiation of the investigation, the data provided by Yonggang in its exporter questionnaire response, the verification report for Yonggang, and SEF 384.

Subsection 269TDA(15) requires that in circumstances where I terminate an investigation so far as it relates to a particular exporter, I must, amongst other requirements, give public notice of that decision. This ADN is considered to be public notice as per subsection 269TDA(15).

The investigation into the alleged dumping of the goods from China will continue. I am due to report to the Assistant Minister for Industry, Innovation and Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science<sup>5</sup> in respect of this investigation on or by 11 December 2017.

The applicant may request a review of the decision to terminate the investigation in respect of Yonggang by lodging an application with the Anti-Dumping Review Panel in the approved form and manner within 30 days of the publication of this notice.

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<sup>4</sup> For all exporters, where normal value was calculated under subsection 269TAC(2)(c), to ensure the comparability of normal values to export prices, the Commissioner considers that adjustments are required pursuant to subsection 269TAC(9).

<sup>5</sup> On 19 July 2016, the Prime Minister appointed the Parliamentary Secretary to the Minister for Industry, Innovation and Science as the Assistant Minister for Industry, Innovation and Science. For the purposes of this investigation the Minister is the Parliamentary Secretary to the Minister for Industry, Innovation and Science.

Enquiries about this notice may be directed to the case manager on telephone number (03) 8539 2477 or email at [investigations1@adcommission.gov.au](mailto:investigations1@adcommission.gov.au).

Dale Seymour  
Commissioner  
Anti-Dumping Commission

27 October 2017