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Director Operations 3
Anti-Dumping Commission
GPO Box 1632
Melbourne VIC 3001

Review of Steel Reinforcing Bar exported from the Republic of Korea

Dear Director,

This submission is made on behalf of Duferco International Trading Holding Australia Pty Ltd (Duferco) in response to the Anti-Dumping Commission's (the Commission) Statement of Essential Facts Report No. 486 (SEF 486) published on 18 February 2019.

Response to issue raised by Liberty Steel

Liberty Steel asserts that transactions between Duferco and Duferco Asia Pte Ltd are not arms-length due to some sales by Duferco being marginally loss-making, and proposes that the '*SG&A costs of Duferco*' be considered in '*determining the post-importation costs of the importer*'. It is clear that Liberty Steel is misinformed.

First, as noted in the Duferco importer report, whilst some sales were unprofitable, Duferco's sales of imported rebar from Korea were profitable on a weighted average basis across the review period.

Second, importantly the profitability assessment undertaken by the Commission includes [REDACTED] of Duferco Asia Pte Ltd. Therefore, the overall profitability of Duferco's rebar sales takes account of the fully absorbed cost to import and sell of Duferco and Duferco Asia Pte Ltd. Given the overall profitability of the importer, the Commission's finding that exports by Daehan were sold at arms-length transactions is supported.

Yours sincerely

John Bracic