

PUBLIC VERSION



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

Review of Steel Reinforcing Bar exported from Taiwan

Dear Director,

This submission is made on behalf of Wei Chih Steel Industrial Co., Ltd. (Wei Chih) in response to the Anti-Dumping Commission's (the Commission) Statement of Essential Facts Report No. 489 (SEF 489) published on 18 February 2019.

Response to issues raised by Liberty Steel

Suitability of domestic sales

Liberty Steel argues that rebar manufactured to grade SD490 is the most directly comparable domestic like good to the exported goods. It proposes that *'an upward specification adjustment to the comparable Grades SD420 or SD420W will need to be made'* to take account of the price premium that it claims exists between SD420 and SD290 grades.

Whilst Wei Chih made no domestic sales of SD490 and does not agree with Liberty Steel's view that a price premium would exist between selling prices for SD420 and SD490, in the event that the Commission does accept and agree to Liberty Steel's claim, the Commission should base any such adjustment on actual verified information. To that end, Wei Chih notes that Liberty Steel submitted in investigation 418¹ that this specification adjustment should be based on the:

'The price premium for higher strength grade rebar recognised by the Commission during verification of PT Ispat Panca Putera and expressed as follows:

"The Commission found that there was a price difference between the domestic rebar grades BjTS 40 and BjTS 50. The Commission has therefore applied an upwards adjustment to the normal value based on the percentage price difference between BjTS 40 and BjTS 50."

Liberty Steel also proposed relying on PT Ispat's price difference in its application to the ADRP. Therefore, Wei Chih submits that if the Commission considers a specification

¹ EPR 418 - record 031, page 11.

adjustment warranted, that it rely on the verified percentage price difference between the domestic rebar grades BjTS 40 and BjTS 50 sold by PT Ispat.

Proposed form of duty

Liberty Steel argues that '[i]n the event the exporter's dumping margin is determined to be positive' that the combination duty method should be applied. In essence, Liberty Steel is requesting the Commission to deviate from its stated policy and practice with regards to the application of forms of dumping duties, without any reasonable basis.

First, since implementation of the *Customs Tariff (Anti-Dumping) Regulation 2013* (the Dumping Duty Regulation) in June 2013, which provided additional methods to the Minister to calculate dumping duty, the Commission has consistently applied its published guidelines² on the application of forms of dumping duties. In the case of review of measures, the Commission has consistently left the form of duty unchanged from the original investigation in circumstances where a positive dumping margin has been determined.

For example, in Review No. 380³ the Commission continued to apply an ad valorem measure to exports of steel reinforcing bar by Compañía Española de Laminación, SL, (Celsa). Importantly, Celsa's original ad valorem measure was imposed on the same basis as Wei Chih's ad valorem measure in the original investigation into steel reinforcing bar (Report 264). Likewise, other examples confirm that the Commission has continued to leave the ad valorem duty unchanged from the original investigation in subsequent reviews⁴, in circumstances where a positive dumping margin is determined.

Therefore, in the event that the specification adjustment increases Wei Chih's dumping margin into a positive margin, the Commission should reject Liberty Steel's view, and instead continue to apply its guidelines and practice consistently with other rebar exporters by leaving the form of duty unchanged in a review where a positive dumping margin is determined.

Yours sincerely

John Bracic

² 'Guidelines on the application of forms of Dumping Duty', November 2013, Anti-Dumping Commission, (<https://www.adcommission.gov.au/accessadsystem/investigations/Documents/Guidelineformsofdumpingduty-November2013.pdf>)

³ Report No. 380, Steel reinforcing bar from Spain, page 22.

⁴ Review 445, Review 383