



CUSTOMS ACT 1901 - PART XVB

Preliminary Reinvestigation Report to the Anti-Dumping Review Panel

Reinvestigation of Certain Findings in Report Nos. 486 and 489

**Steel Reinforcing Bar exported from the Republic of Korea
and Taiwan (with the exception of Power Steel Co., Ltd)**

10 March 2020

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ABBREVIATIONS

the Act	<i>Customs Act 1901 (Cth)</i>
ADN	Anti-Dumping Notice
ADRP	Anti-Dumping Review Panel
the Commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
DITH	DITH Australia Pty
EPR	electronic public record
FOB	Free on Board
the goods	steel reinforcing bar
the review period	the period from 1 January 2017 to 30 June 2018
Korea	the Republic of Korea
InfraBuild Steel	InfraBuild (Newcastle) Pty Ltd
the Manual	<i>Dumping and Subsidy Manual</i>
the Minister	the Minister for Industry, Science and Technology
OCOT	ordinary course of trade
rebar	steel reinforcing bar
REP 486 & 489	<i>Anti-Dumping Commission Report Nos. 486 & 489</i>
SEF	statement of essential facts
SG&A	selling, general and administrative
Wei Chih	Wei Chih Steel Co., Ltd

1 BACKGROUND

1.1 Reviews 486 and 489

On 1 August 2018, the Commissioner of the Anti-Dumping Commission (the Commissioner) initiated a review of anti-dumping measures with respect to steel reinforcing bar (rebar) exported to Australia from the Republic of Korea (Korea) and Taiwan following receipt of two separate applications for a review of variable factors by InfraBuild (Newcastle) Pty Ltd, previously known as Liberty OneSteel (Newcastle) Pty Ltd, (InfraBuild Steel) and DITH Australia Pty (DITH).

In *Anti-Dumping Commission Report Nos. 486 & 489* (REP 486 & 489)¹ the Commissioner recommended to the Minister for Industry, Science and Technology (the Minister)² that different variable factors apply in respect of rebar exported to Australia from Korea and Taiwan.

The dumping margin found in REP 486 & 489 in respect of rebar exported to Australia from Wei Chih Steel Industrial Co., Ltd (Wei Chih) was negative 0.4 per cent. The form of measures imposed was a floor price duty method.

On 29 May 2019, the Minister accepted the Commissioner's recommendations and public notice of this decision was published on 31 May 2019.³

1.2 Review of the Minister's decision

The Anti-Dumping Review Panel (ADRP) accepted an application for a review of the Minister's decision from InfraBuild Steel. The ADRP initiated its review of the decision by public notice on 22 July 2019.⁴

On 16 September 2019, the ADRP requested that the Commissioner undertake a reinvestigation⁵ under section 269ZZL(1) of the *Customs Act 1901* (Cth) (the Act)⁶ relating to InfraBuild Steel's grounds of review in relation to the following:

1. The finding as to the normal value for Wei Chih's exports;
2. Should the normal value be modified, the new variable factors and dumping margin; and
3. To the extent that there is a change in the variable factors for Wei Chih, any change required to the finding of the variable factors for all other exporters from Taiwan and the relevant dumping margin.

¹ Available on the Public Record of [Case 486](#) and [Case 489](#)

² For the purposes of the reviewable decision, the Minister is the Minister for Industry, Science and Technology.

³ [Anti-Dumping Notice No. 2019/54](#) refers.

⁴ [Anti-Dumping Review Panel Notice under section 269ZZI](#) refers.

⁵ [Anti-Dumping Review Panel Request for Reinvestigation](#) refers.

⁶ All legislative references in this report are to the *Customs Act 1901*, unless otherwise specified.

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Specifically, the ADRP requested the Commission examine the normal value determined for Wei Chih's exports and determine:

1. whether the normal value can be ascertained under section 269TAC(1) and any relevant specification adjustment could be under section 269TAC(8); and
2. Should there be insufficient information available to ascertain normal values under section 269TAC(1), whether the normal value could be ascertained under section 269TAC(6), having regard to all relevant information.

The ADRP requested that the Commissioner report the result of the reinvestigation by 25 November 2019. The Commissioner initially sought, and was granted, an extension of 80 days.⁷ The Commissioner subsequently sought, and was granted, a further extension of 71 days.⁸

The reinvestigation report is now due to the ADRP on 24 April 2020.

1.3 Approach to the reinvestigation

This report sets out the findings of the Commissioner in response to the reinvestigation request by the ADRP. The reinvestigation by the Anti-Dumping Commission (Commission) has been conducted, and this report has been prepared, in accordance with section 269ZZL(2).

In conducting this reinvestigation, the Commission has reassessed the normal values in relation to Wei Chih and all other Taiwanese exporters, having regard to the ADRP's reasons for requesting the reinvestigation⁹, submissions received by the ADRP in relation to this review¹⁰, InfraBuild's application to the ADRP¹¹ and all relevant information available to the Commission in case 486 & 489.

1.4 Summary of preliminary findings

The Commission found that Wei Chih sold like goods on the domestic market (section 2.1.1 refers) that were arms length transactions (section 2.1.2 refers), made in the ordinary course of trade (section 2.1.3 refers) and in sufficient volumes (section 2.1.4 refers) during the review period (1 January 2017 to 30 June 2018). The Commission has ascertained Wei Chih's normal value under section 269TAC(1) based on domestic selling prices.

In ascertaining Wei Chih's normal values, the Commission has had regard to model matching and found that the domestic sales of model with grade SD420W is the most comparable to the export model with grade 500N (section 2.1.5 refers).

⁷ [Letter from ADC to ADRP requesting extension of time](#) and [approval of extension of time by the ADRP panel member](#) refer.

⁸ [Letter from ADC to ADRP requesting further extension of time](#) and [approval of further extension of time by the ADRP panel member](#) refer.

⁹ [Anti-Dumping Review Panel Request for Reinvestigation](#)

¹⁰ [Available on the ADRP website for case 2019/108](#)

¹¹ [InfraBuild's application for review of a Ministerial decision](#)

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In using domestic sales as a basis for normal value, the Commission considers that certain adjustments, in accordance with section 269TAC(8), are necessary to ensure a fair comparison of the normal value with the export price (section 2.1.6 refers). This includes an adjustment for the physical differences between grades SD420W and 500N based on the differences in costs (section 2.1.7 refers).

As sufficient information was available to ascertain the normal value under section 269TAC(1), with appropriate adjustments made under section 269TAC(8), the Commission did not consider whether the normal value should be ascertained under section 269TAC(6).

Consequently, the Commission revised the variable factors as it relates to Wei Chih (section 2.3 refers). In addition, to the extent that variable factors were changed for Wei Chih, the Commission has also revised the variable factors as it relates to all other exporters from Taiwan (section 2.4 refers).

1.5 Submissions

Interested parties are invited to make submissions in response to the Commissioner's preliminary findings as set out in this report.

Submissions shall be lodged no later than **24 March 2020**. The Commission's preference is to receive submissions by email to adc.qav@adcommission.gov.au.

Submissions may also be addressed to:

The Director, Quality Assurance and Verification
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2600

Interested parties claiming that information contained in their submissions is confidential, or that the publication of the information would adversely affect their business of commercial interests, must:

- provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests; or
- satisfy the Commissioner that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked "FOR OFFICIAL USE ONLY".

Interested parties must lodge a non-confidential version of their submission, clearly marked "PUBLIC RECORD".

2 NORMAL VALUE

2.1 Normal Value based on domestic sales

Section 269TAC(1) provides that the normal value of any goods exported to Australia is the price paid or payable for like goods sold in the ordinary course of trade (OCOT) for home consumption in the country of export in sales that are arms length transactions by the exporter, or, if like goods are not so sold by the exporter, by other sellers of like goods.

2.1.1 Like goods

The reinvestigation first sought to establish whether Wei Chih sold like goods on the domestic market.

In REP 486 & 489, the Commission found that there were an absence or insufficient domestic sales of the comparable export model and constructed the normal value under section 269TAC(2)(c). In this context, REP 486 & 489 did not specifically address or explicitly state whether Wei Chih sold like goods on the domestic market.

However, the Commission, as discussed during the ADRP Conference¹², considers that rebar of grades SD420W and SD280 sold by Wei Chih on the domestic market were like goods to the 500N model rebar exported by Wei Chih during the review period.

In addition, the like goods determination was also detailed in the Wei Chih verification report, which found that rebar manufactured for domestic consumption are identical to, or have characteristics closely resembling, the goods exported to Australia, as they:

- are not distinguished from the exported goods during production (the exported goods and goods sold on the domestic market are produced in the same way, subject to individual customer specifications and specification standards, and the costs of production for models sold domestically and for export are similar);
- are produced at the same facilities, using the same raw material inputs subject to specification standards and manufacturing processes;
- the goods compete in the same market sector and use similar distribution channels; and
- can be considered functionally alike, as they have similar end uses.¹³

The verification team then concluded that the rebar produced by Wei Chih for domestic sale have characteristics closely resembling those of the goods exported to Australia and are therefore 'like goods' in accordance with section 269T(1).¹⁴

No submissions were received during reviews 486 & 489 contesting the like goods finding in the verification report. In this reinvestigation, the Commission affirms the finding that Wei Chih sold like goods on the domestic market during the review period.

¹² [ADRP Conference Summary \(4 September 2019\)](#)

¹³ [EPR 489 document 12](#), section 2.4

¹⁴ [EPR 489 document 12](#), section 2.6

2.1.2 Arms length

Having established that Wei Chih sold like goods on the domestic market, the reinvestigation sought to establish whether those sales were made in arms length transactions.

For the same reasons as the like goods finding in section 2.1.1 above, REP 486 & 489 did not specifically address or explicitly state whether domestic sales of like goods by Wei Chih during the review period were arms length transactions. However, this was assessed in the Wei Chih verification visit.

The Wei Chi verification team found that Wei Chih did not have any domestic sales of like goods to related customers during the review period.¹⁵ In addition, it did not find that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was not directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.¹⁶

The verification team then stated that it considered all domestic sales made by Wei Chih to domestic customers during the period were arms length transactions.¹⁷

No submissions were received during reviews 486 & 489 contesting the arms length finding in the verification report. In this reinvestigation, the Commission affirms the finding that all the domestic sales of like goods by Wei Chih during the review period were arms length transactions.

2.1.3 Ordinary course of trade

Having established that Wei Chih sold like goods on the domestic market in arms length transactions, the Commission sought to establish whether those transactions were made in the OCOT.

For the same reasons as the like goods and arms length findings in sections 2.1.1 and 2.1.2 above, REP 486 & 489 did not specifically address or explicitly state whether goods sold on the domestic market by Wei Chih were in the OCOT, it was tested in Appendix 3 of Wei Chih's dumping margin calculation. In this reinvestigation, the Commission has reviewed the OCOT calculation and found that there were domestic sales of like goods by Wei Chih during the review period made in the OCOT.

2.1.4 Relevance of domestic sales

Section 269TAC(2)(a)(i) provides that the normal value of goods exported to Australia cannot be ascertained under section 269TAC(1) where there is an absence, or low volume, of relevant sales of like goods in the market of the country of export. Section

¹⁵ [EPR 489 document 12](#), section 1.2.1

¹⁶ [EPR 489 document 12](#), section 7.1

¹⁷ [EPR 489 document 12](#), section 7.1

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269TAC(14) defines a 'low volume' for the purposes of a dumping investigation. The Commission will generally apply this definition to other case types, including review of measures, as it provides a useful guide to what is considered a low volume and maintains consistency between case types. In general, a low volume is where the volume of all like goods sold for home consumption is less than five per cent of the total volume of the goods under consideration that are exported to Australia by the exporter.

In REP 486 & 489, the Commission found that there was either an absence, or not sufficient volumes, of sales of domestic models in the domestic market, that were comparable to the models Wei Chih exported to Australia.¹⁸ It was silent on whether there were sufficient domestic sales of like goods overall.

In its submission to the ADRP the Commission clarified that domestic sales of grade SD490, the most directly comparable grade to the particular model exported to Australia (i.e. grade 500N), were absent, therefore, the Commission considered whether the normal value could be based on domestic sales of grades SD420/SD420W with a specification adjustment.¹⁹ However, at that time, the Commission was of the view that there was insufficient information to quantify the price difference between grades SD420/SD420W and SD490.²⁰

In the ADRP's request for a reinvestigation, it stated that it was not convinced by the Commission's approach that, where there are no comparable models on the domestic market and it is not practicable to make the required specification adjustment, this is an example of where there is an absence, or low volume, of sales of like goods contemplated in section 269TAC(2)(a).

In this reinvestigation, prior to considering the issue of comparable models and specification adjustments, the Commission has reviewed whether there was an absence or low volume of sales of like goods overall by Wei Chih on the domestic market. In undertaking this review, the Commission relied on Appendix 3 of Wei Chih's dumping margin calculation in REP 486 & 489 and found that Wei Chih's domestic sales of like goods, as a percentage of the goods exported to Australia, is five per cent or greater.

The Commission is therefore satisfied that there is not an absence or low volume of sales that would be relevant for the purposes of determining a normal value under section 269TAC(1).

2.1.5 Model matching

The Commission's practice is to undertake model matching when determining a normal value under section 269TAC(1). This involves selecting the domestically sold models that are most directly comparable to the particular models exported to Australia. Where there are no sales or insufficient sales of identical models of the goods exported to Australia

¹⁸ [REP 486 & 489](#), section 4.5.3

¹⁹ [Submission to ADRP Review 2019/108](#)

²⁰ Reinvestigation of the specification adjustment is discussed in section 2.1.6 below.

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that are sold in the OCOT on the domestic market, the Commission may use a surrogate model and make appropriate specification adjustments.²¹

During the investigation, InfraBuild Steel submitted that the most comparable grade to 500N is SD490, however, Wei Chih did not sell rebar with grade SD490 on the domestic market. InfraBuild also submitted that in the absence of domestic sales of grade SD490, grade SD420W would be the most comparable to the export grade 500N.²²

In its submission to the ADRP, the Commission advised that it considered that the export model (i.e. 500N) and domestic models (i.e. SD420W) are comparable.²³

In this reinvestigation, the Commission has reviewed the models sold by Wei Chih on the domestic market that were made in the OCOT during the review period. Wei Chih did make some sales of 500N on the domestic market, however, while these sales were made in the OCOT, they were sold as non-prime. Wei Chih explained during the verification visit that these sales were secondary grade goods that were not suitable for export so they were sold on the domestic market at a discounted price.²⁴ In addition, these sales were only two out of [REDACTED]

[REDACTED] [analysis relating to the domestic sales volumes and values of 500N]. Accordingly, the Commission does not consider these sales of 500N appropriate for comparison to the export sales.

During the review period, Wei Chih also made domestic sales of two other models, which were grades SD420W and SD280W. The Commission considers that grade SD420W is more comparable than grade SD280 to the export grade 500N. This is because yield strength is a key attribute for determining price and grade SD420W has a yield strength that is closer to grade 500N than grade SD280. Therefore, the Commission has used SD420W as the surrogate model for the purpose of ascertaining the normal value and model matching to the export model of grade 500N. The Commission notes that this is consistent with the view of InfraBuild as outlined above.

In considering the appropriateness of using SD420W as the surrogate model, the Commission has tested whether there were sufficient sales of SD420W sold in the OCOT to permit a proper comparison.²⁵ The Commission found that, as a percentage of the export model 500N exported to Australia, the surrogate model was five per cent or greater.

Therefore, in this reinvestigation, the Commission considers it appropriate to use domestic sales of SD420W sold by Wei Chih on the domestic market in the OCOT during the review period to ascertain the normal value under section 269TAC(1).

²¹ *Dumping and Subsidy Manual* November 2018, page 60

²² EPR 489 documents 15 & 18.

²³ [Submission to ADRP Review 2019/108](#).

²⁴ [EPR 489 document 12](#), section 3.1.1.

²⁵ *Dumping and Subsidy Manual* November 2018, page 35.

2.1.6 Adjustments to the normal value

Having established that the normal value can be ascertained under section 269TAC(1), the Commission considered whether any adjustments to the normal value were necessary under section 269TAC(8) for a fair comparison to the export price.

REP 486 & 489 determined that certain adjustments to the normal value, outlined in the table below, were necessary for a fair comparison to the Free on Board (FOB) export price.²⁶

Adjustment type	Deduction/addition
Export inland transport	Add the cost of export inland transport
Export handling, loading and ancillary expenses	Add the cost of export handling, loading and ancillary expenses
Export sales commission	Add the cost of export sales commission

Table 1: Adjustments to normal value

In this reinvestigation, the Commission considers that these same adjustments under section 269TAC(8) to the normal value ascertained under section 269TAC(1) are necessary for a fair comparison to the FOB export price. However, it is noted that these adjustments were in respect of export direct selling expenses only. Therefore, the Commission also considered whether further adjustments in relation to domestic direct selling expenses were necessary under section 269TAC(8). The Commission reviewed the circumstances of the domestic sales of like goods by Wei Chih and found that no further adjustments, other than a specification adjustment, were necessary for a fair comparison to the FOB export price.

2.1.7 Specification adjustment

In addition to the adjustments outlined in section 2.1.6 above, the Commission also considered whether a specification adjustment under section 269TAC(8) was necessary. As outlined in section 2.1.5 above, the Commission has used domestic sales of a surrogate model to ascertain the normal value under section 269TAC(1). This surrogate model (grade SD420W) is not identical to the goods exported to Australia (grade 500N) by Wei Chih during the review period.

In this reinvestigation, the Commission first assessed whether an adjustment for these physical differences is necessary. In making this assessment, the Commission analysed whether the physical differences affected price comparability.

The key difference between grades SD420W and 500N is the minimum yield strength. SD420W has a minimum yield strength of 420Mpa whereas 500N has a minimum yield strength of 500Mpa.

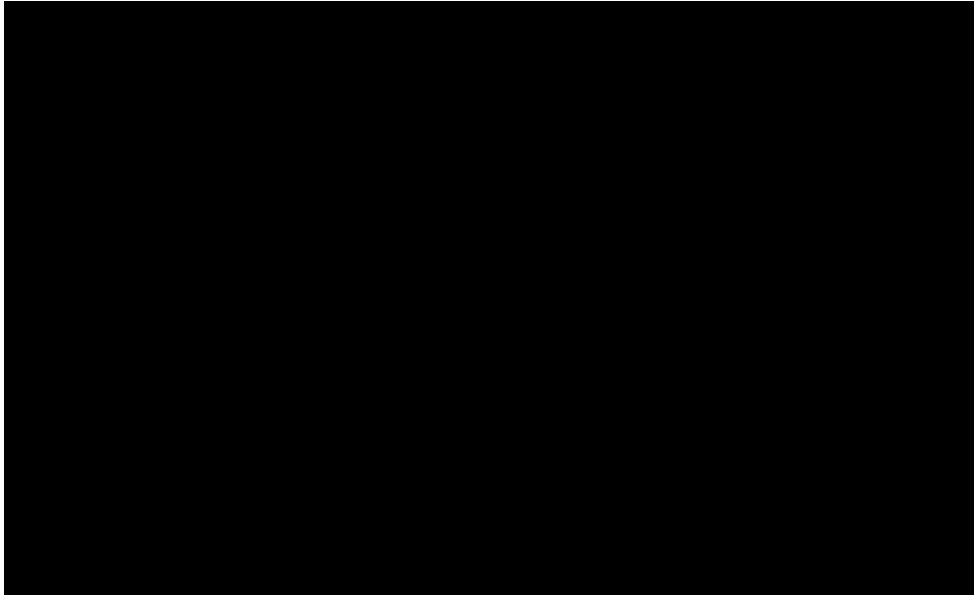
The Commission sought to establish whether yield strength is a relevant factor affecting price comparability by analysing Wei Chih’s domestic sales of SD280 (with a minimum

²⁶ Under section 269TAC(9) when the normal value was established under section 269TAC(2)(c).

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yield strength of 280MPA) and SD420W grades (with a minimum yield strength of 420MPA) and assessing whether there is an observable price difference.

The outcome of this analysis is contained in **Confidential Attachment 1** and shown in figure 1 below.



[Confidential graph showing quarterly weighted average prices of SD280 & SD420W]

Figure 1 – Price comparison

As shown in figure 1 above, there is an observable price difference between Wei Chih’s domestic sales of SD280 and SD420W grades. Therefore, the Commission considers that yield strength has an effect on price comparability.

In addition, the production and chemistry method required to reach the minimum yield strength differs for the two models. For the export model grade 500N, the rebar is strengthened by adding the alloy niobium and undergoing a quench and tempering process. On the other hand, for the domestic model SD420W, a quench and tempering process is not used and instead, a different alloy, vanadium, is added to obtain its strength.

As a result, the Commission considers that the selling prices of grade SD420W are not directly comparable to grade 500N, and therefore an adjustment for the physical difference under section 269TAC(8) is necessary for a fair comparison. It is noted that this is consistent with InfraBuild’s view that an adjustment is necessary to domestic sales of grade SD420W for a fair comparison to the export grade 500N.²⁷

Having determined that a specification adjustment under section 269TAC(8) is necessary, the Commission considered the method in determining the adjustment. While the Act does not specify the method by which section 269TAC(8) adjustments are applied, it is

²⁷ EPR 489 documents 15 & 18 and InfraBuild submission to the ADRP dated 21 August 19.

the Commission's practice to determine specification adjustments based on price comparability.

2.1.7.1 Specification adjustment based on price differences

In its submission to the ADRP, the Commission stated that it did not have sufficient information to quantify the price difference between grades to calculate a reasonable specification adjustment. Nonetheless, in this reinvestigation, the Commission reconsidered whether an adjustment can be made based on price differences.

The Commission first considered whether it would be appropriate to use the price differences between Wei Chih's domestic sales of SD420W and 500N during the review period. However, for the same reasons for not using these sales for model matching purposes outlined in section 2.1.5 above, in particular that these sales were sold as non-prime and at a discounted price, the Commission considers it unreasonable to calculate a specification adjustment based on these sales of 500N.

The Commission then turned its mind to calculating the specification adjustment based on the price differences between domestic sales of SD420W and SD490 (the most comparable model to grade 500N put forward by InfraBuild²⁸), however, as noted in section 2.1.5 above, Wei Chih did not make any domestic sales of SD490 during the review period.

The Commission then considered submissions provided by InfraBuild during the investigation of evidence of a price difference between grades SD420 and SD490 in the form of a quote from a Taiwanese producer of rebar.²⁹ However, the Commission does not consider that this quote reliably reflects the price difference between grades SD420 and SD490 in the Taiwanese market. These concerns were outlined in a confidential attachment to the Commission's submission to the ADRP³⁰ (**Confidential Attachment 2**). Specifically, the evidence provided is a single quote in relation to an export sale. In addition, due to the confidentiality of the quote claimed by Infrabuild, the Commission was not able to test the reasonableness of the price difference shown on the quote with other parties. Accordingly, the Commission does not consider that it could have regard to this quote.

As a result, the Commission is still of the view that there is insufficient information to determine a specification adjustment based on price differences.

2.1.7.2 Specification adjustment based on cost differences

In the letter to the Commission, the ADRP notes that:

“There is no indication in the Act that such adjustments must be calculated based on prices”.³¹

²⁸ EPR 489 documents 15 & 18 and InfraBuild submission to the ADRP dated 21 August 19.

²⁹ EPR 489 documents 06, 15 & 18 refer.

³⁰ [Submission to ADRP Review 2019/108](#).

³¹ [Anti-Dumping Review Panel Request for Reinvestigation](#), page 4.

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The ADRP further notes that the *Dumping and Subsidy Manual* (the Manual) indicates that adjustments can be based on costs.³² The relevant extract from the Manual is replicated below:

“[T]here may be situations where direct evidence of price differences cannot be provided (e.g. models sold domestically and exported to Australia are different). In these situations, adjustments for differences in physical characteristics or quality, where it reasonably affects price comparability, may be based on production cost differences plus the addition of the gross margin (i.e. the administrative, selling and general costs and profit) to the production cost difference. This is a means for calculating an adjustment that reflects the market value of the production cost difference.”³³ [Emphasis added]

The Commission, in this reinvestigation, observes that the circumstances of Wei Chih’s situation in REP 486 & 489 is an example anticipated in the Manual where the models sold domestically are different to those exported to Australia.

The Commission has considered whether differences in Wei Chih’s costs might be a reasonable basis for making an adjustment to achieve price comparability. To make this assessment, the Commission undertook an analysis to assess the correlation between Wei Chih’s domestic selling prices and costs of like goods over the review period. This was done by comparing the weighted average quarterly net selling domestic prices to the weighted average quarterly cost of production (i.e. cost to make) by grade of all sales made on the domestic market in the review period from Wei Chih’s domestic sales listing. The outcome of this analysis is contained in **Confidential Attachment 3** and shown figure 2 below.



Figure 2 – Price comparability assessment

As shown in Figure 2 above, there is a strong positive correlation between Wei Chih’s domestic selling prices and its costs of production. The Commission considers that this

³² [Anti-Dumping Review Panel Request for Reinvestigation](#), page 5.

³³ *Dumping and Subsidy Manual* November 2018, page 67

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supports the view that higher the cost to make of a particular grade are likely to result in higher the selling price of that grade.

Therefore, the Commission considers that, in these circumstances, cost is a good indicator of price comparability and can be used for the basis of applying the specification adjustment to the normal value under section 269TAC(8) for the physical differences between the grade exported to Australia and the surrogate domestic model.³⁴

Accordingly, the Commission has reviewed Wei Chih's dumping margin appendices in REP 486 & 489 and considers that there is sufficient information to calculate the specification adjustment under section 269TAC(8) based on cost differences between the export grade 500N and domestic grade SD420W. Specifically, the Commission compared the weighted average cost to make the domestically sold SD420W grade rebar and exported 500N grade rebar, respectively, on a quarterly basis over the review period and determined a specification adjustment amount based on the observed absolute differences. The Commission then added a weighted average gross margin of SD420W over the review period to reflect the market value of the production cost difference.

The gross margin was calculated based on the weighted average percentage difference between Wei Chih's domestic net selling prices and cost to make of all domestic sales of SD420W over the review period.

For these reasons the Commissioner proposes to recommend the Minister direct that the price paid or payable for like goods, ascertained under section 269TAC(1), be adjusted on the basis of the cost differences so that the physical differences would not affect its comparison with the export price.

2.2 Normal value based on all relevant information

In the request for reinvestigation, the ADRP noted that section 269TAC(6) may be available to the Commission to determine the normal value. The reinvestigation request noted:

“[S]hould there be insufficient information available for the Minister to be able to give directions under s.269TAC(8) of the Act to enable the domestic selling price to be adjusted, given the submission by the ADC and Wei Chih's comments at the 4 September 2019 conference, it may mean that the normal value should be considered under s.269TAC(6) of the Act.”³⁵

As sufficient information was available to ascertain the normal value under section 269TAC(1), with appropriate adjustments under section 269TAC(8), the Commission did not consider whether the normal value should be ascertained under section 269TAC(6).

³⁴ The selection of the surrogate model is outlined in section 2.1.5 above.

³⁵ [Anti-Dumping Review Panel Request for Reinvestigation](#) page 5 refers.

2.3 Preliminary normal value and dumping margin finding

The Commission has reinvestigated the finding in relation to the normal value for Wei Chih and determined that the normal value can be ascertained under section 269TAC(1) with relevant adjustments made in accordance with section 269TAC(8).

As a result of the change in the normal value, the Commission has recalculated the dumping margin applicable for Wei Chih. The revised dumping margin applicable to Wei Chih is **negative 0.9 per cent**.

The new variable factors and dumping margin calculation are contained in **Confidential Attachment 4**.

2.4 All other exporters from Taiwan

The Commission found in REP 486 & 489 that there was only one exporter from Taiwan during the review period, which was Wei Chih. Therefore, having regard to all relevant information, the normal value was ascertained under section 269TAC(6) using the same normal value ascertained for Wei Chih.³⁶

In this reinvestigation, the Commission has adopted the same approach and ascertained the normal value for all other exporters under section 269TAC(6) using the same normal value as ascertained for Wei Chih. Therefore the revised dumping margin applicable to all other exporters from Taiwan is **negative 0.9 per cent**.

2.5 Effect on the form or measures

The effect of the change to the normal value applicable to Wei Chih and all other exporters from Taiwan is that:

- the form of measures remains a floor price duty method; and
- the floor price relevant to the amount of interim dumping duties payable reduces.

³⁶ [REP 486 & 489](#), section 4.5.8 refers

3 CONCLUSION

3.1 Preliminary reinvestigation finding

The Commission has conducted a reinvestigation of the reviewable decision in accordance with the direction made by the ADRP as is required by section 269ZZL(2). As a result of this reinvestigation, the Commission has revised the variable factors as they relate to Wei Chih and to all other exporters from Taiwan.

In accordance with section 269ZZL(3)(b), as the Commissioner is of the view that certain new findings can be made as a result of the reinvestigation, he makes new findings as outlined in chapter 2 in relation to the determination of normal value. In accordance with section 269ZZL(3)(c), the evidence and other material for which new findings are based is contained within this report and its attachments.

This report sets out the reasons for the Commissioner's decision in accordance with section 269ZZL(3)(d).

4 APPENDICES AND ATTACHMENTS

Confidential Attachment 1	Yield strength price comparability assessment
Confidential Attachment 2	Confidential analysis of quote
Confidential Attachment 3	Correlation between price and costs
Confidential Attachment 4	Wei Chih dumping margin calculation appendices