



Anti-Dumping Notice No. 2018/175

**Public notice under subsection 269TC(4)
of the *Customs Act 1901***

Steel Reinforcing Bar

Exported to Australia from the Republic of Turkey

**Initiation of Investigation No. 495 into
alleged dumping and subsidisation**

Customs Act 1901 – Part XVB

I, Dale Seymour, the Commissioner of the Anti-Dumping Commission, have initiated an investigation following an application lodged by Liberty OneSteel (Newcastle) Pty Ltd (Liberty Steel), a manufacturer of steel reinforcing bar (the goods or rebar) in Australia. The application seeks the publication of a dumping and a countervailing duty notice in respect of rebar exported to Australia from the Republic of Turkey (Turkey).

The application alleges that the goods have been exported to Australia at prices less than their normal value and were in receipt of countervailable subsidies. The application alleges that the dumping and subsidisation has caused material injury to the Australian industry through:

- loss of market share;
- price suppression;
- loss of profits;
- reduced profitability;
- reduced return on investment;
- reduced investment in research and development, and value of assets deployed;
- reduced capacity utilisation;
- increased stock levels of finished goods;
- reduced cash flow; and
- lost revenue.

Further, or in the alternative, Liberty Steel alleges that there is a threat of material injury to the Australian industry from rebar exported to Australia from Turkey at dumped and subsidised prices.

The non-confidential version of the application, which contains the basis of the alleged dumping, subsidisation and injury, is available on the public record.

Particulars of the reasons for the decision to initiate this investigation are in *Anti-Dumping Commission Consideration Report No. 495 (CON 495)*, which is available on the public record.

The date of initiation of this investigation is the date of publication of this notice.

The Goods

The goods the subject of the application (the goods) are:

The goods are hot-rolled deformed steel reinforcing bar whether or not in coil form, commonly identified as rebar or debar, in various diameters up to and including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process. The goods include all steel reinforcing bar meeting the above description regardless of the particular grade, alloy content or coating. Goods excluded from this application are plain round bar, stainless steel and reinforcing mesh.

Tariff Classifications

The goods are generally, but not exclusively, classified to the following tariff classifications in Schedule 3 to the *Customs Tariff Act 1995*:

- 7213.10.00 (statistical code 42);
- 7214.20.00 (statistical code 47);
- 7227.90.10 (statistical code 69);
- 7227.90.90 (statistical code 42¹, 01, 02, 04²);
- 7228.30.10 (statistical code 70);
- 7228.30.90 (statistical code 40); and
- 7228.60.10 (statistical code 72).

These tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods, the subject of this investigation.

Investigation Process

The investigation period is 1 October 2017 to 30 September 2018. I will examine exports to Australia of the goods during this period to determine whether dumping and subsidisation has occurred. I will examine details of the Australian market from 1 October 2014 for injury analysis purposes.

Where the Minister for Industry, Science and Technology (the Minister) is satisfied, as to goods of any kind, that:

¹ Operative until 31 December 2014.

² Operative from 1 January 2015.

- (a) the amount of the export price of the goods that have already been exported to Australia is less than the normal value of those goods, and (if applicable) the amount of the export price of like goods that may be exported to Australia in the future may be less than the normal value of the goods; and
- (b) because of that, material injury to an Australian industry producing like goods has been or is being caused or is threatened, or the establishment of an Australian industry producing like goods has been or may be materially hindered;

the Minister may, by public notice, impose interim dumping duties.³

Where the Minister is satisfied, as to goods of any kind, that:

- (a) a countervailable subsidy has been received in respect of the goods that have been exported to Australia, and (if applicable) may be received in respect of like goods that may be exported to Australia in the future; and
- (b) because of that, material injury to an Australian industry producing like goods has been or is being caused or is threatened;

the Minister may, by public notice, impose interim countervailing duties.⁴

Where there are grounds for the Minister to publish a dumping and countervailing duty notice in respect of the goods, I will examine whether the trade in the dumped or subsidised goods give rise to retrospective notices being published pursuant to section 269TN of the *Customs Act 1901* (the Act), and make recommendations to the Minister accordingly.

Public Record

I must maintain a public record of each investigation. Documents included in the public record are available at www.adcommission.gov.au.

The public record will contain, among other things, a copy of the application, CON 495 and copies of all non-confidential submissions from interested parties. Letters and electronic mail are generally regarded as submissions if they contain information relevant to the investigation.

Lodgement of Submissions

Interested parties, as defined by subsection 269T(1) of the Act, are invited to lodge submissions concerning the publication of the dumping and countervailing duty notice sought in the application, no later than the close of business on **24 December 2018**⁵, addressed to:

³ In accordance with section 269TG of the Act.

⁴ In accordance with section 269TJ of the Act.

⁵ As the actual due date of 23 December 2018 falls on a Sunday, the effective due date is the following business day.

The Director
Investigations 3
GPO Box 2013
CANBERRA ACT 2601
Australia

or by email to investigations3@adcommission.gov.au or by fax to +61 3 8539 2499.

Interested parties wishing to participate in the investigation must ensure that submissions are lodged by the due date. Interested parties should note that I am not obliged to have regard to a submission received after the date above if to do so would, in my opinion, prevent the timely placement of the statement of essential facts (SEF) on the public record.

Interested parties should also note that I am directed⁶ to consider the matters set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* in certain circumstances. This is available at www.legislation.gov.au.

Interested parties may reply to matters raised by other parties during the course of the investigation and in response to the SEF.

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

- (i) 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
- (ii) satisfy me 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 or a summary of their submission in accordance with the requirement above (clearly marked "PUBLIC RECORD").

Lodgement of Exporter Questionnaires

Exporters of the goods to Australia are invited to participate in this investigation by completing the exporter questionnaire and the associated spreadsheets by **24 December 2018**.⁷

⁶ Certain powers and functions under the *Customs (Extensions of Time and Non-cooperation) Direction 2015* have been delegated to General Managers of the Anti-Dumping Commission (Anti-Dumping Notice No. 2017/10, available at www.adcommission.gov.au refers).

⁷ As the actual due date of 23 December 2018 falls on a Sunday, the effective due date is the following business day.

The exporter questionnaire and the associated spreadsheets are available under the case information for ADC 495 (which can be found under 'Cases' on the Anti-Dumping Commission's (Commission) website, www.adcommission.gov.au). Alternatively, exporters can email investigations3@adcommission.gov.au and the Commission will forward the exporter questionnaire and spreadsheets for completion.

Proposed Model Control Code Structure

As announced in ADN No. 2018/128 published on 9 August 2018, the Commission has commenced using a model control code (MCC) structure in relation to applications received for the publication of a dumping duty and countervailing duty notice.

The Commission will undertake model matching using the proposed MCC structure outlined at **Appendix 1** to this notice in order to identify key characteristics that will be used to match models of the goods exported to Australia and like goods sold domestically in the country of export. The proposed MCC structure is based on information received from the applicant and any other information the Commission considers relevant. The MCC structure shall be applied in responses to questionnaires provided by exporters.

Proposals to modify the MCC structure should be raised as soon as is practicable, but no later than the time responses to the exporter questionnaires are due (**24 December 2018**) and placed on the public record prior to any verification.

Interested parties are encouraged to make submissions on whether proposed modifications to the MCC structure should be accepted by the Commission. Any changes to the MCC structure will be considered by the Commission and reported in either verification reports or in the SEF.

Full guidance regarding the Commission's application of MCC structure is provided at ADN No. 2018/128 on the Commission's website at www.adcommission.gov.au.

Provisional Measures

Pursuant to section 269TD of the Act, I will make a preliminary affirmative determination (PAD) provided I am satisfied that there appears to be sufficient grounds for the publication of a dumping and countervailing duty notice or there appears that there will be sufficient grounds for the publication of a dumping and countervailing duty notice subsequent to the importation of the goods into Australia. This can occur no earlier than day 60 of an investigation.

In accordance with section 269TD of the Act, the Commonwealth may apply provisional measures, including the taking of securities under section 42 of the Act, in respect of interim dumping and countervailing duty that may become payable on the goods, where a PAD has been made and the Commissioner is satisfied that it is necessary to do so to prevent material injury to Australian industry occurring while the investigation continues.

Where a PAD is not made 60 days after initiation of the investigation, the *Customs*

(Preliminary Affirmative Determinations) Direction 2015 (the PAD Direction) directs me to publish a status report providing reasons why a PAD was not made. The PAD Direction is available on the Federal Register of Legislation website, www.legislation.gov.au.

Statement of Essential Facts

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Minister within the legislative timeframe. In accordance with section 269TDAA of the Act, a SEF will be placed on the public record by **6 March 2019**, or by such later date as allowed in accordance with section 269ZHI of the Act.⁸ The SEF will set out the essential facts on which I propose to base my recommendations to the Minister. Interested parties are invited to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record.

Submissions received in response to the SEF within 20 days of that SEF being placed on the public record will be taken into account in completing the report and recommendation to the Minister.

Report to the Minister

In accordance with section 269TEA of the Act, a recommendation to the Minister will be made in a report on or before **23 April 2019**⁹ (or such later date as allowed under section 269ZHI), on the basis of the examination of exportations of the goods to Australia during the investigation period, unless I terminate the investigation.

The Minister must make a declaration within 30 days after receiving the report, or such longer period as the Minister considers appropriate.

Anti-Dumping Review Panel

Certain persons will have the right to seek review with the Anti-Dumping Review Panel in accordance with Division 9 of Part XVB of the Act of either a decision by me to terminate the investigation, or a decision of the Minister to publish or not to publish a dumping duty notice and countervailing duty notice after considering my report.

Interested Party List

Throughout the investigation, the Commission will maintain an internal list of interested parties. Updates on the investigation will be sent to parties on this list. If you would like to be added to the interested party list, please email investigations3@adcommission.gov.au.

⁸ On 14 January 2017, the then Parliamentary Secretary delegated the powers and functions of the Minister under section 269ZHI of the Act to the Commissioner. Refer to ADN No. 2017/10 for further information.

⁹ The due date is 20 April 2019, but as this falls on a Saturday, and the following weekday is a public holiday (Easter Monday), the effective due date is the following business day.

Anti-Dumping Commission Contact

Enquiries about this notice may be directed to the Case Manager on telephone number +61 3 8539 2418, or investigations3@adcommission.gov.au.

Dale Seymour
Commissioner
Anti-Dumping Commission

16 November 2018

Appendix 1 to ADN No. 2018/175 – Proposed Model Control Code Structure

The Commission proposes to apply the following MCC structure in relation to Investigation No. 495, regarding exports of rebar to Australia from Turkey.

Item	Category	Sub-category	Identifier	Sales data	Cost data	Key category
1	Prime	Prime	P	Mandatory	Optional	Yes
		Non-Prime	N			
2	Minimum yield strength specified by product standard (Mega Pascals or “MPa”)	Less than or equal to 300	A	Mandatory	Mandatory	No
		Greater than 300 but less than or equal to 480	B			
		Greater than 480 but less than 550	C			
		Equal to or greater than 550	D			
3	Finished form	Rebar in length/straight	S	Mandatory	Mandatory	No
		Rebar in coil	C			
4	Nominal diameter (millimetres or “mm”)	less than 12	A	Mandatory	Optional	No
		Greater than or equal to 12 and less than or equal to 16	B			
		Greater than 16 and less than or equal to 32	C			
		Greater than 32	D			
5	Length (metres or “m”)	less than or equal to 6	1	Mandatory	Optional	No
		Greater than 6 and less than or equal to 12	2			
		Greater than 12	3			
		Coil product	C			

As an example of how goods will be classified using this MCC structure, prime rebar of 500 MPa, in straight form, with a diameter of 12 mm, and a length of 10 metres, would receive the MCC P-C-S-B-2.