



# INV 495 : STEEL REINFORCING BAR

## EXPORTED FROM TURKEY

Exporter visit briefing  
MELBOURNE, 31 JANUARY 2019

LIBERTY STEEL  
[libertygfg.com](http://libertygfg.com)

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# PART 1: THE GOODS

What is it?

How is it made?

What is it used for?

What types/models of rebar are  
exported from Turkey to Australia?

What does ACRS accreditation mean?

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# Goods description



*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.*

All steel reinforcing bar meeting the above description of the goods regardless of the particular grade, alloy content or coating.

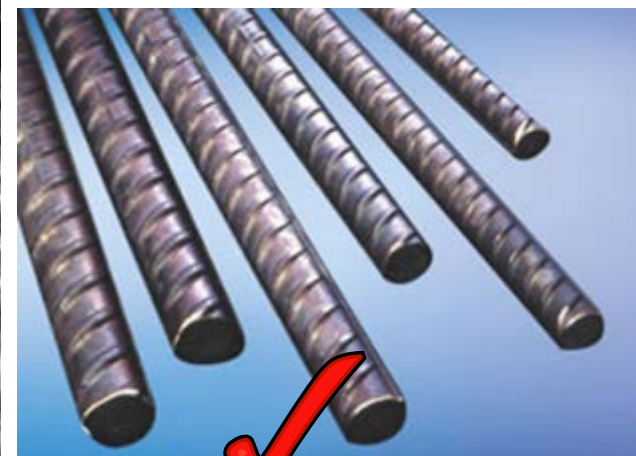
Goods excluded are plain round bar, stainless steel and reinforcing mesh.



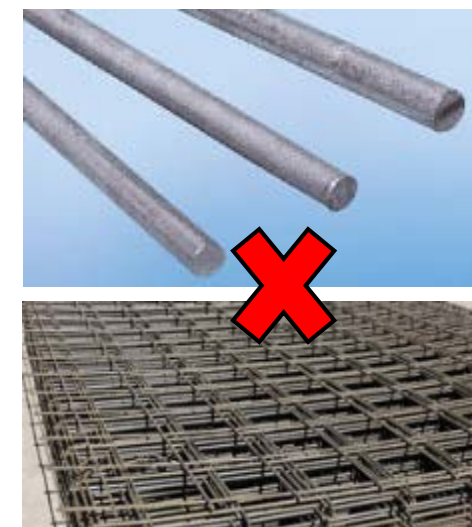
Spooled Coil



'Wild' Coil



Straight Bar





# Uses of steel reinforcing bar



Used primarily in the steel construction sector for reinforcing concrete



# Uses of steel reinforcing bar

Some hot-rolled, deformed steel reinforcing bar featuring a continuous thread rib pattern is used in mining applications for strata control.

[Company website images subject to copyright]

[Sales of steel reinforcing bar types]

Threaded bar allows for cutting and joining end-to-end.

[Company website images subject to copyright]



*Net Sales Volume, Investigation Period (12ME 31 September 2018)*

# Other names for steel reinforcing bar



- Rebar
- Debar
- Reo bar
- Deformed bar
- TMT bar (thermo-mechanically treated ie. water quenched & self-tempered)
- TEMPCORE bar (quenched & self-tempered)
- THERMEX bar (quenched & self-tempered)
- QST bar (quenched & self-tempered)
- High tensile rebar (min yield strength > 500MPa)
- High yield rebar (min yield strength > 500MPa)
- Corrugated bar
- Threaded bar or helical rod (can be cut & spliced)
- Formwork bar
- Threaded rockbolts or roofbolts (used in mining strata control)
- Reinforcing wire rod (to differentiate 'wild coil' from 'spooler') <-  
Note, this is rebar, not rod in coil, because it's DEFORMED!

[Company website images subject to copyright]

# How is rebar made?



- A steel billet is rolled through a Rod Mill (for coils) or a Bar Mill (for straights). The final set of rolls in the Mills introduce the ribs/deformations into the rod/bar.
- Straight lengths or coils are cut, bent and often welded into various shapes for use in concrete reinforcing or precast concrete applications.
- Key properties include strength (to impart strength to concrete structures), workability (to bend) and often weldability (for ease of construction).
- Strength may be attained in different ways: through chemistry (alloy additions), heat treatment (water-quenching) or cold working (eg. stretching).

[Website images subject to copyright]

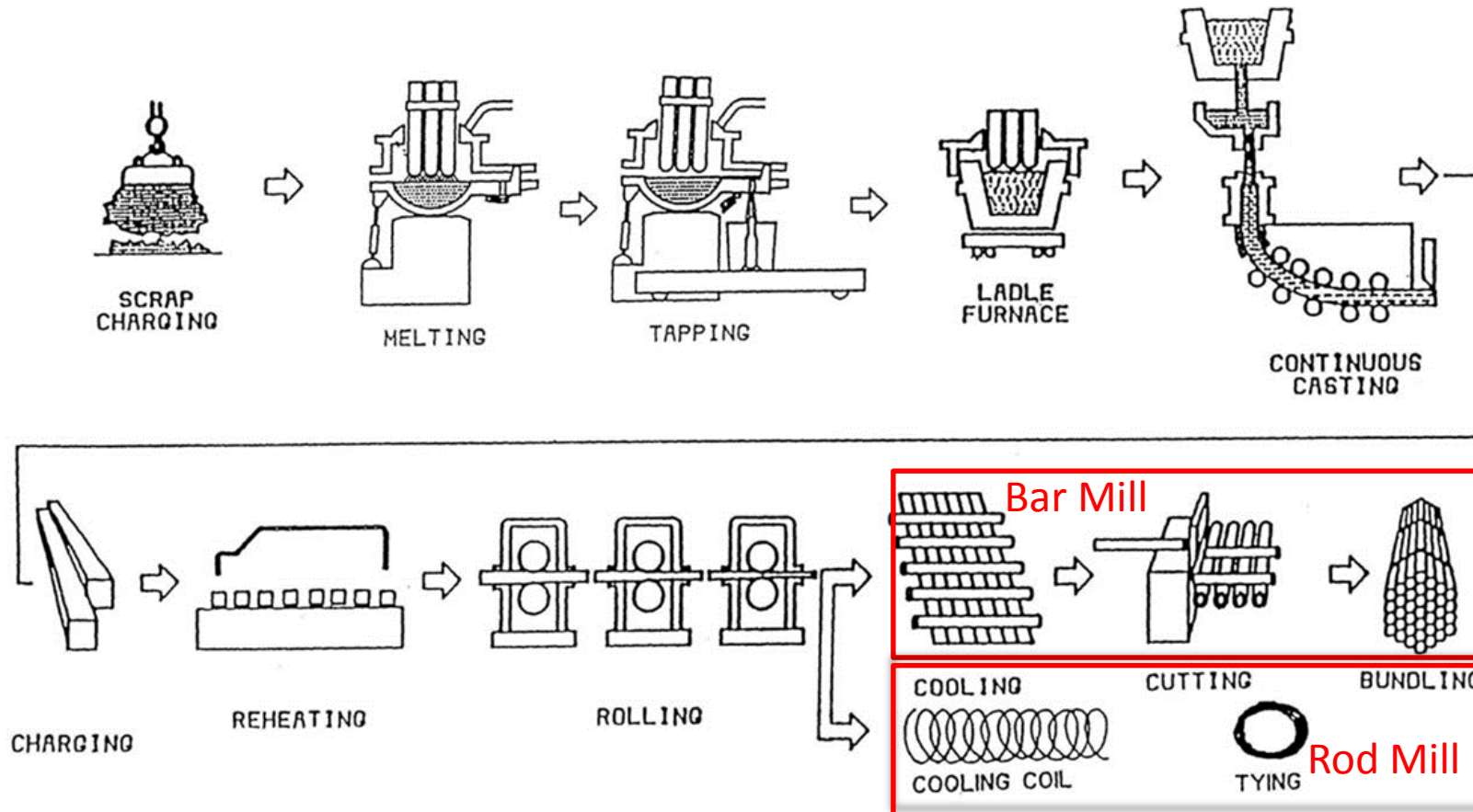
# How is rebar sold?

- Rebar straights sold into domestic and export markets may be sold on either THEORETICAL (calculated on a nominated mass per meter) or ACTUAL weight
- Can vary between transactions or customers
- IMPORTANT to establish basis for sale as conversion from theoretical to actual weight typically requires a 3% upwards adjustment to the sales price.

[Subscriber only article showing conversion from theoretical to actual weight pricing]



## Electric Arc Furnace (EAF) steelmaking and rebar rolling



# Rebar exported from Turkey to Australia



Rebar is produced to AS/NZS 4671:2001 Steel Reinforcing Materials

[Grades defined by purchased Standard]

# ACRS accreditation to AS/NZS 4671:2001



- Liberty Steel rebar and imported Turkish rebar have ACRS accreditation
- Australasian Certification Authority for Reinforcing and Structural Steels



## Manufacturers of Hot Rolled Bar to AS/NZS4671

Current Certificate holders are as follows (click on the certificate numbers to see Scope of Certification details)

**NOTE: All certificates are current for the Calendar year, 1 January to 31 December.**

Company	Location	City/State	Country	Status	Date	Certificate
Çolakoğlu Metalurji A.Ş.	Dilovasi	Kocaeli	Turkey	Certified	12/07/2018	<a href="#">180702</a>
Habas		Izmir	Turkey	Certified	20/05/2013	<a href="#">130502</a>
Kroman Çelik Sanayii A.Ş.		Darica	Turkey	Certified	26/06/17	<a href="#">170703</a>
Diler Iron & Steel Co. Inc.	Dilovasi	Kocaeli	Turkey	Certified	12/07/2018	<a href="#">180701</a>

## Manufacturers of Hot Rolled Bar in Coil to AS/NZS4671

Current Certificate holders are as follows (click on the certificate numbers to see Scope of Certification details)

**NOTE: All certificates are current for the Calendar year, 1 January to 31 December.**

Company	Location	City/State	Country	Status	Date	Certificate
Habas		Izmir	Turkey	Certified	20/05/2013	<a href="#">130503</a>
Kroman Çelik Sanayii A.Ş.		Darica	Turkey	Certified	16/10/2017	<a href="#">171001</a>

# Turkish exporters' range of ACRS accreditation



[Company logo subject to copyright]

[Company logo subject to copyright]



## AS/NZS 4671 Grade 500N Ribbed Bar

Coil	8, 10 mm	✓
	12, 16 mm	✓

## AS/NZS 4671 Grade 250N

Coil	5.5 to 22 mm	✓
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## AS/NZS 4671 Grade 500N Ribbed Bar

Bar	8, 10, 12, 16 mm	✓
	20, 24, 28 mm	✓
	32, 36, 40 mm	✓

## AS/NZS 4671 Grade 500N Ribbed Bar

Bar	8, 10, 12, 16 mm	✓
	20, 24, 28 mm	✓
	32, 36, 40 mm	✓

## AS/NZS 4671 Grade 500N

Coil	8 to 16 mm	✓
	20mm	✓

Grade 250N and 500N Rebar in coil and straight form produced in typical size range

- Coil and straight rebar of the same diameter considered substitutable





# PART 2: MODEL CONTROL CODES

Key requirements for AS/NZS 4671

- Chemistry
- Strength

ADC proposed model control codes

Turkish rebar grades

Previous claims on pricing in Turkey

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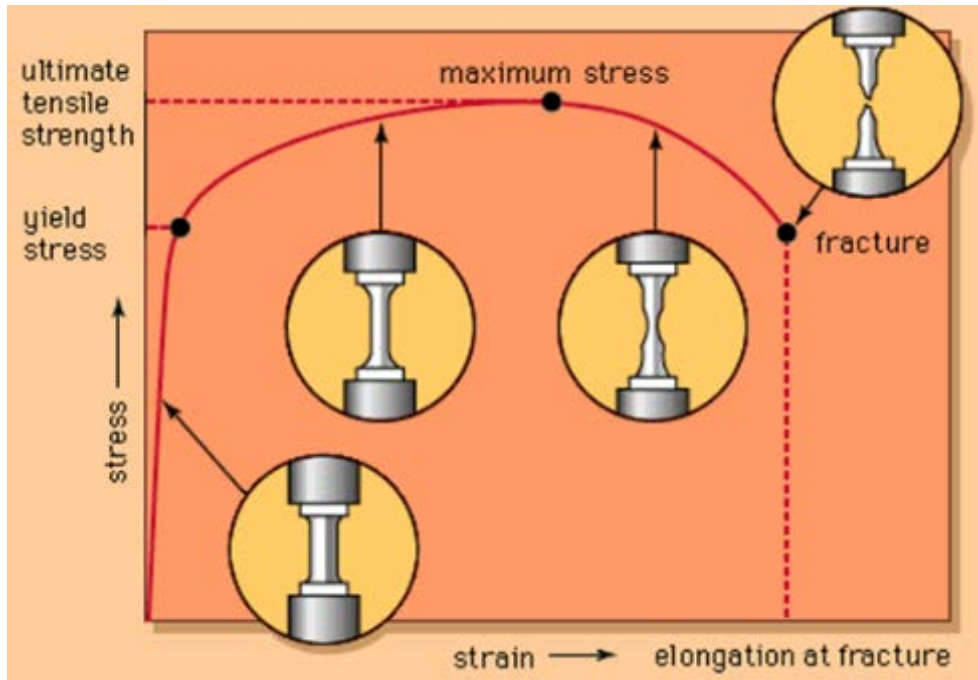
# Key requirements for rebar made to AS/NZS4671



CHEMISTRY SHOULD NOT EXCEED THE MAX CARBON EQUIVALENT REQUIREMENT

[Chemistry requirements specified by the Standard]

# Key requirements for rebar made to AS/NZS4671



FOR GRADE 500N, MINIMUM YIELD STRENGTH OF 500MPa IS REQUIRED

[Mechanical properties specified by the Standard]

Mechanical properties measured by a tensile test

# ADC Proposed Model Control Codes



Item	Category	Sub-category
1	Prime	Prime
		Non-Prime
2	Minimum yield strength specified by product standard (Mega Pascals or "MPa")	Less than or equal to 300
		Greater than 300 but less than or equal to 480
		Greater than 480 but less than 550
		Equal to or greater than 550
3	Finished form	Rebar in length/straight
		Rebar in coil
4	Nominal diameter (millimetres or "mm")	less than 12
		Greater than or equal to 12 and less than or equal to 16
		Greater than 16 and less than or equal to 32
		Greater than 32
5	Length (metres or "m")	less than or equal to 6
		Greater than 6 and less than or equal to 12
		Greater than 12
		Coil product

## Omission :

- Chemistry control ie. Max Ceq specified
- A key Standard requirement for the exported goods ensuring pre-qualification for welding.

**Note on (2):** Comparison of Minimum Yield Strength must be based on Standards NOT test certificates which are only representative of a batch of steel. Grade selection for a rebar application is based on Standard comparison, rebar is not selected based on batch test certificates.

*Higher strength grades 500MPa may be priced higher than lower strength grades (420MPa)*



## Turkish rebar grades (TS 708:2016)



[Company brochure images and logo subject to copyright]

## Previous claims on Turkish rebar pricing



### **Habaş in Investigation 264 (EPR 264/028):**

*“Rebar sold in Turkish market is separated into three groups for pricing as follows:*

1. 8mm,
2. 10mm and +
3. All sizes > 12mm.”

*“As a result of the relatively simple method of obtaining different yield strength, except in rare cases, the industry practice is not to request different prices based on yield strength.”*

*“Habas proposes not considering yield strength as one of the product comparison criteria due to production, cost and price indifference. However, if commission insists on such matter, incorrectly according to Habas, we propose to specify two categories of yield strength as follows:*

1. MYS  $\geq$  400N/mm<sup>2</sup>
2. MYS < 400N/mm<sup>2</sup>.”

# Exporter Questionnaire Response INV 495 on MCC's



## Habaş :

Habaş sold the following MCCs to Australia:

- P-C-S-C-1
- P-C-C-A-C
- P-C-S-D-2
- P-C-S-B-1
- P-C-C-B-C
- P-C-S-C-2
- P-C-S-B-2

Only Grade 500N  
Min YS > 500MPa

Habaş sold the following MCCs in the domestic market.

- P-A-C-A-C
- P-B-C-A-C
- P-B-C-B-C
- P-B-S-A-2
- P-B-S-B-1
- P-B-S-B-2
- P-B-S-B-3
- P-B-S-C-1
- P-B-S-C-2
- P-B-S-C-3

Only grades 280 and 420, no 500?

With respect to the MCC for yield strength differences, these are imparted by minor variations in the quenching process which are not separately costed. They are marginal at best and are not susceptible to the same financial reconstruction as can be done for rolling times.

On that basis Habaş sees no reason to differentiate between the MCC's B and C in the yield strength category of the MCCs for like goods comparison.

Grade 420 NOT the same as Grade 500, even if the same cost to make. Sales price comparability needs to be considered.

# US findings on factors affecting rebar pricing



## Steel Concrete Reinforcing Bar from Japan and Turkey

Investigation Nos. 701-TA-564 and 731-TA-1338 and 1340 (Final)

Publication 4705

July 2017

At Pg 7:

“The Commission found that rebar from different manufacturers, regardless of whether coiled or in straight lengths, is viewed as interchangeable with rebar of the same size and grade.”<sup>21</sup>

“Finally, in the preliminary determinations the Commission found that **prices for rebar vary based on steel chemistry, size, and grade**, but that the form of coil or straight lengths does not significantly affect pricing.”<sup>23</sup>





# PART 3: TURKISH REBAR EXPORTERS

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[Steel map of Turkey - subject to copyright]

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[Company logo and website extract - subject to copyright]



Group subsidiaries – images subject to copyright]

[Logo subject to copyright]



- Founded in 1966
- Steelmaking Production facilities (Nov 2018 article):
  - 2 Electric Arc Furnaces
  - 2 continuous casting machines (producing billet)
- Total annual steelmaking capacity approx. 1.1-1.6Mt
- Commissioned a “superflexible” combined bar and rod mill with design capacity of 0.5Mtpa in 2006:
  - capable of producing rebar straights, rebar wild coils (“deformed wire rod in coils”) and spooled rebar in coils weighing up to 3.4t. Can also do plain rounds and smooth wire rod.
  - Spooler only commissioned years later to “enhance the steelmaker’s competitiveness in a challenging scenario.”
  - “it will operate alongside Kroman Celik’s existing light section and rebar mills, which have a capacity of 200,000t/y each.”

[http://steelmillsoftheworld.com/news/newsdisplay\\_cntry.asp?sln=4687](http://steelmillsoftheworld.com/news/newsdisplay_cntry.asp?sln=4687)

[https://www.danieli.com/media/formato2/da\\_588.pdf](https://www.danieli.com/media/formato2/da_588.pdf)

<https://www.youtube.com/watch?v=-6flqHpATek>

<http://businessturkeytoday.com/kroman-celik-steel-among-biggest-steel-producers-in-turkey.html>



[Logo subject to copyright]

- “The port facility of the company is one of the largest dry cargo terminals in the Marmara Region”, “the facility serves third parties as well as Group of Companies”

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[Logo subject to copyright]



[Images of rebar products  
subject to copyright]

[Images of rebar products  
subject to copyright]

[Logo subject to copyright]



- DILER ENERGY subsidiaries : Diler Electricity Generation Inc. (2005) and Atlas Power Generation (2008)
- “Due to the anticipated electrical energy deficit in Turkey and considering the size of its own energy consumption (200MW average electrical power demand for the Group), electricity generation investments appear as the logical option for the Holding”

[Company subsidiary images - subject to copyright]

[Logo subject to copyright]



- Diler Iron & Steel Industry and Trade Inc. established in 1954
- Diler Demir Celik at Dilovasi - Steelmaking Production facilities (website):
  - Electric Arc Furnace (finger-shaft type which allows for scrap preheating)
  - Continuous casting machine (producing billet)
  - Steel production capacity 1.5Mtpa
- No. 1 (Bar) Rolling Mill
  - 1.1Mtpa rolling capacity
  - Includes TEMPCORE controlled water cooling process
  - “Controlled cooling (Tempcore) process attains high strength levels in the reinforcing steel bars together with an increase in the weldability of the material as the maximum carbon equivalent is reduced.”
  - 8-40mm hot rolled plain and deformed bars (with or without TEMPCORE)
  - 8-20mm once folded plain and deformed bars
  - Approx. 2t bundles with length 6, 9, 12 and 15m.
- No. 2 (Wire-rod) Rolling Mill
  - 400ktpa rolling capacity
  - Includes a controlled water cooling unit
  - 5.5-18mm hot rolled plain and deformed bars in coil
  - 6-16mm Tempcore plain and deformed bars in coil
  - Approx 1.75t coils
- Exports by Diler Foreign Trade Inc. (Diler Dis Ticaret A.S)

[Logo subject to copyright]



- Yazici Demir Celik at Iskenderun - Steelmaking Production facilities (website):
  - 1Mtpa steelmaking capacity
  - Electric Arc Furnace
  - Continuous casting machine (producing billets)
- Rolling Mill (Bar Mill):
  - Capacity 1.25Mtpa (exceeds steelmaking capacity – additional billets purchased?)
  - TEMPCORE controlled water cooling process
  - 8-50mm hot rolled plain and deformed bars (with or without Tempcore)
  - 8-20mm once folded plain and deformed bars
  - Bundles approx. 2t in lengths of 6, 9, 12 and 15m.

## Rebar exported to Australia produced by which entity?

- Exports by Diler Foreign Trade Inc. (Diler Dis Ticaret A.S)
- Registered as a “Capital Invested Foreign Trade Company” announced annually by the Undersecretariat of Foreign Trade Republic of Turkey.
- Diler Port and Yazici Port facilities owned by the Group.



[Logo subject to copyright]



[Company subsidiary images - subject to copyright]

- Habaş Industrial and Medical Gases Production Industries Inc. was founded in 1956 (website)
- Steel mill established at Aliaga, Izmir in 1987.
- Liquid steel production capacity 4.5Mtpa.
- Habaş Port Services A.S. runs the port located 7km away from Habaş Steel Mill. Mainly used to unload scrap metal and load steel products. Also provides service to other companies.

[Logo subject to copyright]

- Steelmaking Production facilities (website):
  - Electric Arc Furnaces using scrap and DRI or pig iron as ferrous raw material inputs
  - Continuous casting machines (producing billet)
- Bar mill (rebar straights) with 1.9Mt capacity
- Rod mill (rebar coil) with 0.5Mt capacity
- Producing Hot Rolled Coil (flat products) since 2014.

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[Company website images subject to copyright]

[Logo subject to copyright]



**Table I-3**  
**Rebar: Commerce's final weighted-average LTFV margins with respect to imports from Turkey**

Exporter/Producer	Final dumping margin (percent)	Cash deposit rate adjusted for subsidy offset(s) (percent)
Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S	5.39	5.18
Icdas Celik Enerji Tersane ve Ulasim Sanayi A.S	8.17	8.00
All others	6.94	6.77

Source: 82 FR 23192, May 22, 2017.

## Steel Concrete Reinforcing Bar from Japan and Turkey

Investigation Nos. 701-TA-564 and 731-TA-1338 and 1340 (Final)

Publication 4705

July 2017

On May 22, 2017, Commerce published a notice in the *Federal Register* of its final determination of countervailable subsidies for producers and exporters of rebar from Turkey.<sup>35</sup> Table I-1 presents Commerce's findings of subsidization of rebar in Turkey.

**Table I-1**  
**Rebar: Commerce's final subsidy determination with respect to imports from Turkey**

Entity	Final countervailable subsidy margin (percent)
Habaş Sinai ve Tibbi Gazlar Istihsal Endüstrisi A.Ş.	16.21
All others	16.21

Source: 82 FR 23188, May 22, 2017.

The programs determined to be countervailable by Commerce in its final affirmative determination are as follows:

- Natural gas for less than adequate remuneration, wherein a subsidiary of Habas purchased natural gas at a discounted rate during the POI.<sup>36</sup>
- Deductions from taxable income for export revenue, wherein Habas and two subsidiaries claimed a corporate tax deduction of 0.5 percent of income derived from export activities.<sup>37</sup>
- Assistance to offset costs related to AD/CVD investigations, wherein Habas received assistance relating to foreign trade remedy proceedings from the Turkish Steel Exporters' Association (TSEA) in 2015.<sup>38</sup>
- Rediscount program, wherein the Turk Eximbank provided Habas with a loan contingent upon export commitment during the POI.<sup>39</sup>

[Logo subject to copyright]

- Çolakoğlu Metalurji founded as a steel trade business in 1945.
- First rolling mill commissioned in 1960 (used purchased billets as input).
- First steelmaking facilities in 1969 “to supply billets to the domestic market.”
- Wire rod production commenced in 1985 and reinforcing bar production in 1990.
- In 2007 Çolakoğlu invested in a new meltshop and rolling mill for flat steel products.

[Company brochure images subject to copyright]

[Logo subject to copyright]

- Çolakoğlu Metalurji Rebar (straight bar) Rolling Mill
  - Includes “Thermex” system (quench and self-temper)
  - “With this heat treatment system mechanical properties such as high yield strength, good bending ability, high ductility and good weldability are enhanced.”

[Company brochure images subject to copyright]







# PART 4: EQR & OTHER MATTERS

Date of Sale

Sales of non-prime goods

Currency conversion adjustment

Retrospective Notices

Inventory adjustment

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# Date of Sale



## Anti-Dumping Manual - *Establishing the date of sale*

In establishing the date of sale, the Commission will normally use the date of invoice as it best reflects the material terms of sale. For the goods exported, the date of invoice also usually approximates the shipment date.

### Exporter Questionnaire Responses in relation to date of sale

- |                |   |                            |
|----------------|---|----------------------------|
| • Kroman Celik | - | date of invoice            |
| • Çolakoğlu    | - | date of invoice            |
| • Diler        | - | date of export declaration |
| • Habaş        | - | date of contract           |

### Habaş

In Investigation 264 Steel Reinforcing Bar exported from Turkey, Spain, Korea, Singapore, Taiwan, Malaysia and Thailand the invoice date was used as the date of sale and **no claim for an adjustment was made**.

- In response to the Other Report – Habaş ( EPR 264/064) which stated the Commission’s use of the date of invoice as the date of sale, the submission made by their representative stated  
*“it is evident from the Commission’s dumping margin calculation report for our client that it has scrutinised and verified the information provided by our client and based its findings on that factual, verified information.”*
- In US investigation Steel Concrete Reinforcing Bar from Turkey; on 19 Dec 2016 Habaş stated the following in its exporter questionnaire response  
*“The date of sale for the home market and the U.S. market is the invoice date. p.16*

# Date of Sale



## Anti-Dumping Manual - *Establishing the date of sale*

Where a claim is made that a date other than the date of invoice better reflects the date of sale, the Commission will examine the evidence provided. For such a claim to succeed it would first be necessary to demonstrate that the material terms of sale were, in fact, established by this other date. **In doing so, the evidence would have to address whether price and quantity were subject to any continuing negotiation between the buyer and the seller after the claimed contract date.** This arises because there can be circumstances where an exporter and importer agree on price and quantity and make a sales agreement to that effect, but this may not establish the date on which terms were finally agreed upon because an element of informality continues, and conditions can be changed.

- In US investigation Steel Concrete Reinforcing Bar from Turkey; on 19 Dec 2016 Habaş stated the following in its exporter questionnaire response

*In the home market, deliveries are generally made according to the order and within a few days of the order date. For U.S. sales, the parties may amend orders and letters of credit to change price, quantity, product mix, or delivery (shipment) date; there may be multiple such amendments for a given order.*  
p.18

# Sale of non-prime goods



In US investigation Steel Concrete Reinforcing Bar from Turkey; on 19 Dec 2016 Habaş stated the following in its exporter questionnaire response in relation to goods sold in the domestic market (pg 21):

*Habaş also sold mixed short length rebar only in the home market. In the rebar production process, when rebar is cut to a specific length, the last piece of rebar cut from the single billet will usually be a different length. Habaş collects this rebar and sells it as short length rebar in **mixed length bundles and lower prices compared to standard length rebar.***

Liberty Steel considers these mixed length bundles of off-cuts to be non-prime sales that should not be considered the goods most like those exported to Australia.

# Currency conversion adjustment for fair comparison between NV and EP



Section 269TAF relates to the fair comparison of export price and normal value when a currency conversion is required. Applied here, it is necessary to convert the normal values from Turkish Lira (TRY) to United States Dollars (USD) to permit a comparison to the export prices denominated in USD.

**Under s. 269TAF(3), where for:**

- (a) *the comparison referred to in subsection (1) requires the conversion of currencies; and*
- (b) *the rate of exchange between those currencies has undergone a short-term fluctuation;*

*the Minister may, for the purpose of that comparison, disregard that fluctuation.*

**Applying the approach established as a precedent in REP 240 (*Rod in coils exported from Indonesia, Korea and Turkey*):**

*The method applied in SEF 240 for determining short-term fluctuations in respect of Ispat is as follows:*

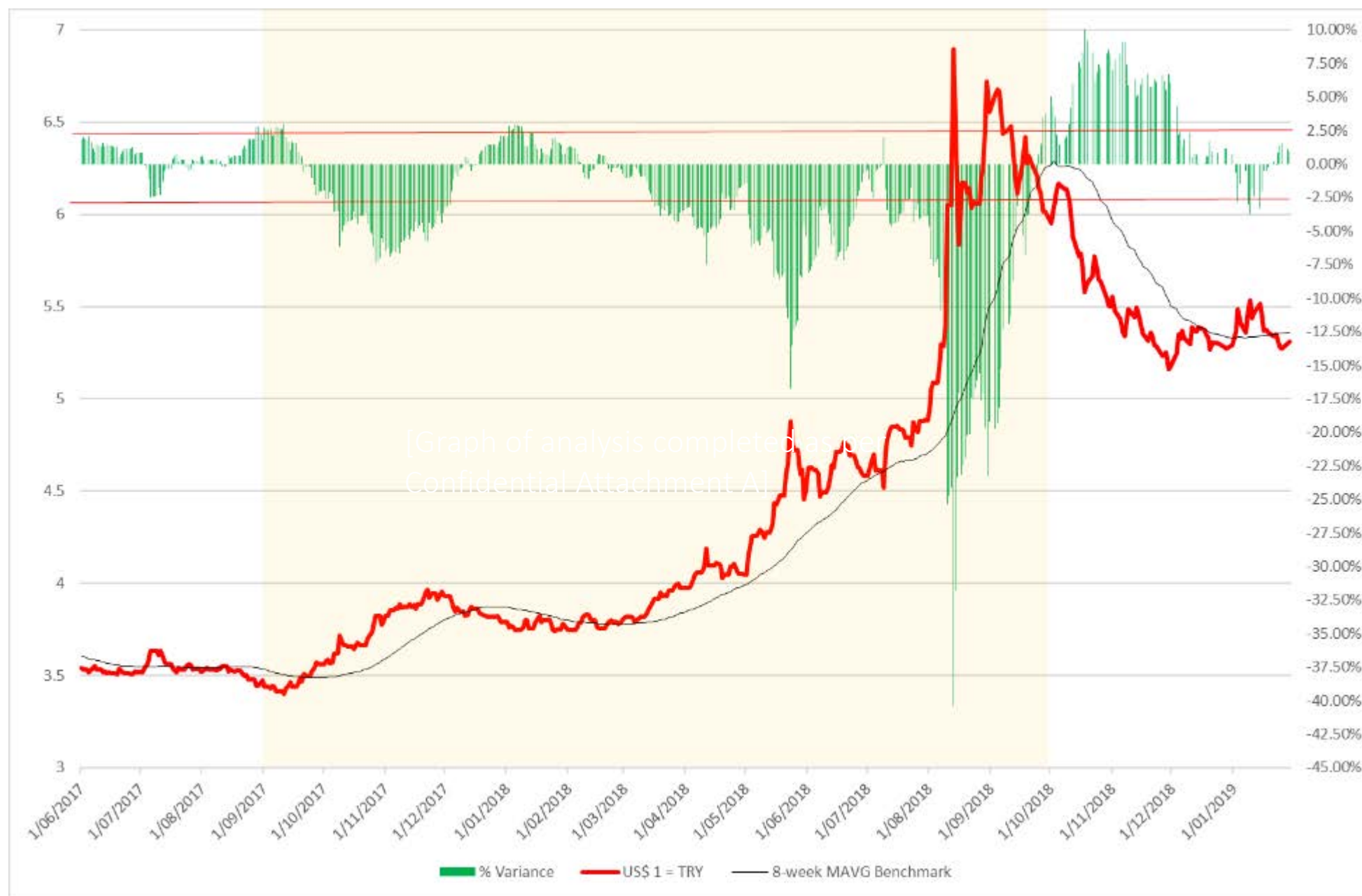
- *an eight week moving average for the IDR against the USD was established for the investigation period;*
- *daily actual rates were compared to the 8 week moving average and a daily variance benchmark was established; and*
- *where the actual daily rate varied from the benchmark rate by more than two and a quarter per cent the actual daily rate was classified as fluctuating.*

*Where the daily rate was classified as a fluctuation the actual daily rate was set aside in favour of the benchmark rate pursuant to subsection 269TAF(3). [REP 240 at p. 28]*



## TAF(3) OUTCOME RATES:

Monthly Average	US\$ 1 = TRY
May-17	3.5879
Jun-17	3.5220
Jul-17	3.5476
Aug-17	3.5189
Sep-17	3.4943
Oct-17	3.5291
Nov-17	3.6980
Dec-17	3.8331
Jan-18	3.8070
Feb-18	3.7816
Mar-18	3.8177
Apr-18	3.9290
May-18	4.1175
Jun-18	4.4204
Jul-18	4.6500
Aug-18	5.0112
Sep-18	5.9335
Oct-18	6.1735
Nov-18	5.7362
Dec-18	5.3518
Jan-19	5.3481





# Imports causing injury following the initiation of INV 495 (Retrospective Notices)



[Confidential market feedback]

**Liberty Steel considers that the conditions of s.269TN(3) have been satisfied here in the post-initiation period:**

- (a) Goods entered for home consumption since 16 November;
- (b) PAD published and security has been taken within 90 days (15 January 2019); and
- (c) material injury has been caused to the Australian industry by the export to Australia during a short period of large quantities of goods, being injury arising from dumped export prices.

## Steps necessary at (and following) verification to secure a positive recommendation to the Minister for publication of retrospective notices



- ☑ Verify normal values and export prices for the post-investigation period (i.e. 16 November 2018 to 15 January 2019);
- ☑ inform the importer of the goods of the decision the Minister proposes to make ((s.269TN(4A)(a));
- ☑ allow a reasonable opportunity for the importer of the goods to comment on the proposed decision ((s.269TN(4A)(b)); and
- ☑ give consideration to the comment provided by the importer ((s.269TN(4A)(a)).

# Inventory adjustment



As per the response on Domestic Sales process, D 1, Kroman Celik does produce for inventory in relation to domestic sales. Kroman Celik considers there is an allowable adjustment for the inventory carrying cost of goods produced for domestic inventory.

As noted in earlier responses, Diler's exports are produce to order following confirmation of l/c details, whilst domestic sales are sold from inventory. As such, a difference in the inventory carrying cost of domestic and export sales exist, which warrants adjustment to ensure proper comparison.

**Habaş claims an inventory carrying cost adjustment.**

Habaş sells the subject goods into the domestic market from inventory whereas the exported goods are MTO. Thus the goods for domestic sale are held in inventory for a period of time (inventory turnover period) whereas the exported goods move directly to the port.

Given that domestic sales of the goods are generally made from inventory, as compared to Australian sales, which are made to order, Çolakoglu considers that an inventory carrying cost based adjustment is warranted for the longer period of inventory carrying related to the domestic sales. Please see Attachment E-5. [CONFIDENTIAL ATTACHMENT]. The adjustment value is also reported in Attachment D-2.

All 4 Turkish exporters have claimed an inventory adjustment in relation to domestic sales.

Liberty Steel requests that a similar assessment regarding export sales inventory holding charges (if any) is made. *Example below : INV 418 in relation to Indonesian rebar producer PT Ispat Panca Putera*

IPP claimed an adjustment for inventory holding charges for domestic sales. IPP's export sales were made to order and there was no local market for the goods exported.

IPP's domestic sales were generally supplied ex-stock. IPP provided the verification team with a spreadsheet calculating inventory holding days for domestic sales and evidence of relevant interest rates. The verification team accepted the adjustment for inventory holding charges relating to domestic sales as reasonable.

In addition, the verification team considers that an adjustment for inventory holding charges in relation to export sales is also necessary. IPP provided the verification team with a spreadsheet calculating inventory holding days for export sales and evidence of relevant interest rates. The verification team accepted the adjustment for inventory holding charges relating to export sales as reasonable.



Thank you

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