

STAUGHTONS

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PUBLIC RECORD VERSION

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Mr Gavin Crooks,
Assistant Director,
Anti-Dumping Commission,
Melbourne. 3000

Case Number 495

Alleged Dumping & Subsidisation of steel reinforcing bar ex Turkey.

Dear Mr Crooks,

I am writing on behalf of the exporter & producer Kroman Celik Sanayii A.S.(Kroman) being in relation to the Commission's Exporter Verification Report from the visit of 13th February 2019 and to advise that Kroman accepts the findings and calculations contained in the Verification Report, a public record version of which is attached.

Kroman also respects and accepts the Commission's need to undertake further consideration of the applicant's argument that the Commission should invoke the provision of subsection 269TAF (3) as detailed in para 10.1 of the Verification Report. When considering the applicant's argument however it needs to be recognised that neither the Australian Act or the ADA defines what is a fluctuation or what is a sustained movement although the Commission's Dumping and Subsidy Manual does state that the 'notion of a sustained movement suggests something outside of a normal range of fluctuation.'

We would therefore like to submit that as subsection 269TAF (3) clearly relates to circumstances involving when 'the rate of exchange between those currencies has undergone a short- term fluctuation' it may not be relevant in the case of Kroman's exports to Australia. Those currencies in Kroman's case involve the Turkish Lira and the United States Dollar and as the Commission's factual investigation from its exhaustive verification of Kroman's variable factors concluded, the Turkish Lira only depreciated against the US Dollar over the entire investigation period .

Whilst it is demonstrable that the Turkish Lira only depreciated relative to the US Dollar during the entire investigation period, the Lira's movement in the ordinary sense of the words could not reasonably be considered to have been a short-term fluctuation. Whilst not legislatively defined ,the word 'fluctuate' is understood to mean a currency rises and falls or swings back and forth during the relevant period which is not the case on Kroman's currency conversions and given the relevant period in question is the 12 month investigation period , that period of time could not reasonably be treated as being a* short-term period of time..(* has to be less than one year and the I.P cannot be viewed in sub-sets)

Realistically therefore,,and in our view, the currency movement in question could only be treated as being a sustained movement which could then only invoke subsection 269TAF (4) but given a sustained movement only relates to a currency appreciation and not a currency depreciation , subsection 269TAF (4) is also considered to be irrelevant in the case of Kroman's exports to Australia. The Kroman circumstance certainly demonstrates a 'movement' and that 'movement' in our view was demonstrably a sustained movement rather than any short-term fluctuation.

Kroman considers that the Commission's Dumping and Subsidy Manual explanatory outline on section 269TAF also supports its claims on how the Commission should treat the applicant's argument on currency treatment .In the Case number 240 referred to by the applicant, the Commission applied a methodology in relation to short- term fluctuations which is not the Kroman circumstance and in relation to a sustained movement the Commission stated that a sustained movement should only be considered in the circumstance of appreciation of the rate of exchange between the relevant currencies-ie; a currency appreciation of the exporter's local currency. The Commission concluded in Case number 240 that the sustained movement provisions under subsection 269TAF (4) should not be applied in circumstances of currency depreciation. Kroman also takes this opportunity to thank the Exporter Verification and Case Management Teams for their consideration during this verification process.

Regards
M J Howard