



Australian Government
Department of Industry,
Innovation and Science

Anti-Dumping
Commission

Received

Anti-Dumping Commission 07/02/2020

Application for the
continuation of a dumping
and/or
countervailing notice
or
continuation of an undertaking

**Steel Reinforcing Bar
Exported from the Republic of Korea,
Republic of Singapore, Taiwan (except
Power Steel Co. Ltd) and Kingdom of
Spain (except Nervacero S.A)**

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**APPLICATION UNDER SECTION 269ZHC OF THE *CUSTOMS ACT 1901*
FOR THE CONTINUATION OF A DUMPING AND/OR COUNTERVAILING
DUTY NOTICE OR CONTINUATION OF AN UNDERTAKING**

I hereby request, in accordance with section 269ZHC of the *Customs Act 1901* (the Act) that the Minister:

- ☒ continue a dumping duty notice, or
- ☐ continue a countervailing duty notice, or
- ☐ continue the undertaking given under the Act by

INFRABUILD (NEWCASTLE) PTY LTD

(Name of company or organisation)

in respect of the goods the subject of this application.

I believe that the information contained in this application:

- provides reasonable grounds for continuation of the anti-dumping measure; and
- is complete and correct to the best of my knowledge and belief.

Signature: 

Name: 

Position: **DIRECTOR**

Company: **INFRABUILD (NEWCASTLE) PTY LTD**

ABN: **50 623 285 718**

Date: **6 February 2020**

PUBLIC RECORD

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the '*Instructions and Guidelines for applicants: Application for continuation*' on the Commission's website.

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 13 28 46

Fax: (03) 8539 2499

Email: clientsupport@adcommission.gov.au

Other information is available from the Commission's website at www.adcommission.gov.au

Small and medium enterprises (i.e., those with less than 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the *Corporations Act 2001*), may obtain assistance, at no charge, from the Department of Industry, Innovation and Science's International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA Service Hotline on +61 2 6213 7267.

Required information

1. Provide details of the name, street and postal address, of the applicant seeking the continuation.

Applicant details:-

Name: INFRABUILD (NEWCASTLE) PTY LTD* (**InfraBuild**)

Street address: Level 28, 88 Phillip Street, SYDNEY NSW 2000

Postal address: LOCKED BAG 3050, ARTARMON NSW 1570

Note: * The applicant is a person representing a portion of the Australian industry producing like goods to the goods covered by the dumping duty notice the subject of this continuation application.

PUBLIC RECORD

2. Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address.

Contact person for applicant:-

Full name: [REDACTED]

Position: [REDACTED]

Telephone number: [REDACTED]

Facsimile number: N/A

Email address: [REDACTED]

3. Provide the names, addresses, telephone numbers and facsimile numbers of other parties likely to have an interest in this matter e.g. Australian manufacturers, importers, exporters, users.

Australian manufacturers:-

The applicant, INFRABUILD (NEWCASTLE) PTY LTD; formerly LIBERTY ONESTEEL (NEWCASTLE) PTY LTD; ABN 50 623 285 718, is a proprietary company and manufactures and sells like goods to the goods the subject of the anti-dumping measures.

There are two further producers in Australia of like goods, both of whom are related to the applicant, namely:

- INFRABUILD NSW PTY LTD (formerly, ONESTEEL NSW PTY LIMITED), ABN 59 003 312 892; and
- THE AUSTRALIAN STEEL COMPANY (OPERATIONS) PTY LTD, ABN 89 069 426 955.

Collectively, the applicant and the other two related producers of the like goods in Australia are known as 'InfraBuild Steel', formerly known as 'Liberty Steel'.

The other two related Australian manufacturers share the same registered address and telephone contact details listed above as that for the applicant.

Importers:-

Name: DITH AUSTRALIA PTY LIMITED (DITH)

Address: Level 30 St. Martin's Tower, 31 Market Street, Sydney NSW 2000 AUSTRALIA

Telephone number: +61 2 9793 1916

Facsimile number: Not known

PUBLIC RECORD

Name: MACSTEEL INTERNATIONAL AUSTRALIA PTY LTD (**Macsteel**)

Address: Level 1, 40 Burwood Road, Hawthorn VIC 3122 AUSTRALIA

Telephone number: +61 3 9805 0400

Facsimile number: Not known

Name: SANWA PTY LTD (**SANWA**)

Address: Suite 201, 2nd Floor, 100 New South Head Road, Edgecliff
NSW 2027 AUSTRALIA

Telephone number: +61 2 9362 4088

Facsimile number: +61 2 9362 3622

Name: BEST BAR PTY LTD (**Best Bar**)

Address: 367 Mandurah Road, East Rockingham WA 6168 AUSTRALIA

Telephone number: +61 8 9411 9300

Facsimile number: Not known

Exporters:-

Name: DAEHAN STEEL CO., LTD (**Daehan**)

Address: 15th Floor, HSBC Building, 37, Chilpae-ro, Jung-gu, Seoul,
SOUTH KOREA

Telephone number: +82 2 2040 9753

Facsimile number: +82 2 2051 3185

Name: NATSTEEL HOLDINGS PTE. LTD. (**Natsteel**)

Address: 22 Tanjong Kling Road, SINGAPORE 628048

Telephone number: + 65 6265 1233

Facsimile number: + 65 6264 2471

Name: COMPAÑÍA ESPAÑOLA DE LAMINACIÓN, S.L. (**Celsa
Barcelona**)

Address: Ferralla, 12, 08755 Castellbisbal Barcelona, SPAIN

Telephone number: +34 937 730500

Facsimile number: +34 937 730508

Name: WEI CHIH STEEL INDUSTRIAL CO., LTD. (**Wei Chih**)

Address: NO. 123, Nan Pu Village, Kuan Tien District, Tainan City,
TAIWAN

PUBLIC RECORD

Telephone number: +886 6 579 0213

Facsimile number: +886 6 579 0170

4. The application must include a detailed statement setting out reasons for seeking continuation of the anti-dumping measure. Applicants must provide evidence addressing whether, in the absence of measures, dumped or subsidised imports would cause material injury to the local industry producing like goods. Applicants should refer to the “Guidelines for Preparing an Application for Continuation of Measures” for assistance.

Elaboration of the reasons for seeking continuation of the anti-dumping measures can be found at [Appendix A](#), attached.

In summary, the Australian industry considers that:

- exports of rebar to Australia from Korea and Taiwan were at dumped prices with estimated dumping margins ranging from 2.0 per cent to 7.8 per cent. On the basis of estimates of normal values for Singapore, exports of rebar to Australia from Singapore did not appear to be at dumped prices. There were no exports of rebar to Australia from Spain for the most recent 12-month period, however, exports of rebar from Spain following the imposition of measures were at dumped prices for numerous quarters;
- exports of rebar to Australia have continued to occur at high volumes from the subject countries for most of the analysis period following the imposition of measures, especially from Taiwan and Singapore;
- strong demand for rebar in Australia makes it an attractive destination for exporters;
- exporters of rebar to Australia from Korea, Taiwan, Singapore and Spain have maintained distribution networks in Australia;
- exporters of rebar to Australia from Korea, Taiwan, Singapore and Spain have all demonstrated excess production capacity of hot rolled

PUBLIC RECORD

products (including rebar), and are expected to continue to seek other markets including Australia; and

- the Australian rebar market is highly price sensitive and the Australian industry's prices for rebar sold into the Australian market are mainly influenced by price competition from importers.

The Australian industry's rebar prices have been undercut by sales of imported rebar from the subject countries and exporters. This has caused the Australian industry to achieve lower prices and sales volume than it may have otherwise. In turn, this has resulted in the Australian industry experiencing price suppression and injury in the forms of increased stock-on-hand and reduced:

- profit and profitability;
- market share;
- capital investment;
- return on investment;
- research and development expenditure;
- productivity; and
- employment levels.

Based on the evidence available to the Australian industry, it considers that if the anti-dumping measures expire, it is likely that dumping of rebar from Korea, Taiwan (except Power Steel Co. Ltd) and Singapore will continue and that dumping of rebar export to Australia by Celsa Barcelona and other exporters from Spain (except Nervacero S.A) will recur.

Based on the evidence available to the Australian industry, it considers that the expiration of anti-dumping measures would be likely to lead to a continuation of the material injury that the anti-dumping measures are intended to prevent.

5. The applicant must provide details of the current anti-dumping measure(s) the subject of this continuation application, including:
 - tariff classification

PUBLIC RECORD

The Goods

The goods subject to anti-dumping measures, in the form of a dumping duty notice 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; and
- Regardless of the particular grade or alloy content or coating.

Goods excluded from the measures are:

- Plain round bar;
- Stainless steel; and
- Reinforcing mesh.

Tariff classification

Goods identified as steel reinforcing bar, as described above, are generally classified to the following tariff subheadings 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 01, 02 and 04;
- 7228.30.10 statistical code 70
- 7228.30.90 statistical code 40
- 7228.60.10 statistical code 72.

- the countries or companies

Republic of Korea (**Korea**), Republic of Singapore (**Singapore**), Taiwan (except Power Steel Co. Ltd) and Kingdom of Spain (**Spain**) (except Nervacero S.A).

- specified date of publication of the measure

The anti-dumping measures were initially imposed by public notice (a dumping duty notice) on **19 November 2015** by the then

PUBLIC RECORD

Parliamentary Secretary to the Minister for Industry,
Innovation and Science following consideration of *Anti-Dumping
Report No. 264*.

Provision of data

Industry financial data must, wherever possible, be submitted in an electronic format.

- The data should be submitted on a media format compatible with Microsoft Windows.
- Microsoft Excel, or an Excel compatible format, is required.
- If the data cannot be presented electronically please contact the Commission's client support section for advice.

Lodgement of the application

This application, together with the supporting evidence, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act. The Commissioner has approved lodgement of this application by either:

- preferably, email, using the email address clientsupport@adcommission.gov.au, or
- post to:

The Commissioner of the Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601, or
- facsimile, using the number (03) 8539 2499.

Public Record

During an investigation all interested parties are given the opportunity to defend their interests, by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission's website at www.adcommission.gov.au.

At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application must be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence. If you cannot provide a non-confidential version, contact the Commission's client support section for advice.

PUBLIC RECORD

APPENDIX A

STATEMENT SETTING OUT REASONS FOR SEEKING CONTINUATION OF THE ANTI-DUMPING MEASURES

1. Will the dumping continue or recur?

1.1 Korea

(a) Export volumes

Figure 1.1(a) indicates that quarterly export volumes of rebar to Australia from Korea increased since measures were imposed in November 2015. Export volumes increased, quarter-on-quarter until the September 2016 quarter before declining in the December 2016 quarter, remaining stable and then declining significantly. Export volumes increased again in the December 2017 quarter, then fluctuated quarter-on quarter until measures were revised in May 2019 following the conclusion of Reviews 486 and 489¹. Export volumes then increased in the June 2019 quarter and have remained at (generally) consistent volumes.

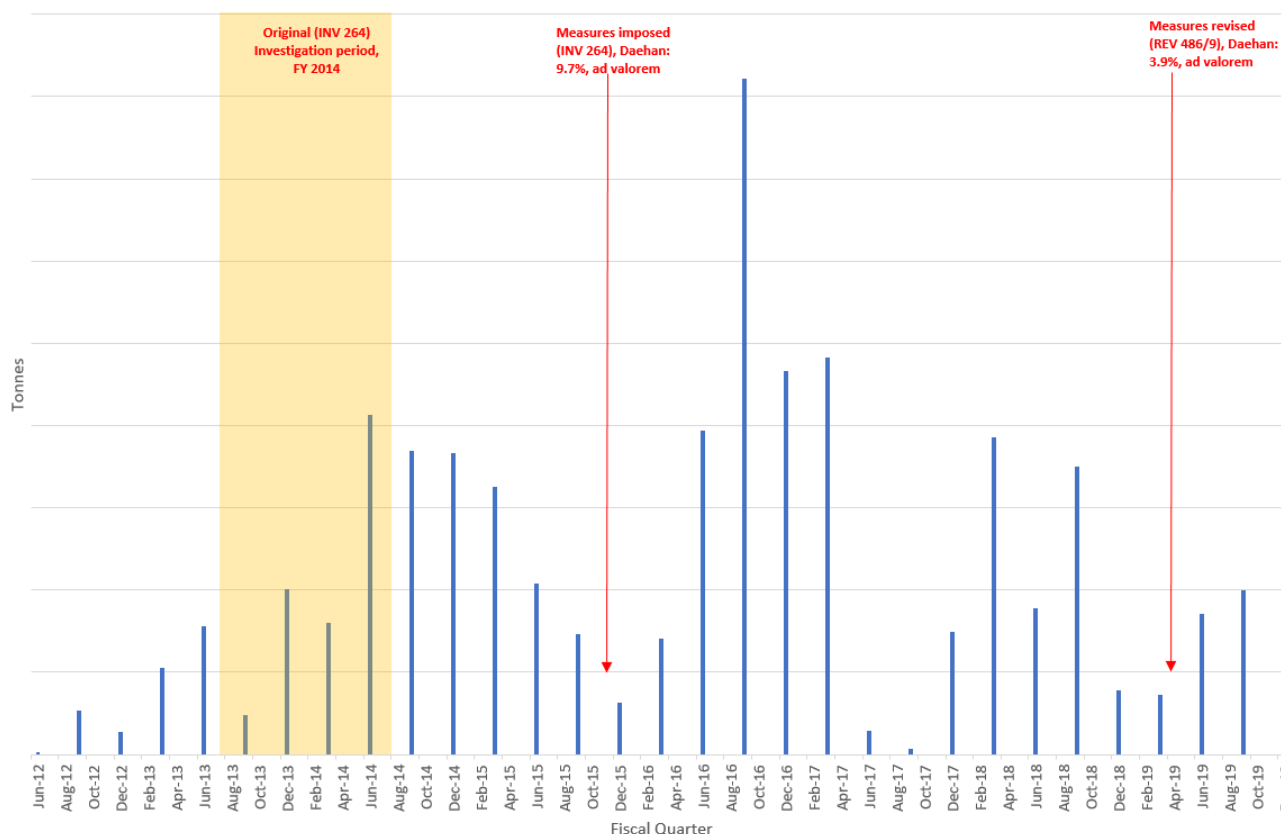


Figure 1.1(a) –Export volumes of rebar from Korea²

¹ The Minister's decision, published on the Anti-Dumping Commission website on 31 May 2019 (ADN 2019/54) is currently the subject of review by the Anti-dumping Review Panel (Reference No. 2019/18).

² CONFIDENTIAL ATTACHMENT 1.1

(b) Estimated export prices and normal values

Figure 1.1(b) indicates that since measures were imposed in November 2015, the weighted average export price of rebar from Korea was less than the estimated normal value for every quarter except three.

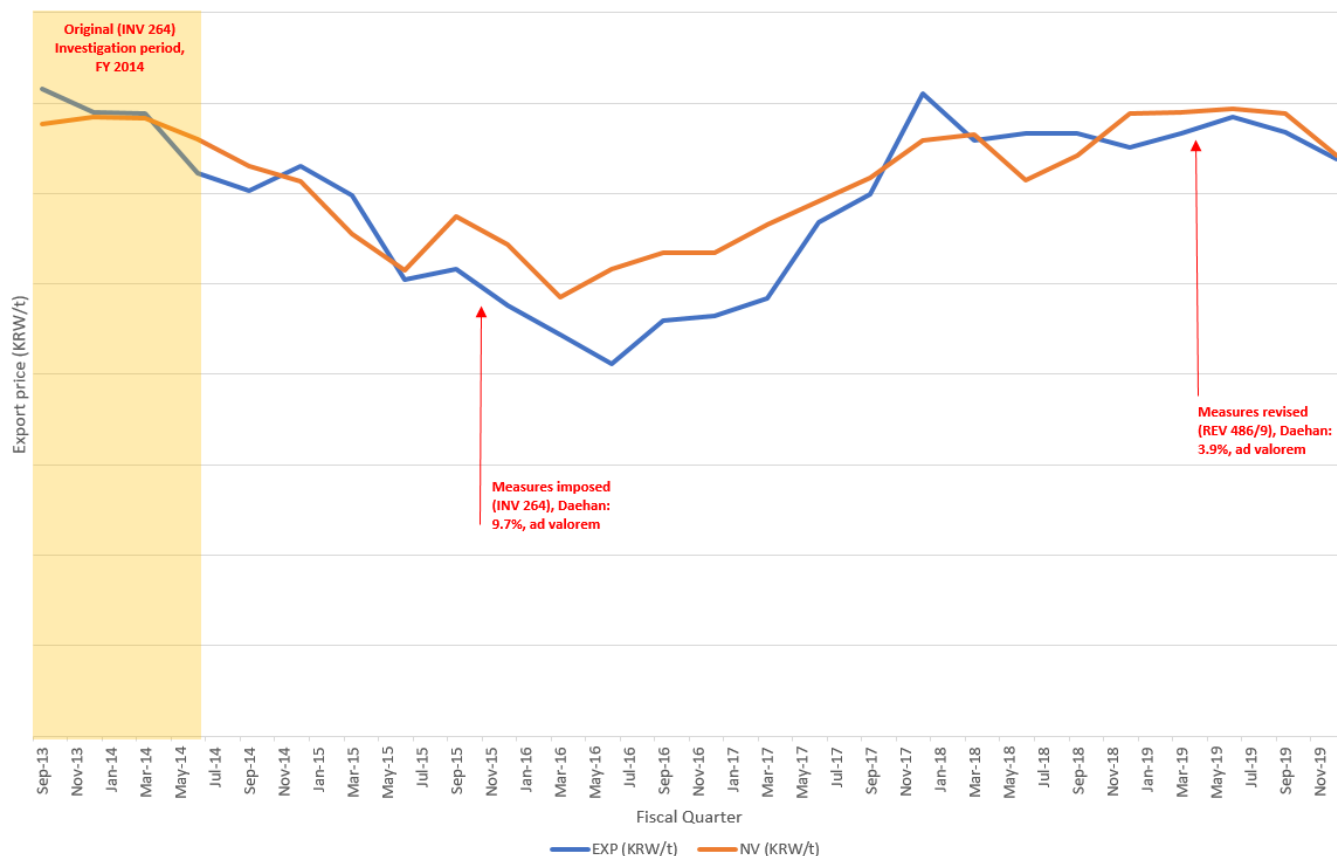


Figure 1.1(b) – Estimated export prices and normal values for rebar exported from Korea³

(c) Estimated dumping margins

Figure 1.1(c) indicates a positive correlation between the size of estimated quarterly dumping margins on rebar exported to Australia from Korea and the quarterly volume of rebar exported – that is to say, that during periods of higher dumping margins, the volume of rebar exported from Korea grew (refer March 2016 to March 2017 quarters), and during periods of lower dumping margins, the volume of rebar exported declined or grew less rapidly (refer September to December 2015 quarters, June 2017 to December 2017 quarters and March 2019 to June 2019 quarters). The estimated dumping margin has been assessed by comparing the weighted average Australian export prices to the corresponding quarterly weighted average normal

³ CONFIDENTIAL ATTACHMENT 1.1

PUBLIC RECORD

values for the period, 1 January to 31 December 2019. The estimated dumping margin for exporters from Korea is **2.0 per cent**.⁴

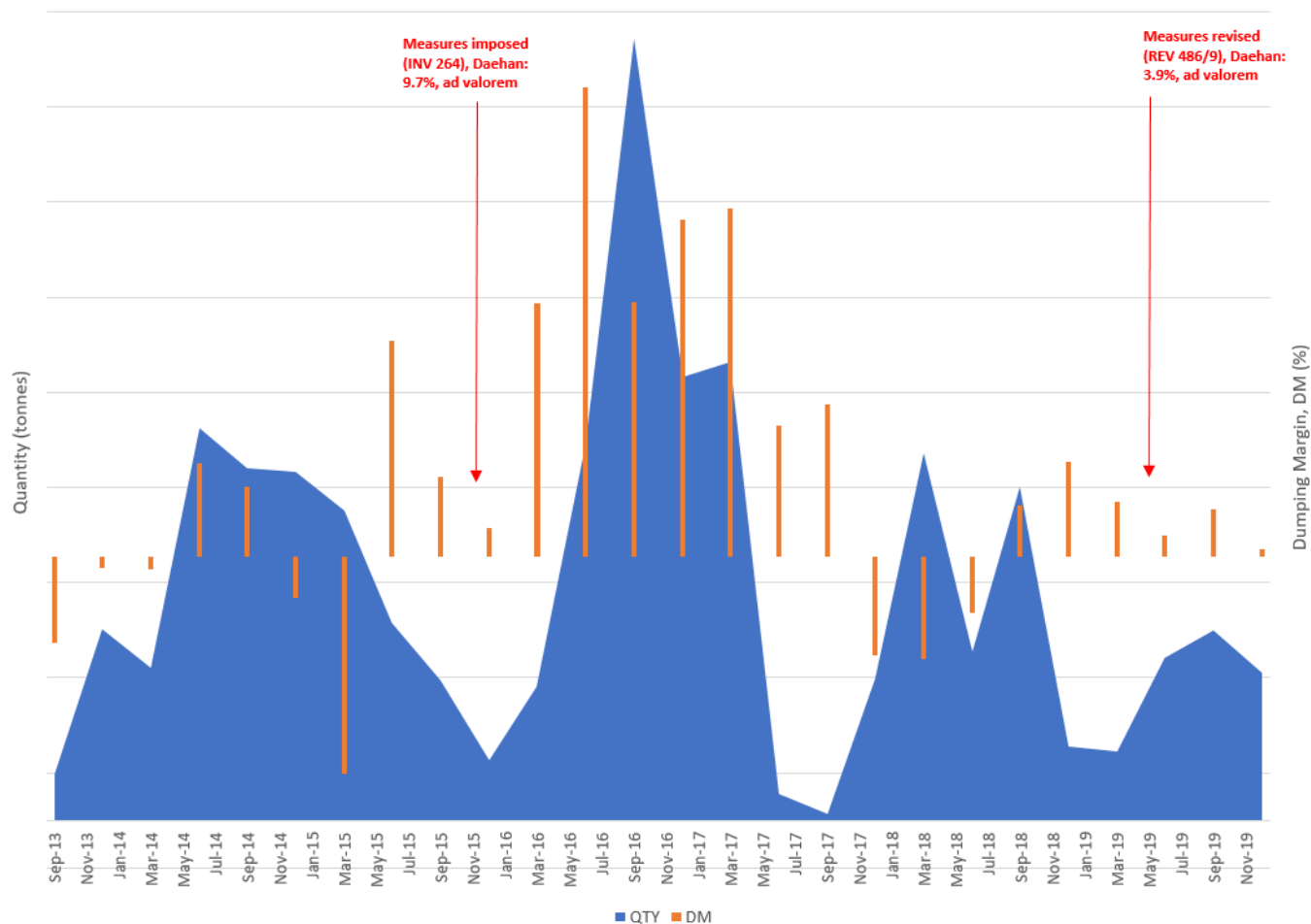


Figure 1.1(c) – Estimated dumping margins for rebar exported from Korea and corresponding quarterly export volumes⁵

(d) Maintenance of distribution links

(i) Maintenance of importer networks and offers into the Australian market

Figure 1.1(d) indicates that the largest exporter from Korea, Daehan, has maintained its distribution links to Australia evidenced by the fact that importers continue to make offers to supply the goods exported from Daehan into the Australian domestic market. Specifically, Daehan has throughout the life-cycle of the measures maintained its primary distribution link into the Australia market via [REDACTED] (formerly known as [REDACTED] and [REDACTED]) as importer.

⁴ CONFIDENTIAL ATTACHMENT 1.1

⁵ CONFIDENTIAL ATTACHMENT 1.1

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[The following figure is confidential in its entirety because it contains commercially sensitive market intelligence]

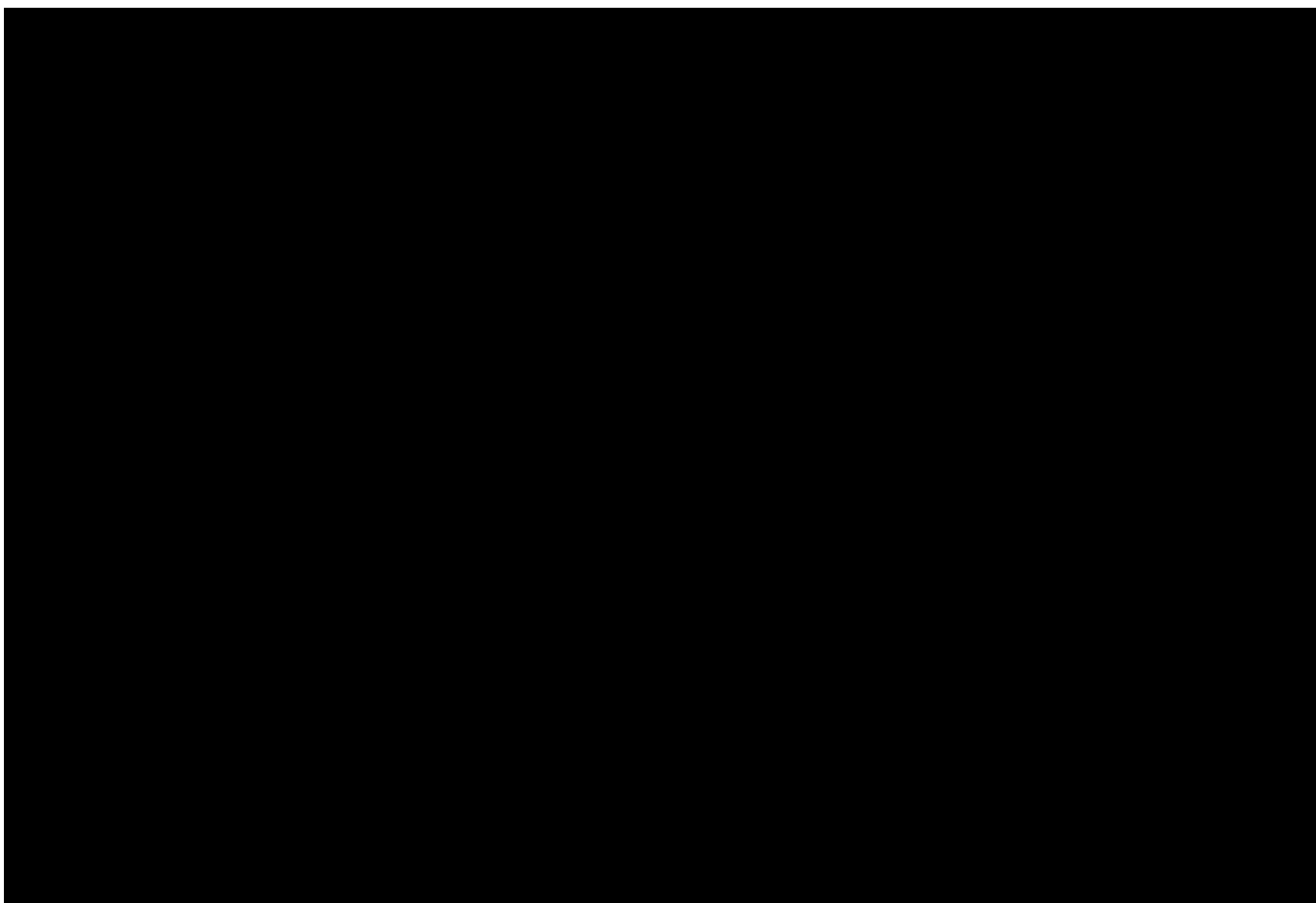


Figure 1.1(d) – Frequency of known price offers into the Australian market by importers of goods exported from Daehan (X-axis indicates FIS arrival date)⁶

(ii) Maintenance of ACRS certification

Two (2) Korean mills are certified by the Australasian Certification Authority for Reinforcing and Structural Steels (**ACRS**) which is an independent, not for profit production certification scheme. The ACRS 'mark' is internationally recognised as the means of showing conformity to the Australian/New Zealand Standard. Steel mills with ACRS accreditation are subject to ongoing (via surveillance audits) evaluation and testing of the manufacturing processes and material properties by ACRS to assess whether the manufacturer and the goods meet the requirements of the Australian/New Zealand Standard. Imported rebar sold in the Australian market generally originates from mills that are ACRS accredited, and strongly indicates an intention on the part of

⁶ CONFIDENTIAL ATTACHMENT 1.1

PUBLIC RECORD

those mills so accredited to continue to maintain distribution links and remain part of the supply chain into the Australian domestic rebar market.

Daehan holds ACRS certification until 31 December 2020 for various models of rebar in coiled form (refer CONFIDENTIAL ATTACHMENT 1.1.1) and a new entrant (first certified 17 October 2019) Dongkuk Steel Mill Co., Ltd. also holds ACRS certification until 31 December 2020 for various models of rebar in coiled form (refer CONFIDENTIAL ATTACHMENT 1.1.2).

(e) Anti-dumping actions by other countries

On 4 May 2018, the Canada Border Services Agency (**CBSA**) concluded a reinvestigation to update the normal values and export prices concerning rebar exported from Korea⁷. The CBSA's reinvestigation related to Korean exporters the subject of this application for continuation of the dumping duty notice. The margins of dumping expressed as percentages of their respect export prices, were found by the CBSA as follows⁸:

- | | |
|-----------------------|-------|
| • Hyundai Steel | 13.3% |
| • All Other Exporters | 41.0% |

(f) Excess capacity that may be directed to Australia

Figure 1.1(f) indicates that there has been no loss of production capacity of hot rolled products (that includes rebar) in Korea since the original investigation period. In fact, by 2018 (the latest available data) Korea's production output increased by 3,062,000 tonnes when compared to the 2013/14 annual average.

In November 2019, steel industry press reported that the Korean exporter, Daehan has concluded a modernization of its Sinpyeong bar mill designed to improve the production efficiency and capacity.⁹

⁷ <https://www.cbsa-asfc.gc.ca/sima-lmsi/ri-re/rb1-22017/rb1-22017-nc-eng.html> (accessed 24 January 2020)

⁸ <https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1403/ad1403-i14-fd-eng.html> (Appendix 1) (accessed 24 January 2020)

⁹ <https://steelguru.com/auto/sms-group-quenching-and-hsd-lines-at-daehan-sinpyeong-bar-mill-start-production/552833?type=steel> (accessed 24 January 2020)

PUBLIC RECORD

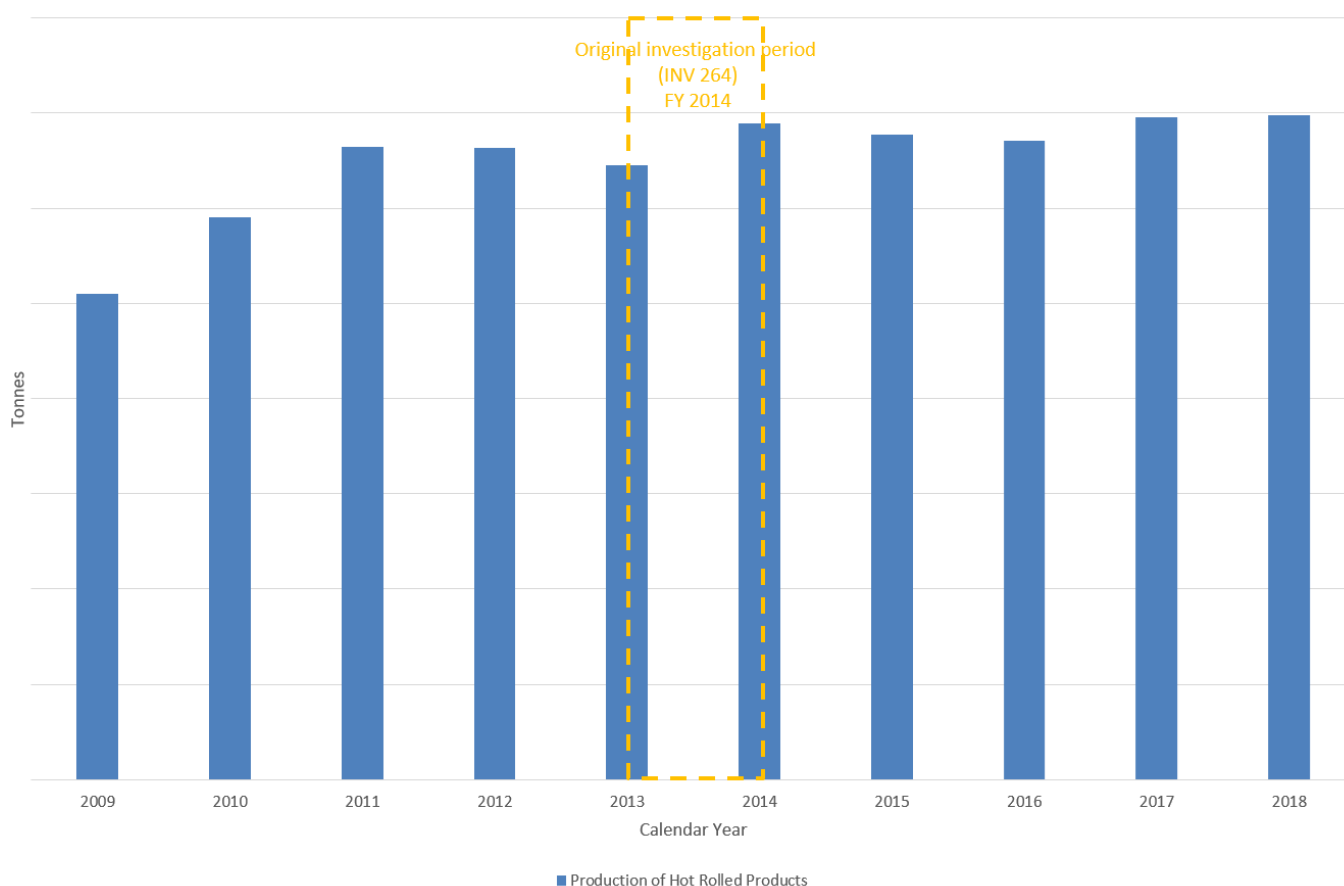


Figure 1.1(f) – Domestic production volume of hot rolled products in Korea¹⁰

In terms of overall crude steelmaking capacity and production, the OECD reported that in 2018, Korea's nominal crude steelmaking capacity was 87.9 million tonnes, and has remained so since 2016 (DSTI/SC(2019)3)¹¹. On the other hand, the World Steel Association reports that in 2018, Korea's total production of crude steel was 72.464 million tonnes, or a capacity utilisation rate of 82.4%.¹²

(g) The impact of overcapacity in global steel markets

The latest OECD's (Organisation for Economic Co-operation and Development) '*Latest Developments in Steelmaking Capacity*' report issued on 24 July 2019 concludes that the latest available data suggests that global steelmaking capacity (in nominal crude terms) declined marginally in 2018:

¹⁰ CONFIDENTIAL ATTACHMENT 1.1.3

¹¹ [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/SC\(2019\)3/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/SC(2019)3/FINAL&docLanguage=En) at p. 27 (accessed 24 September 2020)

¹² <https://www.worldsteel.org/en/dam/jcr:7aa2a95d-448d-4c56-b62b-b2457f067cd9/SSY19%2520concise%2520version.pdf> at p. 1 (accessed 24 January 2020)

PUBLIC RECORD

*"While investment and closure data from the first half of 2018 had suggested the possibility of a slight increase in global steelmaking capacity for the year as a whole, incoming information on closures as well as recent reports indicating that some investment projects were postponed have led to a slight downward adjustment in the estimate for year 2018 global steelmaking capacity. However, many investment projects continue to take place around the world and others are in the planning stages."*¹³

Notwithstanding this contraction in global steelmaking capacity, the report nevertheless considers that should the numerous investment projects be realized then:

*"global steelmaking capacity could increase by approximately 4-5% between 2019 and 2021 in the absence of closures, amounting to additional capacity ranging from 88 to 110 million tonnes during this period."*¹⁴

Of key importance to Australia, the report found that:

*"Asia could experience a considerable increase in steelmaking capacity over the next few years, with over 53.4 mmt of gross capacity additions currently underway and 10 mmt in the planning stages for the period 2019-21."*¹⁵

In terms of global steelmaking capacity utilisation, the OECD report considers that the gap narrowed in 2018:

"... in view of the slight reduction in global crude steelmaking capacity (-0.3%), while global steel production increased strongly (global crude steel production increased by 4.6% in 2018).

*"In view of these developments, the gap between capacity and production is expected to have declined to 425.1 mmt in 2018... As a result, global production of steel as a per cent of capacity may have increased from 77.2% in 2017 to 81.0% in 2018."*¹⁶

Excess global steelmaking capacity is apparent and the possibility of diversion of rebar trade to any of the countries and exporters subject to this continuation application is present. Such diversion would likely result in the need for rebar producers in those countries to expand their export trade to other countries, including Australia. This is consistent with the Commission's 2017 Steel Manufacturing and Fabricating Markets report where it was stated:

¹³ <http://www.oecd.org/industry/ind/recent-developments-steelmaking-capacity-2019.pdf> at p. 8 (accessed 24 January 2020)

¹⁴ <http://www.oecd.org/industry/ind/recent-developments-steelmaking-capacity-2019.pdf> at p. 8 (accessed 24 January 2020)

¹⁵ <http://www.oecd.org/industry/ind/recent-developments-steelmaking-capacity-2019.pdf> at p. 9 (accessed 24 January 2020)

¹⁶ <http://www.oecd.org/industry/ind/recent-developments-steelmaking-capacity-2019.pdf> at p. 10 (accessed 24 January 2020)

PUBLIC RECORD

“The adverse impacts of continuing global steel excess capacity included the potential, identified by the OECD, that ‘excess capacity in one region can displace production in other regions, thus harming producers in those markets’, including through ‘unfair trade practices such as dumping’”.¹⁷

Specifically, in the case of Korea, the Australian industry considers that the already excess capacity in Korea both for hot rolled products and crude steel may result in increased export volumes of rebar to Australia should the measures expire. This may be exacerbated by the diversion of rebar trade volumes from other countries, not the subject of this continuation application, to Korea.

(h) Conclusion - Korea

Korean exporters have continued to export rebar to Australia at dumped prices and have maintained their distribution links in Australia via their network of importers who have continued to offer to sell rebar exported from Korea into the Australian domestic market.

Korean exporters have also maintained the third-party accreditation to market rebar products effectively in the Australian construction market.

Exporters from Korea have the capacity to increase production of hot rolled products, including rebar, which given the size of actual hot rolled steel production in Korea (69.785 million tonnes in 2018) would be material if exported and sold into the Australian rebar market.

The Australian industry considers that it is likely that the expiration of anti-dumping measures would allow importers to acquire rebar from Korea at dumped prices and in greater volumes. In these circumstances, the Australian industry considers that it is likely that exports of rebar at dumped prices by all exporters from Korea would continue if the measures expire.

¹⁷ https://www.industry.gov.au/sites/default/files/2019-05/ad_c_steel_fabrication_report_november_2017.pdf at p. 31 (accessed 24 January 2020).

1.2 Taiwan

Although the anti-dumping measures the subject of this application for continuation does not include goods exported by Power Steel Co. Ltd (**Power Steel**), the estimates of export volumes presented below may include sales by this exporter to Australia. The import trade data relied upon by the Australian industry applicant does not identify supplier. Therefore, Border Force's commercial import database available to the Commission will likely permit exports by Power Steel to be excluded from its analysis. However, the Australian industry observes from its market intelligence that [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED].¹⁸

(a) Export volumes

Figure 1.2(a) indicates that quarterly export volumes of rebar to Australia from Taiwan increased since measures were imposed in November 2015. Export volumes fluctuated between the June 2016 to June 2018 quarters, before declining significantly in the September 2018 quarter and then being absent from the Australian market before returning in the June 2019 quarter, and to a lesser extent in the September 2019 quarter.

¹⁸ CONFIDENTIAL ATTACHMENT 1.2.3

PUBLIC RECORD

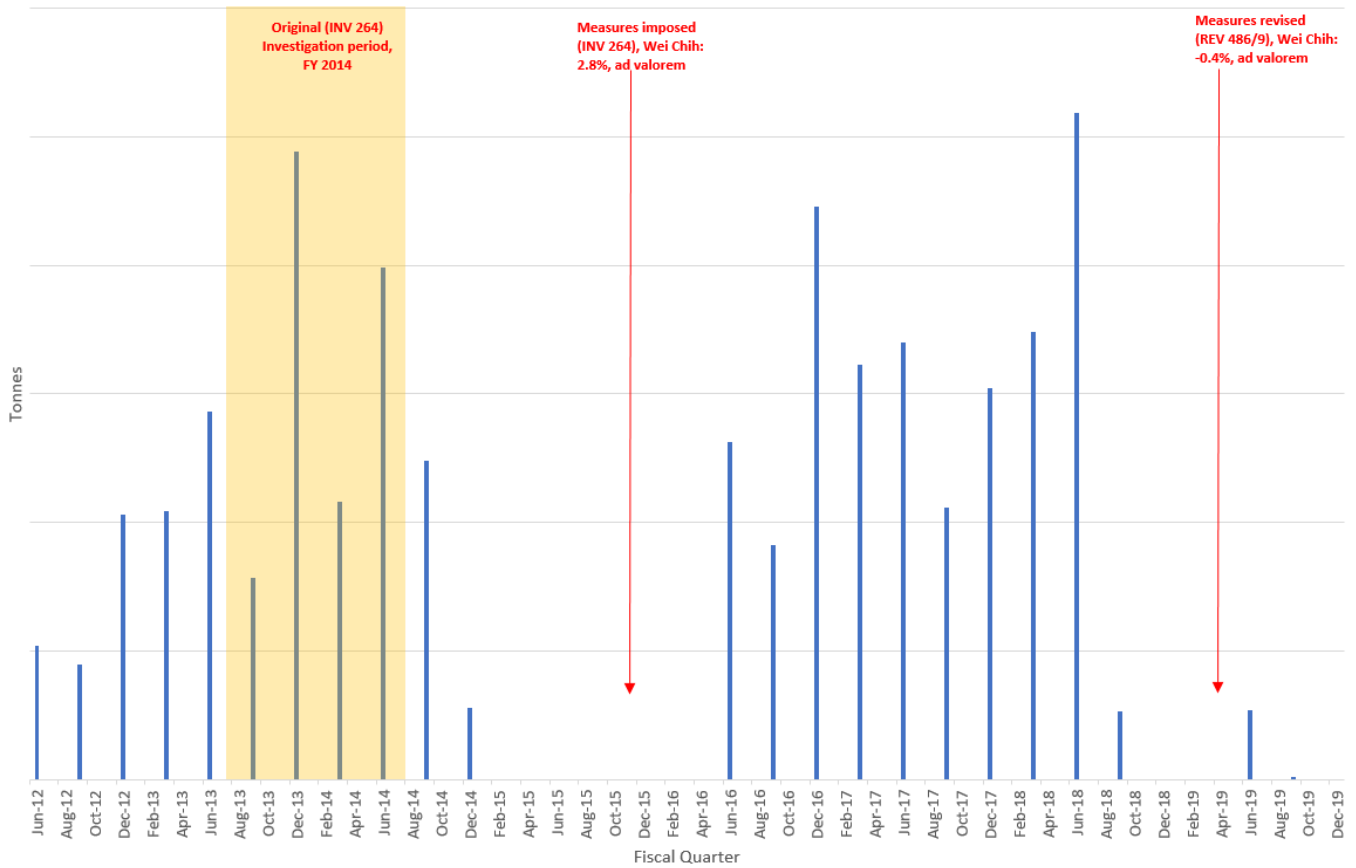


Figure 1.2(a) –Export volumes of rebar from Taiwan¹⁹

(b) Estimated export prices and normal values

Figure 1.2(b) indicates that since measures were imposed in November 2015, the weighted average export price of rebar from Taiwan was less than the estimated normal value for every quarter except for two (refer September 2016 and December 2016 quarters).

¹⁹ CONFIDENTIAL ATTACHMENT 1.2

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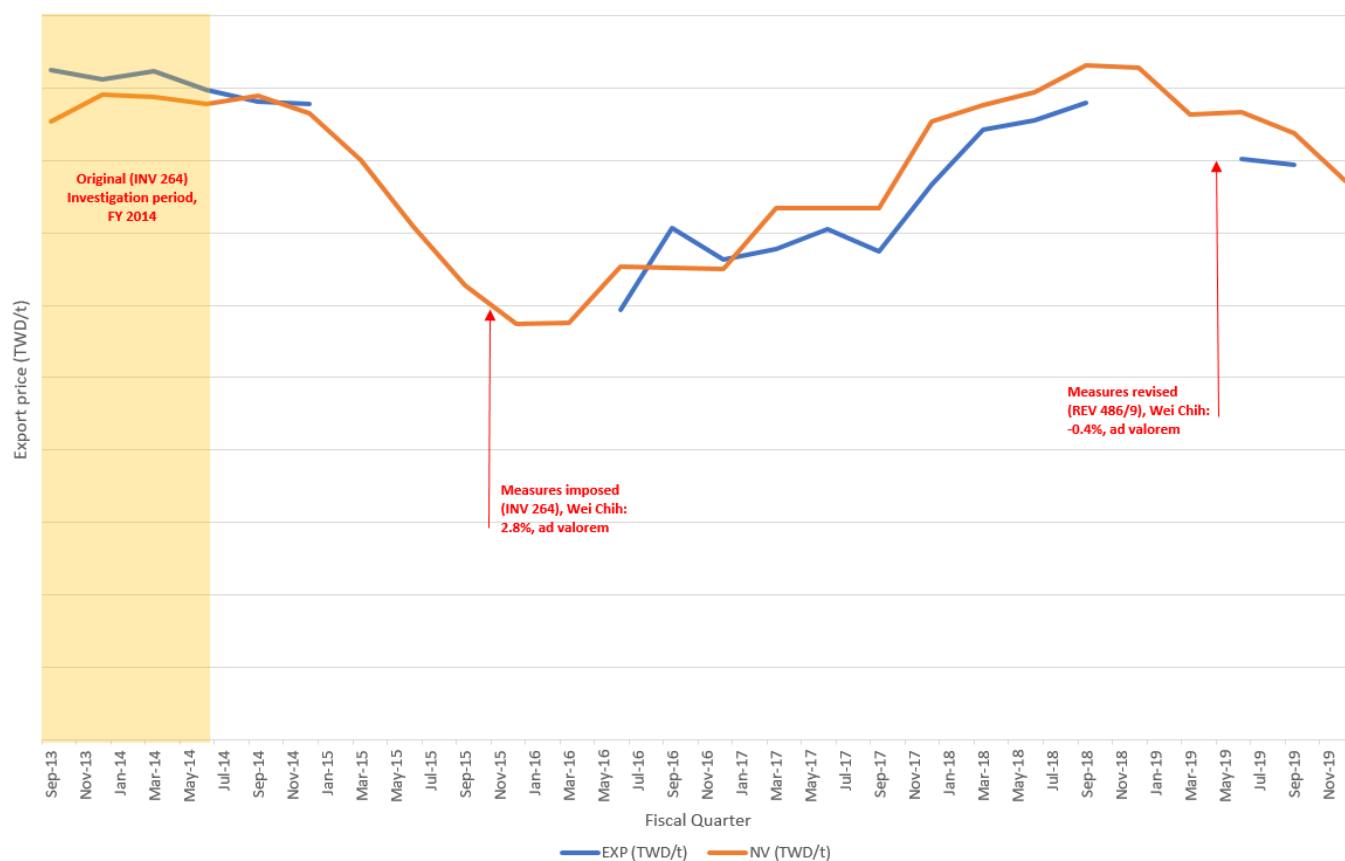


Figure 1.2(b) – Estimated export prices and normal values for rebar exported from Taiwan²⁰

(c) Estimated dumping margins

Figure 1.2(c) indicates that since the imposition of measures in November 2015 there has been a positive correlation between the size of estimated quarterly dumping margins on rebar exported to Australia from Taiwan and the quarterly volume of rebar exported. For example, following the imposition of measures the volume of goods exported from Taiwan entirely vacated the Australian market, until the June 2016 quarter when the dumping margin was estimated at [REDACTED] per cent. In the following quarter (September 2016), when the dumping margin was estimated to have declined to [REDACTED] per cent, the volume exported contracted, then in the December 2016 quarter when there was again positive movement in the dumping margin, export volumes again grew. Indeed, the strongly positive dumping margins observed between the March 2017 to September 2018 quarters supported significant export volumes to Australia. Following an absence of export volumes since 1 October 2018, sporadic and smaller export volumes are observed in the June and September 2019 quarters again supported by dumping

²⁰ CONFIDENTIAL ATTACHMENT 1.2

PUBLIC RECORD

margins estimated at moderate rates (██████ to ██████ per cent). The estimated dumping margin has been assessed by comparing the weighted average Australian export prices to the corresponding quarterly weighted average normal values for the period, 1 January to 31 December 2019. The estimated dumping margin for exporters from Taiwan is **7.8 per cent**.²¹

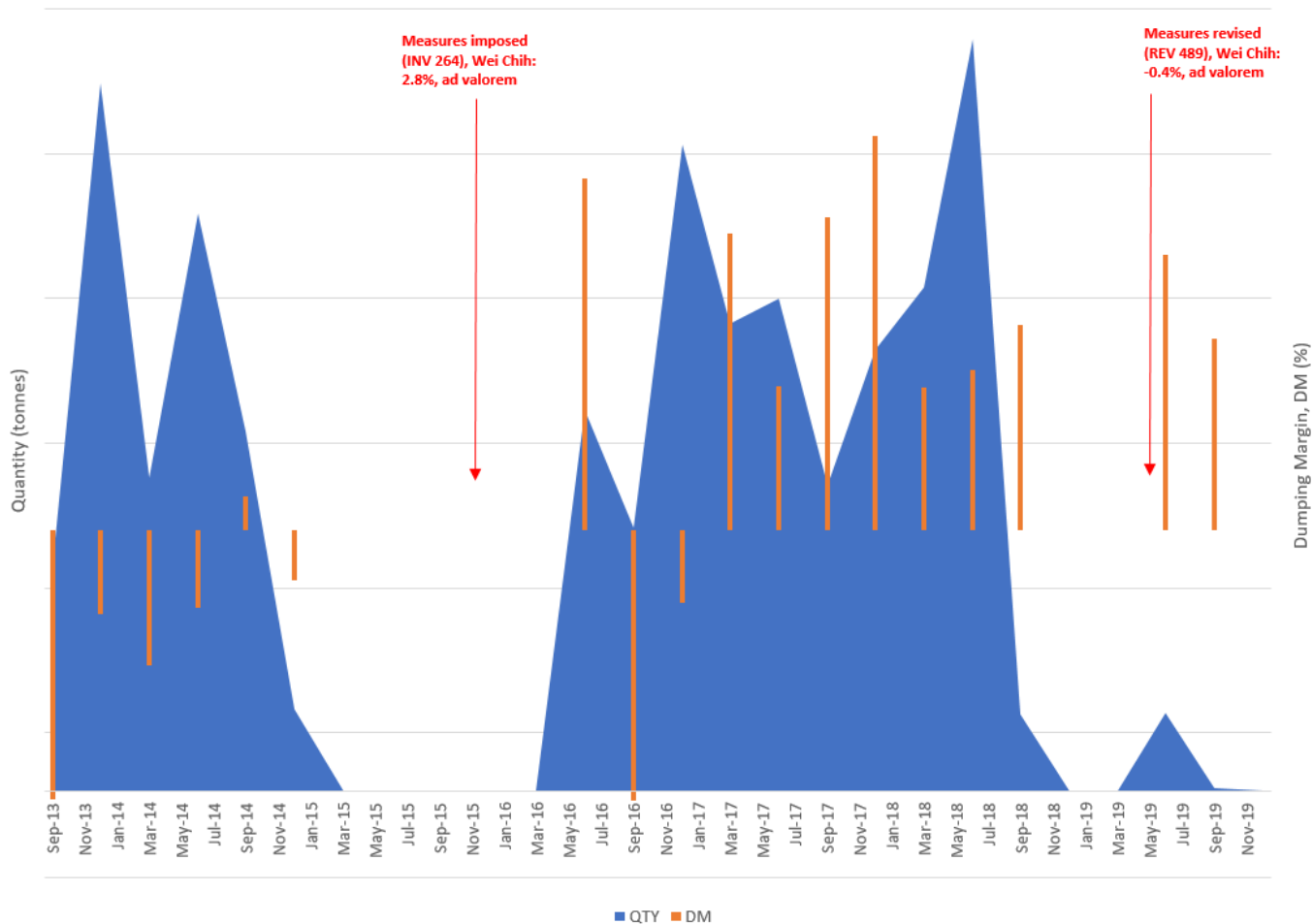


Figure 1.2(c) – Estimated dumping margins for rebar exported from Taiwan and corresponding quarterly export volumes²²

²¹ CONFIDENTIAL ATTACHMENT 1.2

²² CONFIDENTIAL ATTACHMENT 1.2

(d) Maintenance of distribution links

(i) Maintenance of importer networks and offers into the Australian market

Figure 1.2(d) indicates that the largest exporter from Taiwan subject to these anti-dumping measures, Wei Chih, has maintained its distribution links to Australia evidenced by the fact that importers continue to make offers to supply the goods exported from Wei Chih into the Australian domestic market. Specifically, Wei Chih has throughout the life-cycle of the measures maintained its primary distribution link into the Australia market via [REDACTED] (formerly known as [REDACTED]) as importer.

[The following figure is confidential in its entirety because it contains commercially sensitive market intelligence]

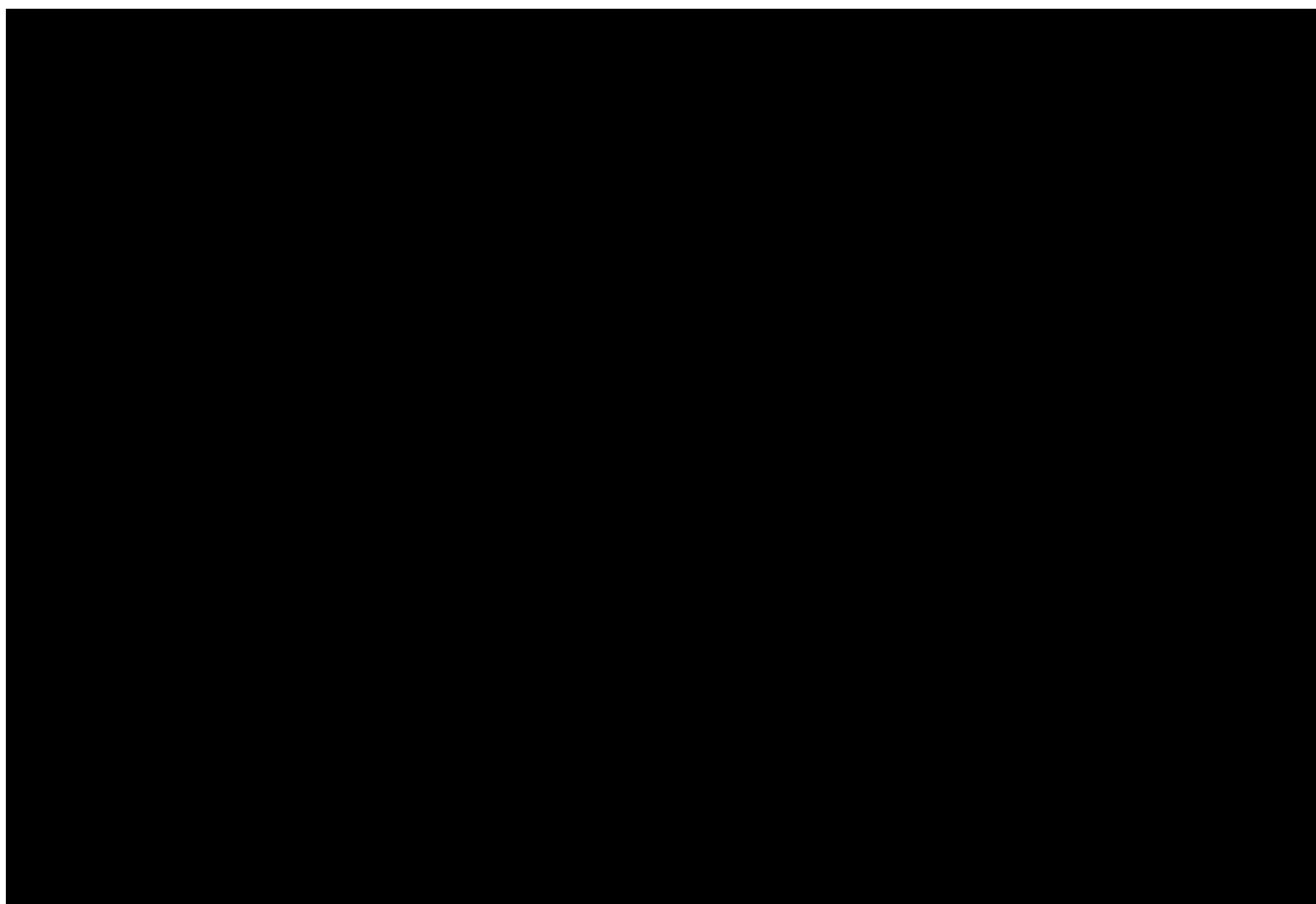


Figure 1.2(d) – Frequency of known price offers into the Australian market by importers of goods exported from Wei Chih (X-axis indicates FIS arrival date)²³

²³ CONFIDENTIAL ATTACHMENT 1.2

(ii) Maintenance of ACRS certification

Two (2) Taiwanese mills (the subject of this dumping duty notice) are certified by ACRS. As indicated in section 1.1(d)(ii), above, ACRS certification strongly indicates an intention on the part of those mills to continue to maintain distribution links and remain part of the supply chain into the Australian domestic rebar market.

Wei Chih holds ACRS certification until 31 December 2020 for various models of rebar in straight lengths (refer CONFIDENTIAL ATTACHMENT 1.2.1), and Tung Ho Steel Enterprise Corporation also holds ACRS certification until 31 December 2020 for various models of rebar in straight lengths (refer CONFIDENTIAL ATTACHMENT 1.2.2).

(e) Anti-dumping actions by other countries

On 4 May 2018, the CBSA concluded a reinvestigation to update the normal values and export prices concerning rebar exported from Taiwan (also known as 'Chinese Taipei')²⁴. The CBSA's reinvestigation related to Taiwanese exporters the subject of this application for continuation of the dumping duty notice. The margins of dumping expressed as percentages of their respective export prices, were found by the CBSA for all other exporters from Taiwan to be 108.5% (except for Tung Ho Steel Enterprise Corporation).

On 21 July 2017, the United States' Department of Commerce (**US DOC**) announced its affirmative final determination in the antidumping duty (AD) investigation of imports of rebar exported from Taiwan. The US DOC assigned a dumping margin of 3.5% to all other producers/exporters of steel concrete reinforcing bar from Taiwan.²⁵

(f) Excess capacity that may be directed to Australia

Figure 1.2(f) indicates that there has been no loss of production capacity of hot rolled products (which include rebar) in Taiwan since the original investigation period. In fact, by 2018 (the latest available data) Taiwan's production output increased by 25,159,000 tonnes when compared to the 2013/14 annual average.²⁶

²⁴ <https://www.cbsa-asfc.gc.ca/sima-lmsi/ri-re/rb1-22017/rb1-22017-nc-eng.html> (accessed 24 January 2020)

²⁵ <https://enforcement.trade.gov/download/factsheets/factsheet-taiwan-steel-concrete-reinforcing-bar-ad-final-072117.pdf> (accessed 24 January 2020)

²⁶ CONFIDENTIAL ATTACHMENT 1.1.3

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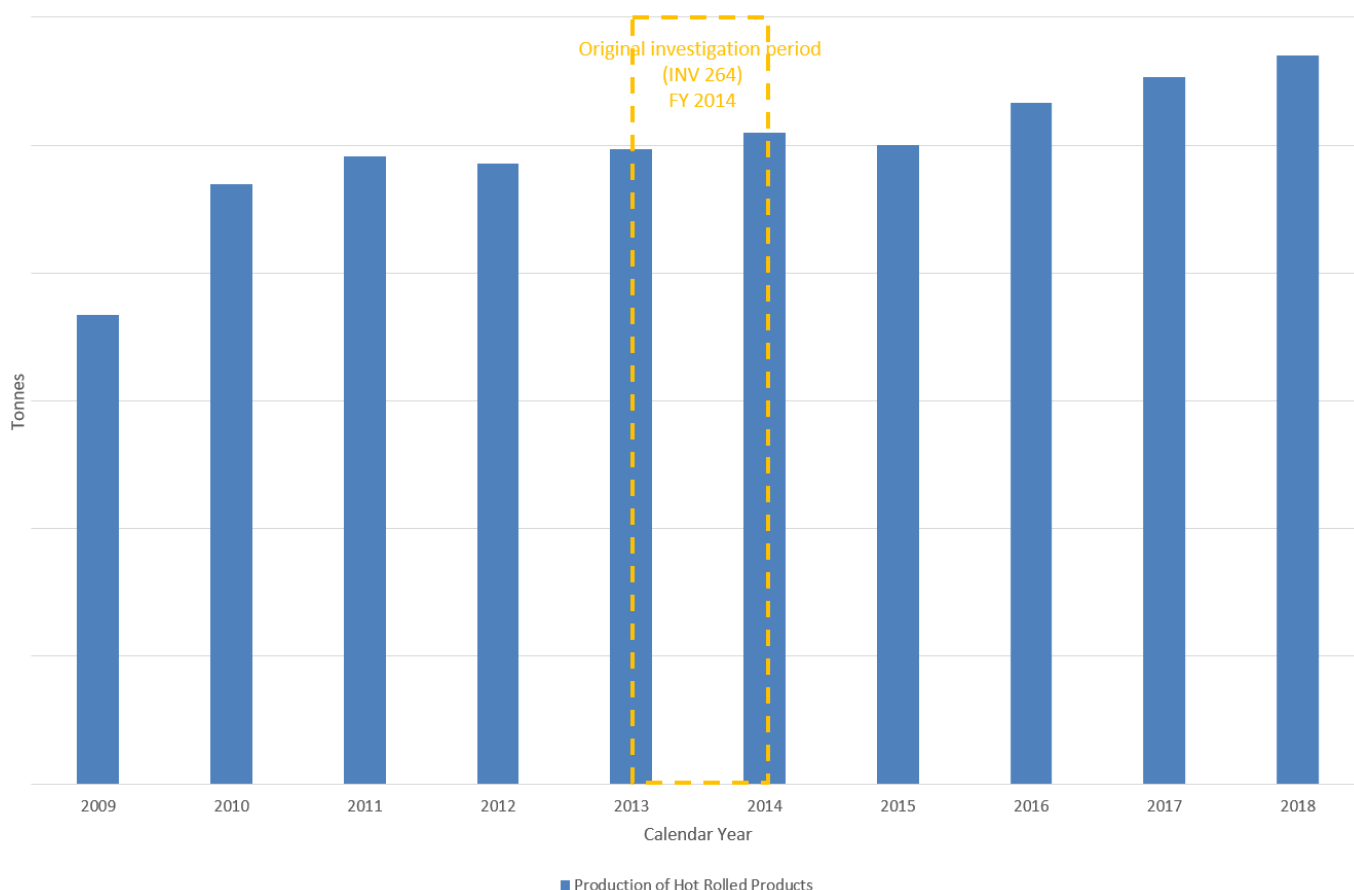


Figure 1.2(f) – Domestic production volumes of hot rolled products in Taiwan²⁷

The 2018 Annual Report of Tung Ho Steel Enterprise Corporation (an producer in Taiwan of rebar with the requisite ACRS certification to export to Australia) identifies the “*tremendous downward pressure*” on Taiwanese domestic steel demand as a threat:

*“Domestic and foreign enterprises are not waiting to see Taiwan’s investment plans, and overall Taiwan’s steel demand is under tremendous downward pressure.”*²⁸

*“Severe oversupply of international steel production capacity, especially in neighboring China, South Korea and Japan.”*²⁹

When coupled with growing hot rolled production volumes indicated in Figure 1.2(f), the net result is growing excess domestic capacity:

²⁷ CONFIDENTIAL ATTACHMENT 1.1.3

²⁸ [http://www.tunghosteel.com/Files/papp/663/107%E6%9D%B1%E9%8B%BC%E5%B9%B4%E5%A0%B1\(%E8%8B%B1%E6%96%87\).pdf](http://www.tunghosteel.com/Files/papp/663/107%E6%9D%B1%E9%8B%BC%E5%B9%B4%E5%A0%B1(%E8%8B%B1%E6%96%87).pdf) at p. 129 (accessed 24 January 2020)

²⁹ [http://www.tunghosteel.com/Files/papp/663/107%E6%9D%B1%E9%8B%BC%E5%B9%B4%E5%A0%B1\(%E8%8B%B1%E6%96%87\).pdf](http://www.tunghosteel.com/Files/papp/663/107%E6%9D%B1%E9%8B%BC%E5%B9%B4%E5%A0%B1(%E8%8B%B1%E6%96%87).pdf) at p. 138 (accessed 24 January 2020)

PUBLIC RECORD

“e. In the face of the continuous increase in steel production capacity and the prevalence of trade protectionism in developing countries around the world, global export faces more severe challenges.

“f. There is a serious excess of steel production capacity in the developed countries around the world, and steel production capacity in emerging countries continues to increase.”³⁰

In terms of overall crude steelmaking capacity and production, the OECD reported that in 2018, Taiwan's nominal crude steelmaking capacity was 29.47 million tonnes, and has remained so since 2014 (DSTI/SC(2019)3)³¹ On the other hand, the World Steel Association reports that in 2018, Taiwan's total production of crude steel was 23.24 million tonnes, or a capacity utilisation rate of 79%.³²

(g) The impact of overcapacity in global steel markets

As discussed in Section 1.1(g), with excess global steelmaking capacity apparent it is reasonable to deduce that this may result in the of diversion of rebar trade to Taiwan. Such diversion would likely result in the need for rebar producers in Taiwan to expand their export trade to other countries, including Australia.

In the case of Taiwan, the information presented in Section 1.2(f) points to existing excess capacity in Taiwan both for hot rolled products and crude steel, and that this may result in increased export volumes of rebar to Australia should the measures expire. This may be exacerbated by the diversion of rebar trade volumes from other countries, not the subject of this continuation application, to Taiwan. In fact, this outcome was identified by Tung Ho in its 2018 Annual Report, cited in Section 1.2(f) above.

³⁰[http://www.tunghosteel.com/Files/papp/663/107%e6%9d%b1%e9%8b%bc%e5%b9%b4%e5%a0%b1\(%e8%8b%b1%e6%96%87\).pdf](http://www.tunghosteel.com/Files/papp/663/107%e6%9d%b1%e9%8b%bc%e5%b9%b4%e5%a0%b1(%e8%8b%b1%e6%96%87).pdf) at p. 140 (accessed 24 January 2020)

³¹[http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/SC\(2019\)3/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/SC(2019)3/FINAL&docLanguage=En) at p. 28 (accessed 24 September 2020)

³²<https://www.worldsteel.org/en/dam/jcr:7aa2a95d-448d-4c56-b62b-b2457f067cd9/SSY19%2520concise%2520version.pdf> at p. 1 (accessed 24 January 2020)

(h) Conclusion - Taiwan

Taiwanese exporters have continued to export rebar to Australia at dumped prices and have maintained their distribution links in Australia via their network of importers who have continued to offer to sell rebar exported from Taiwan into the Australian domestic market. Taiwanese exporters have also maintained the third-party accreditation to market rebar products effectively in the Australian construction market.

Exporters from Taiwan have the capacity to increase production of hot rolled products, including rebar, which given the size of actual hot rolled steel production in Taiwan (28.513 million tonnes in 2018) would be material if exported and sold into the Australian rebar market.

The Australian industry considers that it is likely that the expiration of anti-dumping measures would allow importers to acquire rebar from Taiwan at dumped prices and in greater volumes. In these circumstances, the Australian industry considers that it is likely that exports of rebar at dumped prices by all exporters from Taiwan would continue if the measures expire.

1.3 Singapore

(a) Export volumes

Figure 1.3(a) indicates that quarterly export volumes of rebar to Australia from Singapore have remained constant since measures were imposed in November 2015. The Australian industry sold goods imported from Singapore in the March, June and September 2018 quarters in volumes recorded in its response to appendix A2. Notwithstanding the Australian industry's sales of imported goods, the volumes of goods imported during those periods and sold to non-Australian industry customers remained above the quarterly average volume of exports from Singapore since the imposition of measures (██████ tonnes).

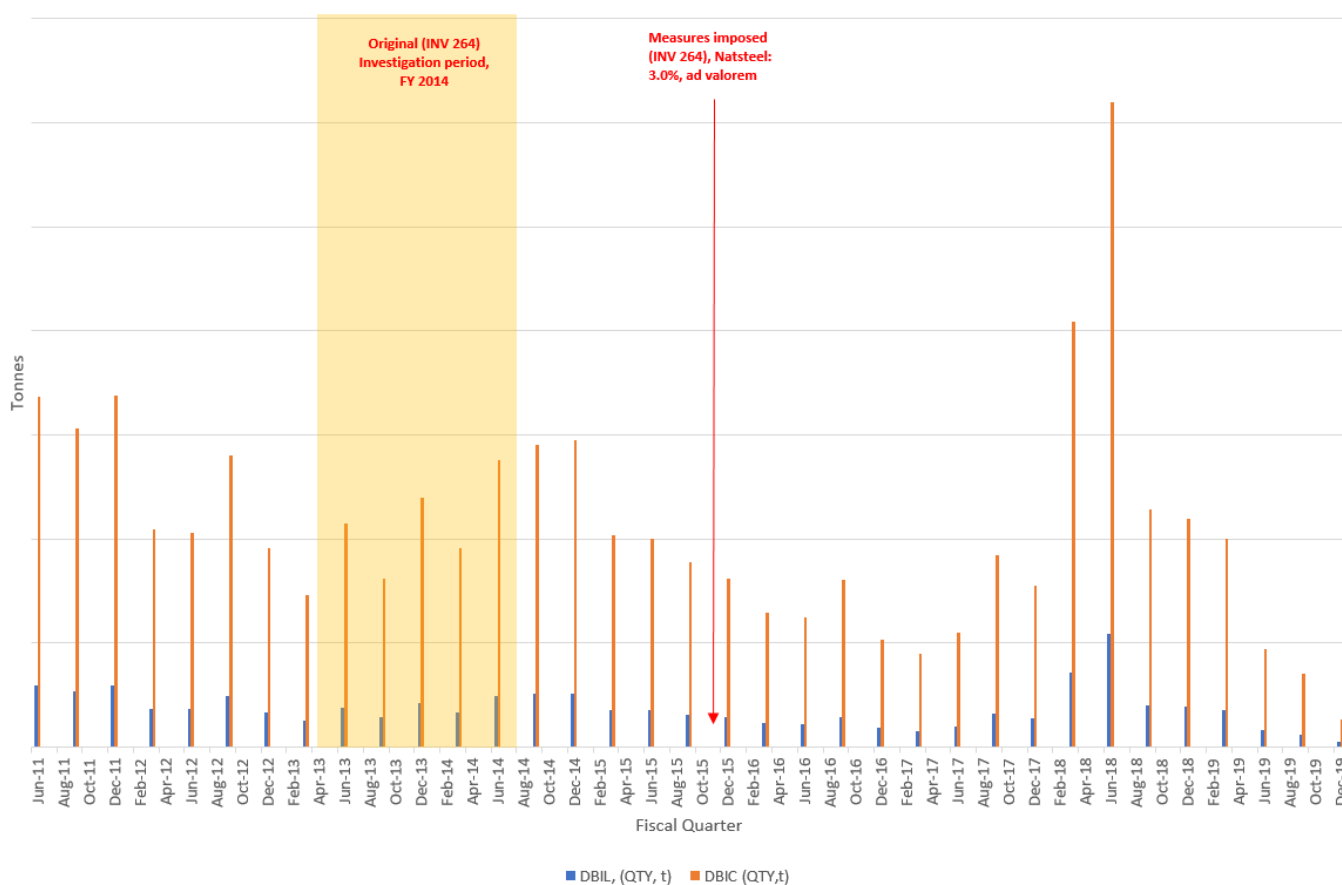


Figure 1.3(a) – Export volumes of rebar from Singapore³³

(b) Estimated export prices and normal values

Figure 1.3(b) indicates that since measures were imposed in November 2015, the weighted average export price of rebar from Singapore remained above the estimated normal value, with

³³ CONFIDENTIAL ATTACHMENT 1.3

PUBLIC RECORD

some compression in margins between 1 July 2017 to 31 December 2018.

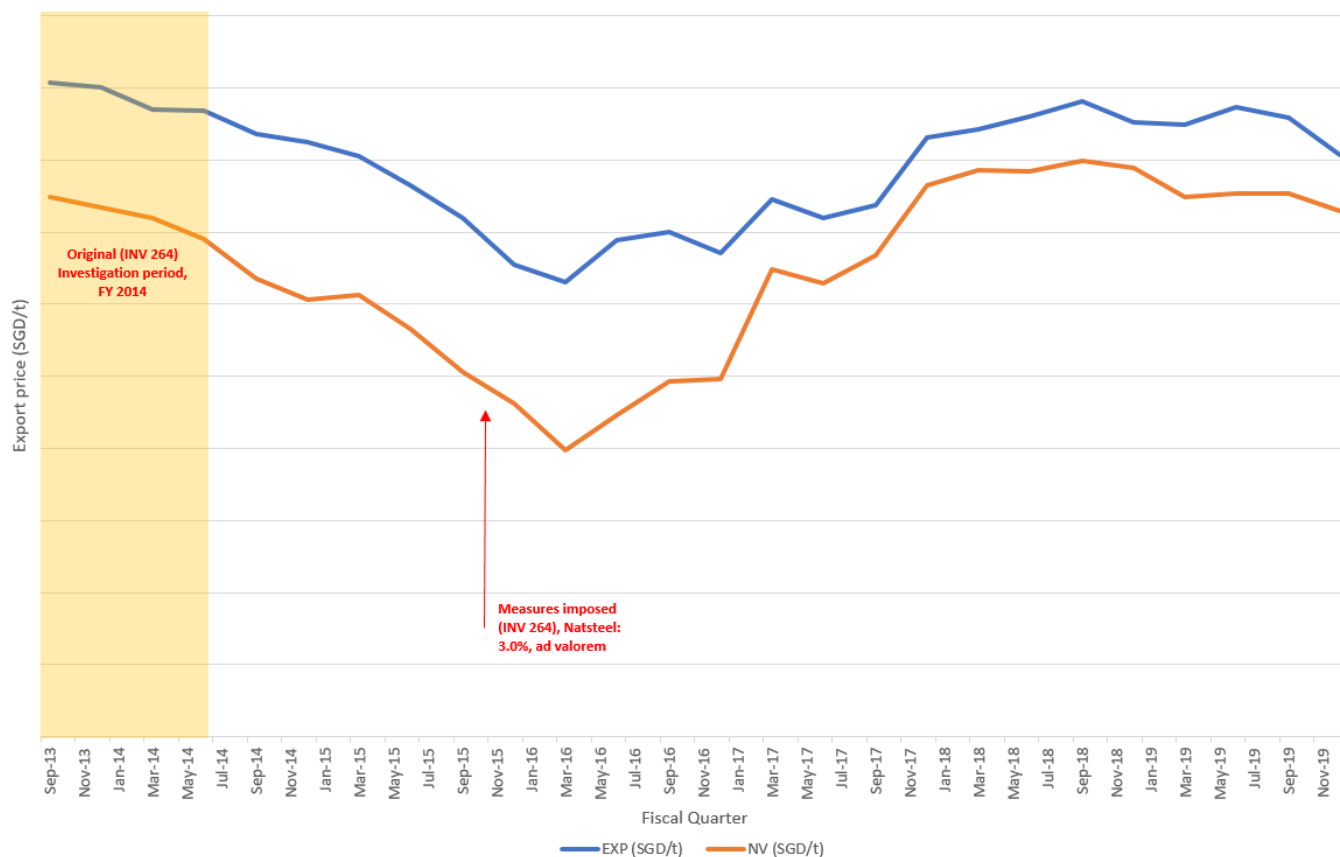


Figure 1.3(b) – Estimated export prices and normal values for rebar exported from Singapore³⁴

(c) Estimated dumping margins

On the basis of the source of normal value information available to the Australian industry applicant, negative dumping margins have been observed across the analysis period (commencing 1 July 2013). Given that the exporter of the goods from Singapore recorded a verified 3.0 per cent dumping margin for the original investigation period (1 July 2013 to 30 June 2014), it is difficult for the applicant to draw any conclusions concerning the correlation between estimated dumping margins and export volumes on the strength of the data available to it, except that across the analysis period the difference between the weighted average export price and estimated corresponding normal value have undergone compression (i.e. increased dumping margins) and expansion (i.e. decreased dumping margins), and that periods of growth in the export volume of the goods from Singapore have corresponded with periods of where the pace of increases in the export price have not kept pace with increases in the estimated normal

³⁴ CONFIDENTIAL ATTACHMENT 1.3

values (i.e. compression).

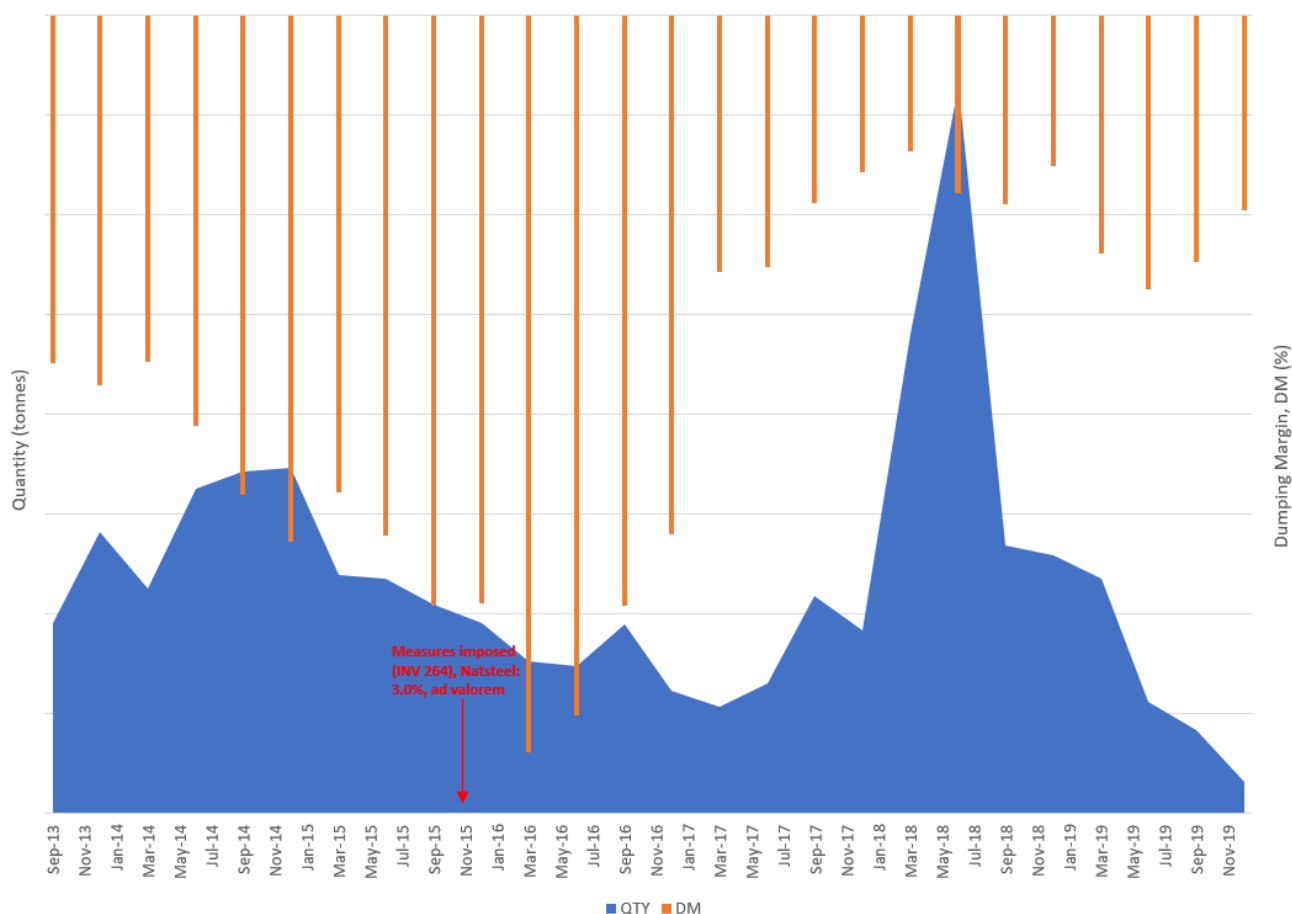


Figure 1.3(c) – Estimated dumping margins for rebar exported from Singapore and corresponding quarterly export volumes³⁵

(d) Maintenance of distribution links

(i) Maintenance of importer networks and offers into the Australian market

Figure 1.3(d) indicates that the sole producer and exporter from Singapore, Natsteel, has maintained its distribution links to Australia evidenced by the fact that the key importer continues to purchase the goods exported by Natsteel from Singapore. Natsteel has throughout the life-cycle of the measures maintained its primary distribution link into the Australia market via [REDACTED], as importer. Figure 1.3(d) indicates the volumes of imports to [REDACTED] and the volume sold to the Australian industry applicant.

³⁵ CONFIDENTIAL ATTACHMENT 1.3

PUBLIC RECORD

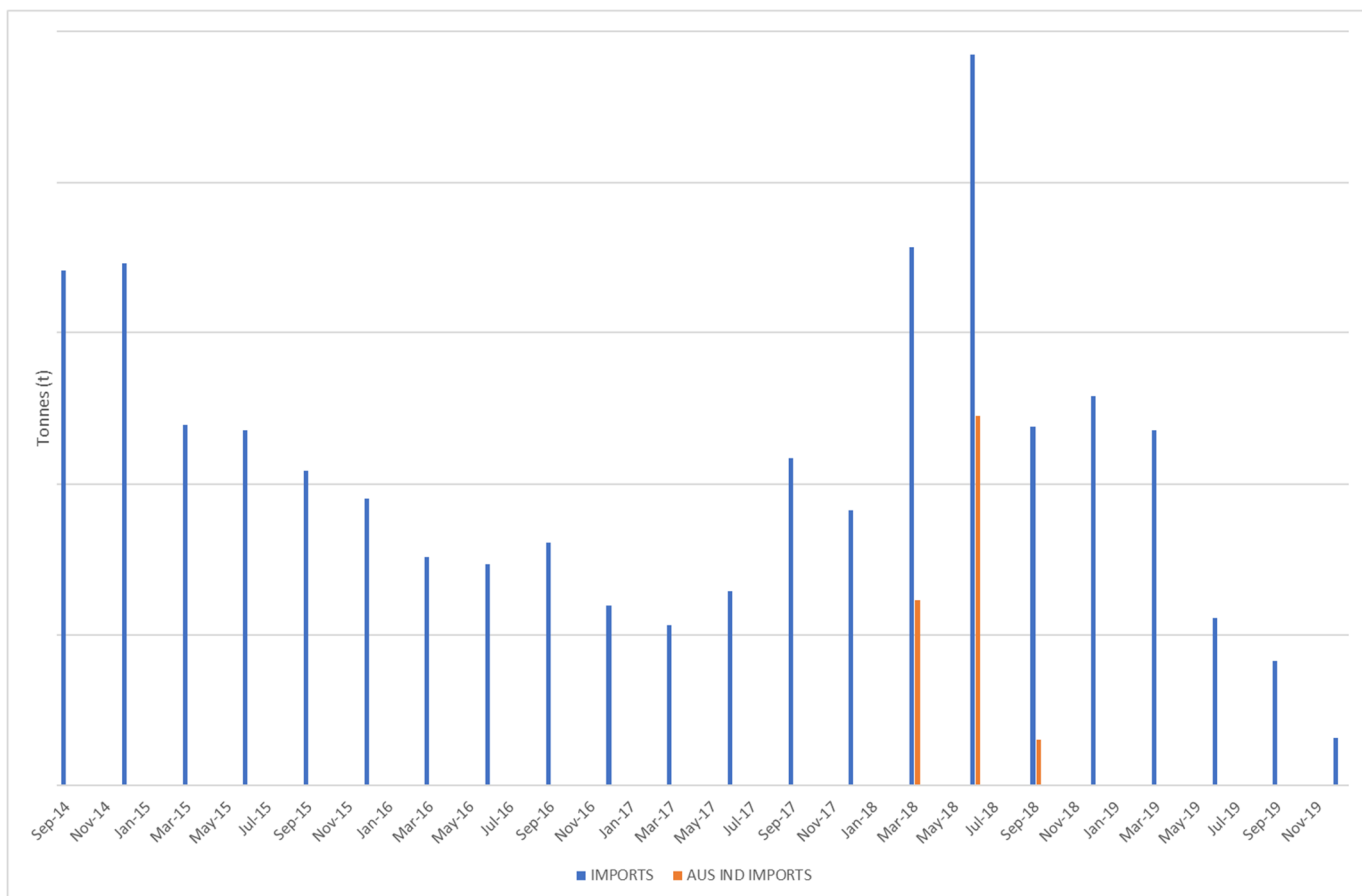


Figure 1.3(d) – Volumes of the goods exported by Natsteel from Singapore to [REDACTED] and sales of imported goods by the Australian industry applicant³⁶

(ii) Maintenance of ACRS certification

The sole Singaporean mill producing the goods is certified by ACRS. This strongly indicates an intention on the part of this mill to continue to maintain distribution links and remain part of the supply chain into the Australian domestic rebar market.

Natsteel holds ACRS certification until 31 December 2020 for various models of rebar in straight lengths and coil (refer CONFIDENTIAL ATTACHMENTS 1.3.1 and 1.3.2).

(e) Anti-dumping actions by other countries

On 21 January 2020, the Malaysian Ministry of International Trade and Industry (**MITI**) announced its affirmative final determination in the anti-dumping duty investigation of imports of rebar exported from Singapore. The MITI determined a dumping margin of 4.97% applying to

³⁶ CONFIDENTIAL ATTACHMENT 1.3

exports of rebar by Natsteel.³⁷

(f) Excess capacity that may be directed to Australia

Figure 1.3(f) indicates that there has been no loss of production capacity of hot rolled products in Singapore since the original investigation period. In fact, by 2018 (the latest available data) Singapore's production output increased by 100,000 tonnes when compared to the 2013/14 annual average.

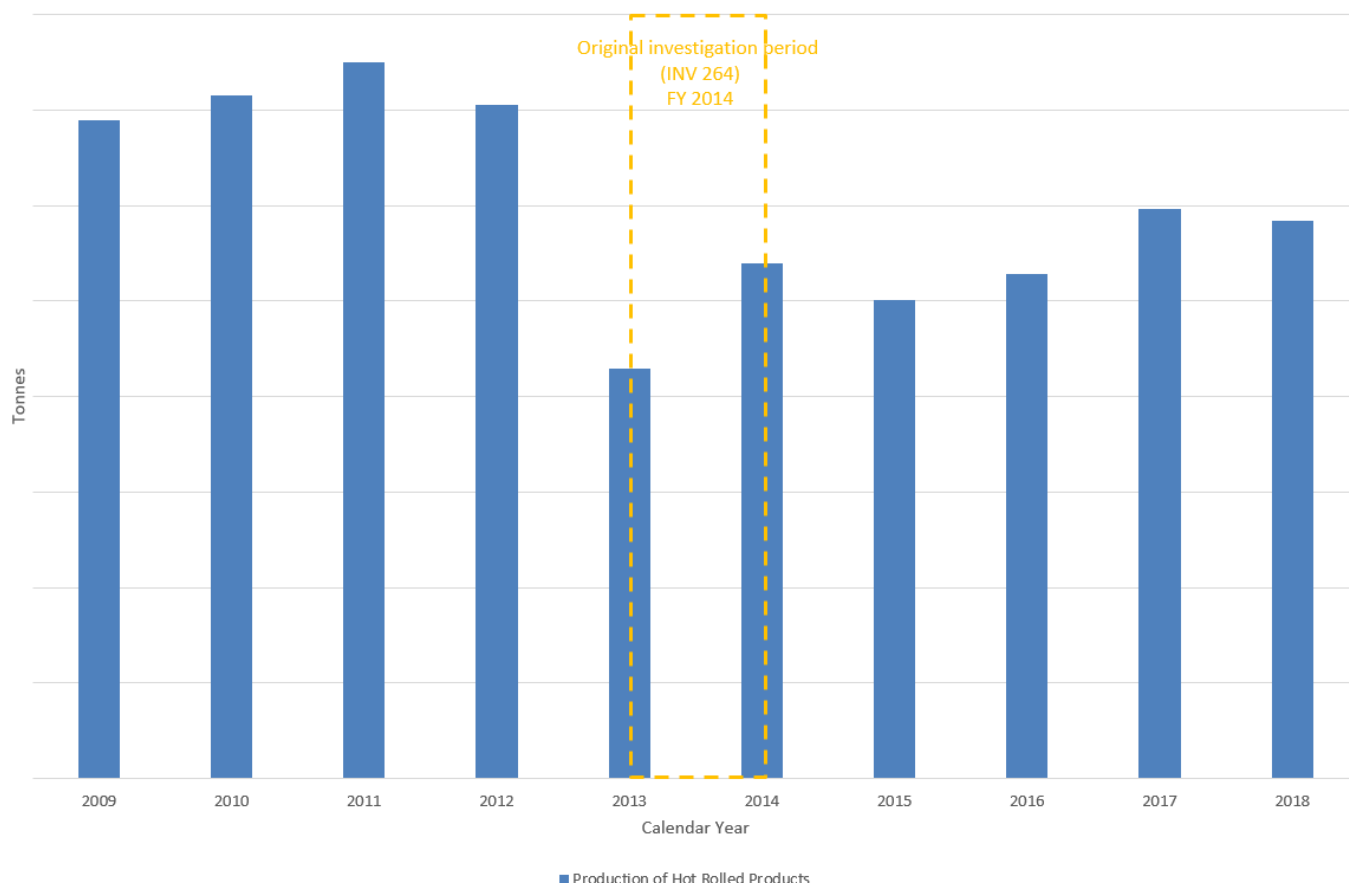


Figure 1.3(f) – Domestic production volumes of hot rolled products in Singapore³⁸

In November 2019, SEAISI (South East Asia Iron and Steel Institute) reported that steel consumption in Singapore (YTD 30 June 2019) had dropped by [REDACTED]%. However, domestic production did not decline by the same proportion, [REDACTED]%. Imports lost [REDACTED]% volume over

³⁷ [https://www.miti.gov.my/miti/resources/pub_20200121_PUB46_\(Affirmative_FD_AD_Rebar\).pdf](https://www.miti.gov.my/miti/resources/pub_20200121_PUB46_(Affirmative_FD_AD_Rebar).pdf) (accessed 24 January 2020)

³⁸ CONFIDENTIAL ATTACHMENT 1.1.3

PUBLIC RECORD

the same period.³⁹ This suggests that the domestic industry in Singapore has not reduced production volumes in proportion to the overall contraction in the domestic market. With import volumes declining by a lesser degree, then this suggests a build-up of domestic production volume and excess capacity that if not utilised in Singapore will likely be exported.

In terms of overall crude steelmaking capacity and production, the OECD reported that in 2018, Singapore's nominal crude steelmaking capacity was 800,000 tonnes, and has remained so since 2008 (DSTI/SC(2019)3)⁴⁰ On the other hand, the World Steel Association report that in 2018, Singapore's total production of crude steel was 618,000 tonnes, or a capacity utilisation rate of 77.25%.⁴¹

(g) The impact of overcapacity in global steel markets

As discussed in Section 1.1(g), with excess global steelmaking capacity apparent it is reasonable to deduce that this may result in the diversion of rebar trade to Singapore. Such diversion would likely result in the need for the key rebar producers in Singapore to expand its export trade to other countries, including Australia.

In the case of Singapore, the information presented in Section 1.3(f) points to existing excess capacity in Singapore both for hot rolled products and crude steel, and that this may result in increased export volumes of rebar to Australia should the measures expire. This may be exacerbated by the diversion of rebar trade volumes from other countries, not the subject of this continuation application, to Singapore.

(h) Conclusion - Singapore

The major Singaporean exporter has continued to export rebar to Australia and has maintained its distribution links in Australia via their key importer and has also maintained the third-party accreditation in order to market rebar products effectively in the Australian construction market. The Australian industry's normal value data is inconclusive given that the Commission verified a non-*de minimis* rate of dumping during the original investigation period. It is observed that since the original

³⁹ CONFIDENTIAL ATTACHMENT 1.3(f)

⁴⁰ [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/SC\(2019\)3/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/SC(2019)3/FINAL&docLanguage=En) at p. 28 (accessed 24 September 2020)

⁴¹ <https://www.worldsteel.org/en/dam/jcr:7aa2a95d-448d-4c56-b62b-b2457f067cd9/SSY19%2520concise%2520version.pdf> at p. 1 (accessed 24 January 2020)

PUBLIC RECORD

investigation period, the rates of 'negative' dumping margins calculated by the Australian industry have declined (i.e. trended towards increased dumping margins). Given this trend, it is the Australian industry's contention that the 3% dumping margin rate verified during the original investigation period has increased and remained positive across the lifecycle of the measures.

In addition, the recent Malaysian dumping investigation concerning exports of rebar from Singapore found a dumping margin of 4.97% for the major Singaporean exporter.

The major exporter from Singapore has the capacity to increase production of hot rolled products, including rebar, given declining domestic demand conditions and no apparent indication of proportionate reductions in domestic production output.

The Australian industry considers that it is likely that the expiration of anti-dumping measures would allow the key importer to acquire rebar from Singapore at dumped prices and in greater volumes. In these circumstances, the Australian industry considers that it is likely that exports of rebar at dumped prices by all exporters from Singapore would recommence/continue if the measures expire.

1.4 Spain

Although the anti-dumping measures the subject of this application for continuation does not include goods exported by Nervacero S.A, the estimates of export volumes presented below may include sales by this exporter to Australia. The import trade data relied upon by the Australian industry applicant does not identify supplier. Therefore, Border Force's commercial import database available to the Commission will likely permit exports by Nervacero S.A to be excluded from its analysis. The Australian industry's market intelligence [REDACTED]

[REDACTED]. This was because of the interchangeability in supply source between these two related party Spanish mills.⁴²

(a) Export volumes

Figure 1.4(a) indicates that quarterly export volumes of rebar to Australia from Spain initially decreased since measures were imposed in November 2015, but then increased at significantly higher volumes from the December 2016 quarter to December 2017 quarter. For the whole of 2018, export volumes from Spain declined quarter-on quarter before remaining entirely absent from the Australian market across the 2019 calendar year.

The Australian industry sold goods imported from Spain until the December 2018 quarter at volumes recorded in its response to appendix A2. Notwithstanding the Australian industry's sales of imported goods, the volumes of goods imported from Spain during those periods and sold to non-Australian industry customers consistently represented the majority of export sales to Australia until the December 2017 quarter.

⁴² CONFIDENTIAL ATTACHMENT 1.2.3

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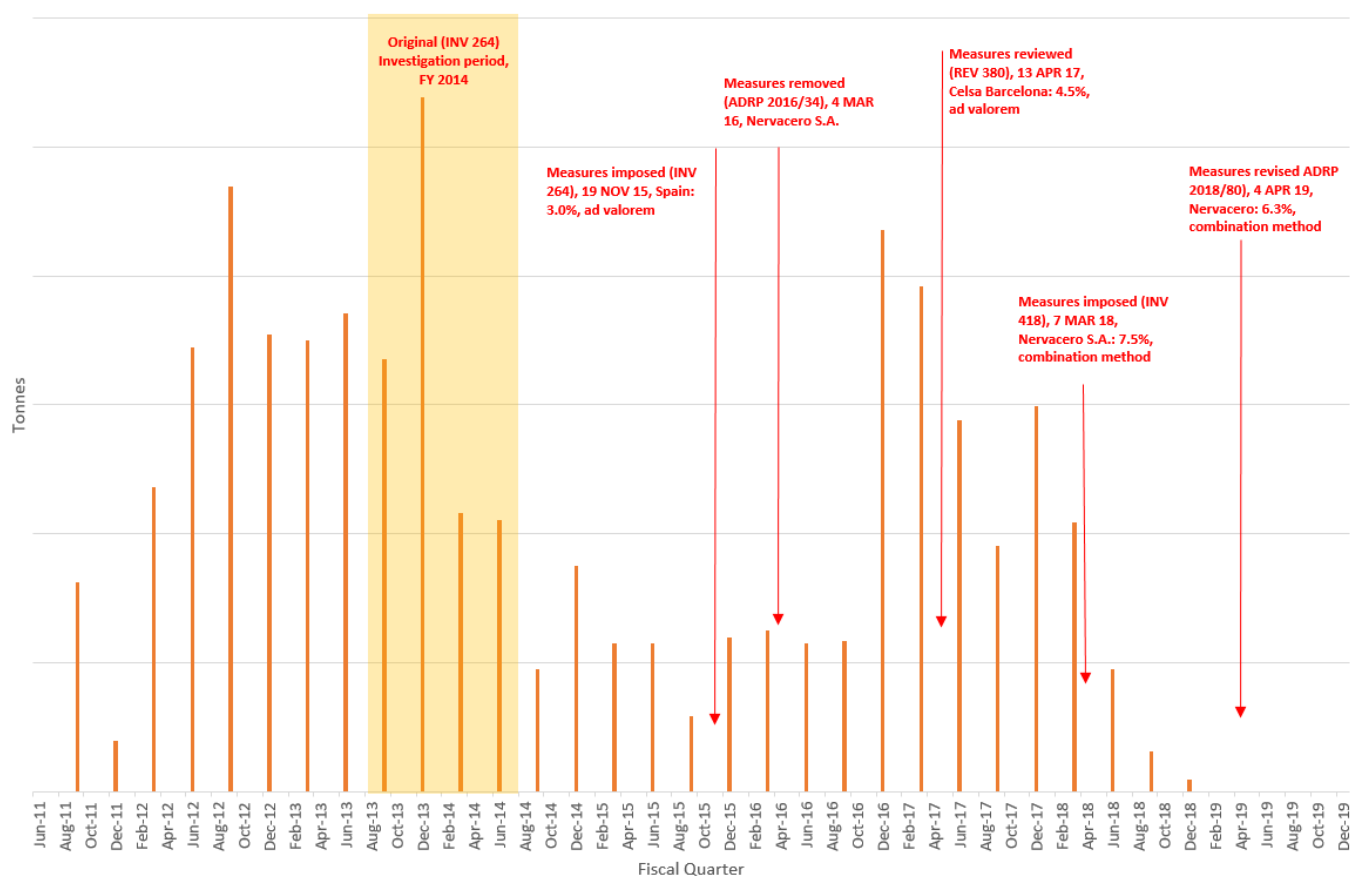


Figure 1.4(a) – Export volumes of rebar from Spain⁴³

(b) Estimated export prices and normal values

Figure 1.4(b) indicates that since measures were imposed in November 2015, the weighted average export price of rebar from Spain was below the estimated normal value between the March 2016 quarter until the March 2017 quarter. Since the June 2017 quarter the weighted average export price has remained above the corresponding quarterly estimated normal value except for the September 2017 quarter. The Australian industry applicant has no recorded exports from Spain since 1 January 2019.

⁴³ CONFIDENTIAL ATTACHMENT 1.4

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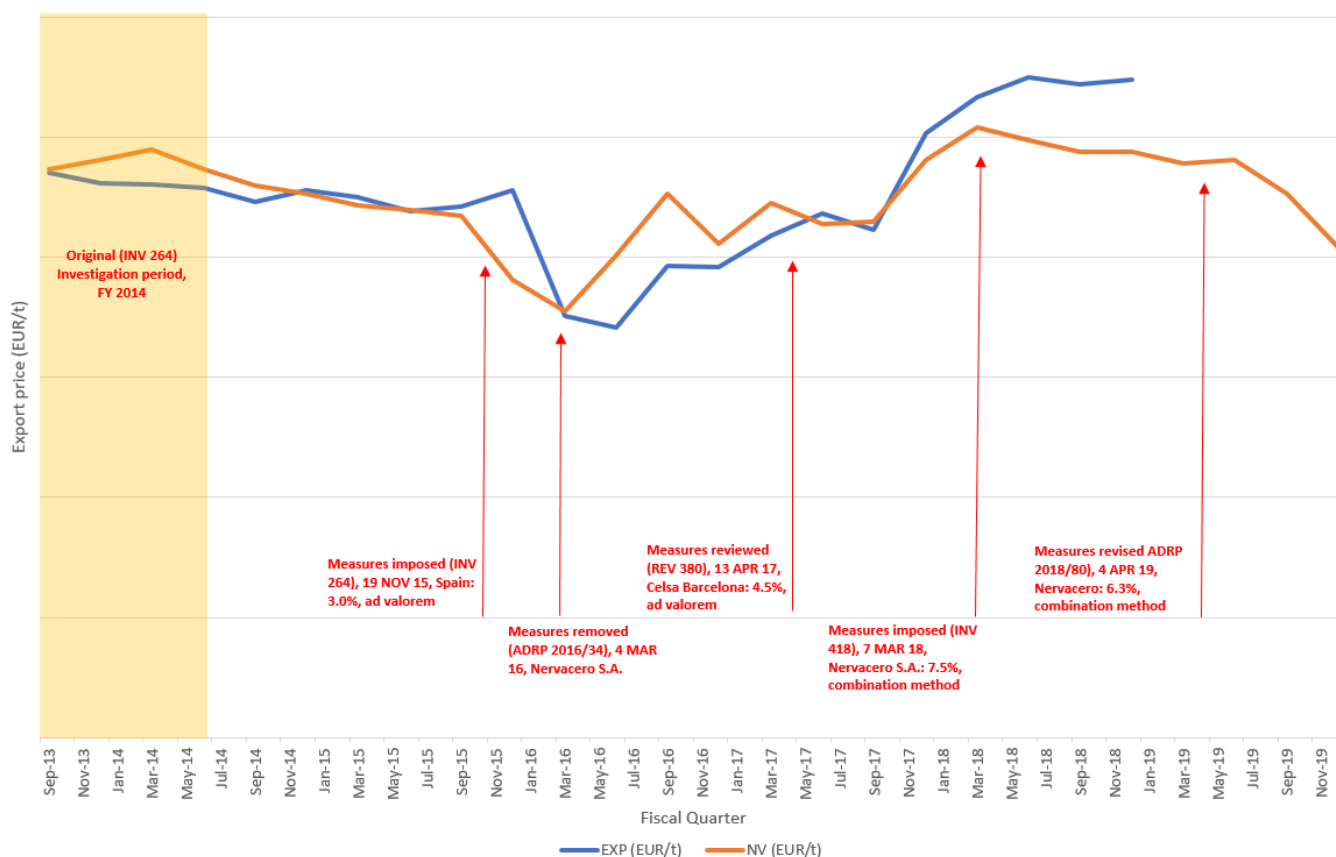


Figure 1.4(b) – Estimated export prices and normal values for rebar exported from Spain⁴⁴

(c) Estimated dumping margins

Figure 1.4(c) indicates that since the imposition of measures in November 2015 there has been a positive correlation between the periods of positive dumping margins and export volumes from Spain. For example, as the estimated dumping margin for goods exported from Spain increased from 1 January 2016, and remained at significant rates across the 2016 calendar year (1.0 to 17.5 per cent), the export volume of rebar from Spain also increased. Then from the June 2017 quarter as the estimated dumping margin became consistently *de minimis* or negative (██████ to ██████ per cent), export volumes from Spain continued to decline across 2017 and the 2018 calendar year. Therefore, Figure 1.4(c) suggests that export volumes of the goods from Spain to Australia decline in the absence of dumped prices.

⁴⁴ CONFIDENTIAL ATTACHMENT 1.4

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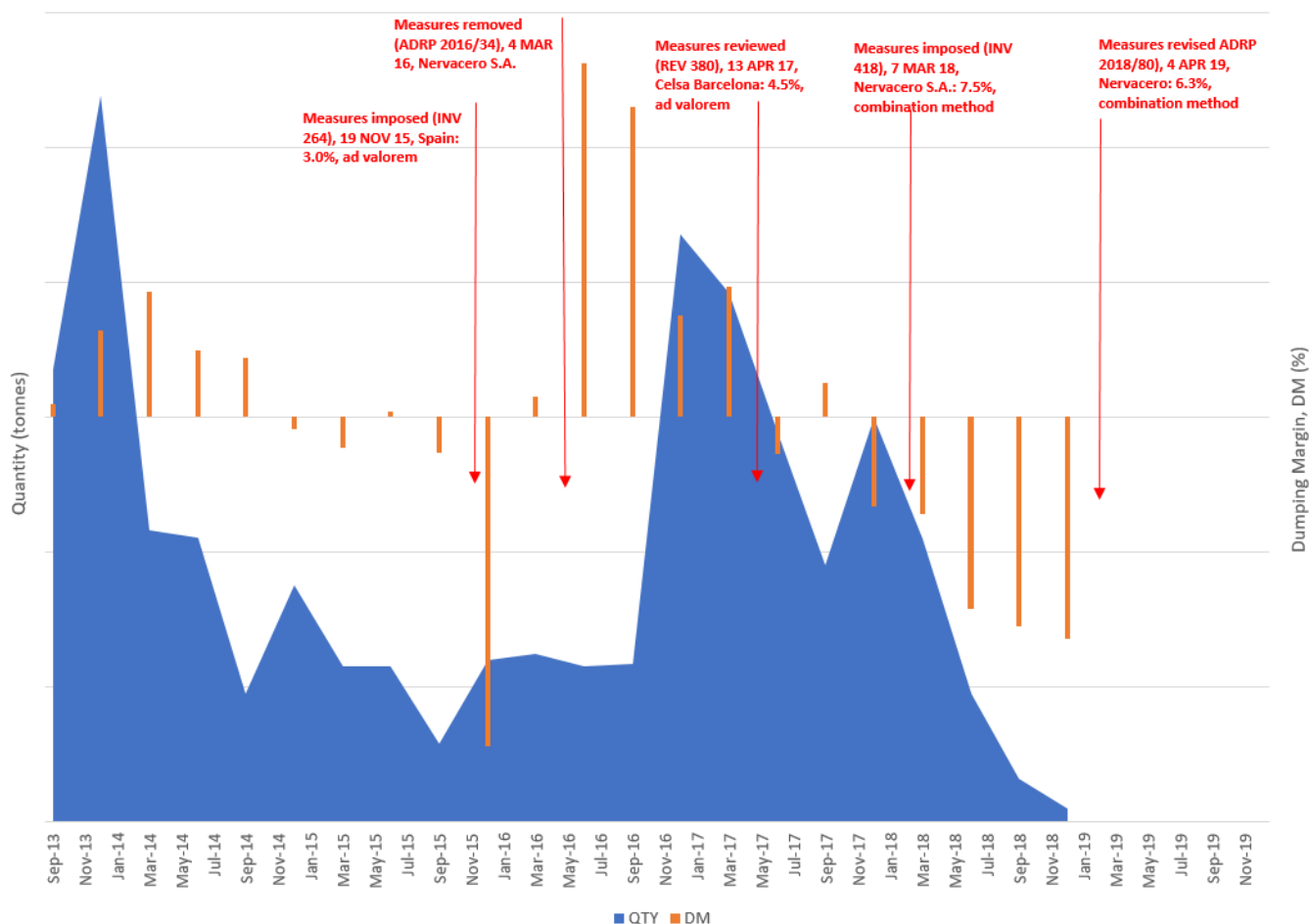


Figure 1.4(c) –Estimated dumping margins for rebar exported from Spain and corresponding quarterly export volumes⁴⁵

(d) Maintenance of distribution links

(i) Maintenance of importer networks and offers into the Australian market

Figure 1.4(d) indicates that the largest exporter from Spain, the Celsa Group, has maintained its distribution links to Australia evidenced by the fact that importers continue to make offers to supply the goods exported from companies within that Group; which includes Celsa Barcelona; into the Australian domestic market. Specifically, the Celsa Group has throughout the life-cycle of the measures maintained its primary distribution link into the Australia market via [REDACTED] as importer, and directly to the end-user, [REDACTED].

⁴⁵ CONFIDENTIAL ATTACHMENT 1.4

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[The following figure is confidential in its entirety because it contains commercially sensitive market intelligence]

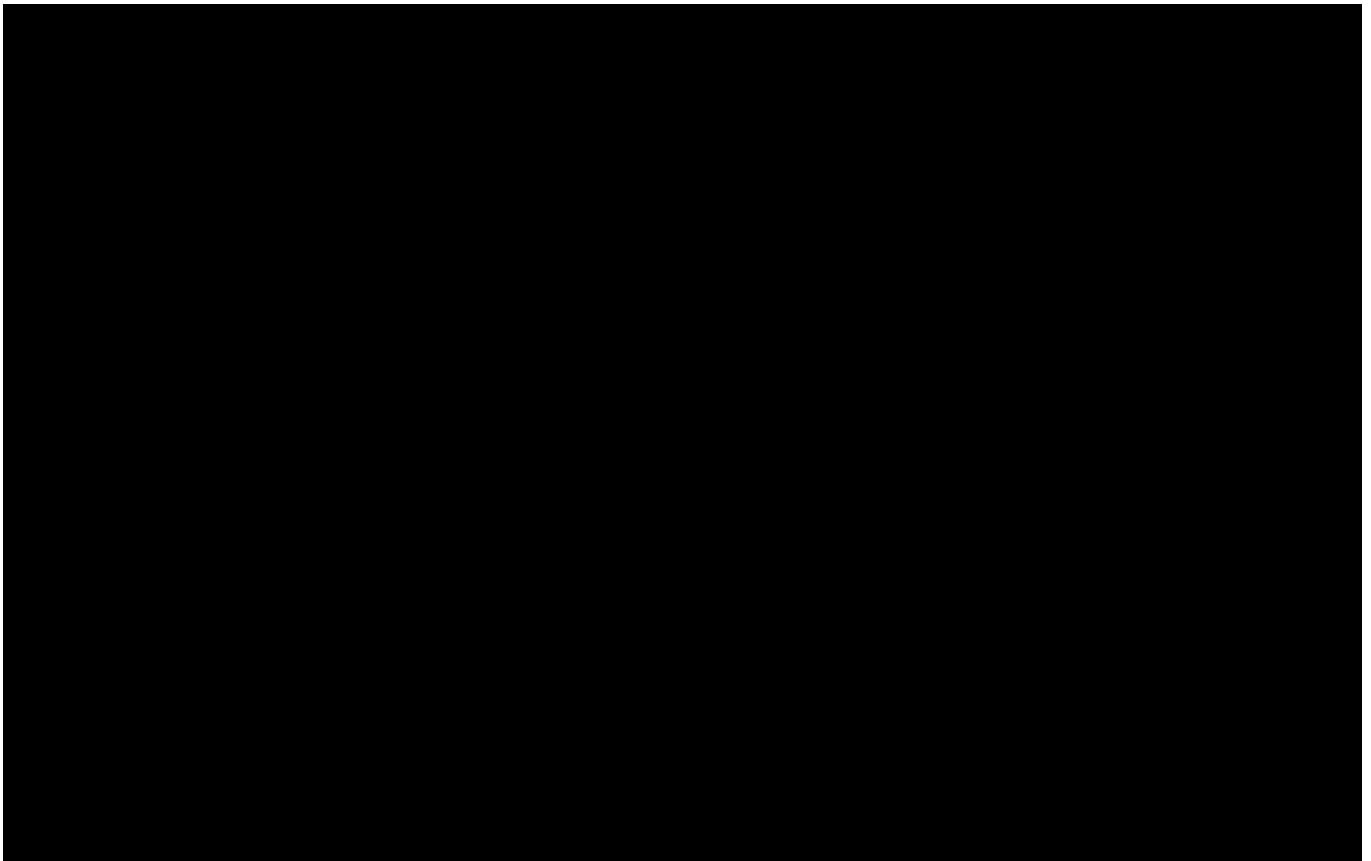


Figure 1.4(d) – Frequency of known price offers into the Australian market by importers of goods exported from Spain (X-axis indicates FIS arrival date)⁴⁶

(ii) Maintenance of ACRS certification

The largest Spanish mill (the subject of this dumping duty notice), Celsa Barcelona, is certified by ACRS. This strongly indicates an intention on the part of that mill to continue to maintain distribution links and remain part of the supply chain into the Australian domestic rebar market. Celsa Barcelona holds ACRS certification until 31 December 2020 for various models of rebar in coiled form (refer CONFIDENTIAL ATTACHMENT 1.4.1).

⁴⁶ CONFIDENTIAL ATTACHMENT 1.4

(e) Anti-dumping actions by other countries

On 3 April 2017, the Canada Border Services Agency (**CBSA**) made a final determination of dumping with respect to rebar exported from Spain⁴⁷. The CBSA's reinvestigation related to Spanish exporters the subject of this application for continuation of the dumping duty notice. The margins of dumping expressed as a percentage of their export prices, were found by the CBSA to be as follows:

- Celsa Atlantic, S.L. 37%
- All Other Exporters (excluding Nervacero S.A) 108.5%

(f) Excess capacity that may be directed to Australia

Figure 1.4(f) indicates that there has been no loss of production capacity of hot rolled products in Spain since the original investigation period. In fact, by 2018 (the latest available data) Spain's production output increased by 536,000 tonnes when compared to the 2013/14 annual average.

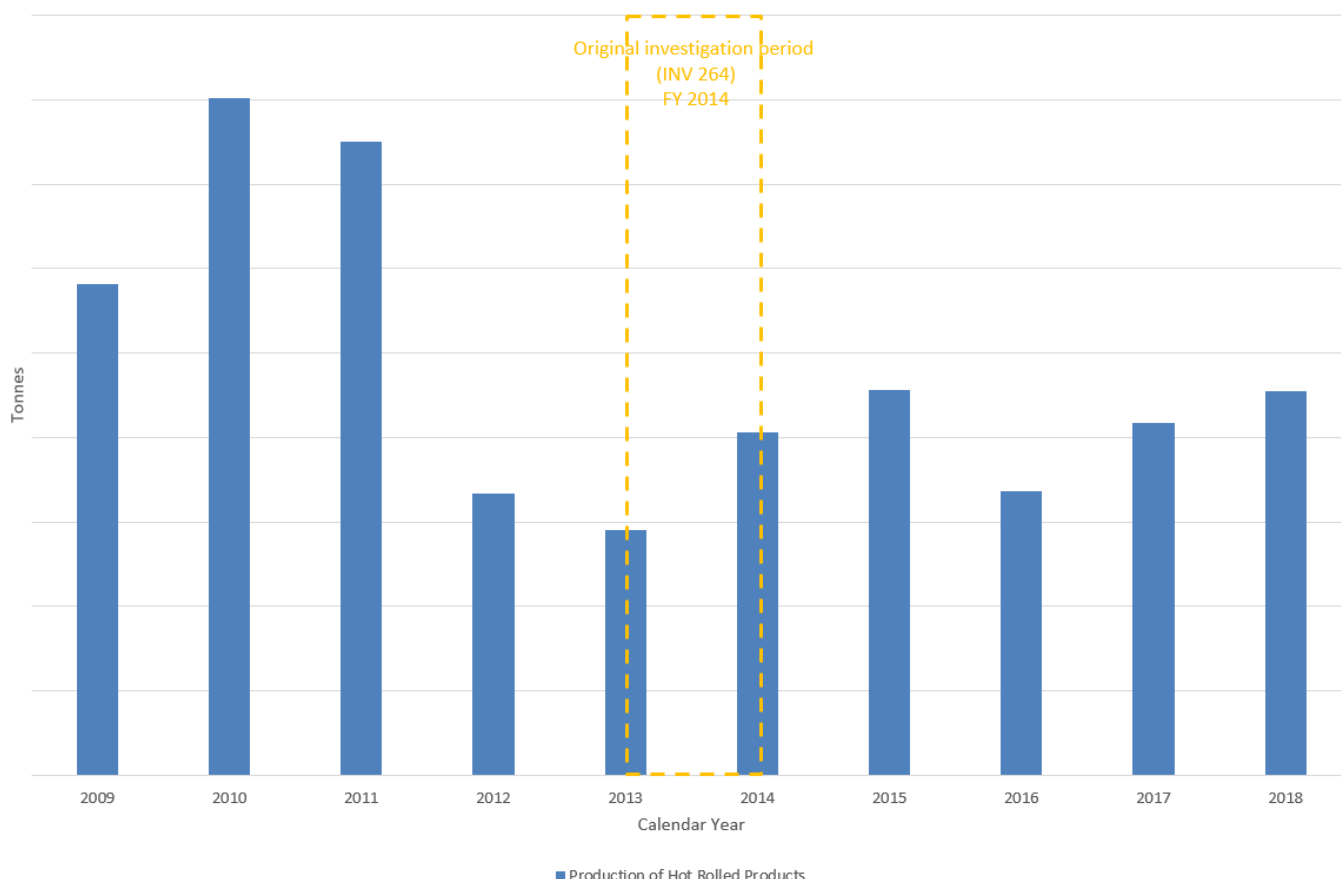


Figure 1.4(f) – Domestic production volumes of hot rolled products in Spain⁴⁸

⁴⁷ <https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/rb22016/rb22016-nf-eng.html> (accessed 24 January 2020)

⁴⁸ CONFIDENTIAL ATTACHMENT 1.1.3

In terms of overall crude steelmaking capacity and production, the OECD reported that in 2018, Spain's nominal crude steelmaking capacity was 21.7 million tonnes, and has remained so since 2016 (DSTI/SC(2019)3)⁴⁹ On the other hand, the World Steel Association report that in 2018, Spain's total production of crude steel was 14.32 million tonnes, or a capacity utilisation rate of 66%.⁵⁰

(g) The impact of overcapacity in global steel markets

As discussed in Section 1.1(g), with excess global steelmaking capacity apparent it is reasonable to deduce that this may result in the diversion of rebar trade to Spain. Such diversion would likely result in the need for rebar producers in Spain to expand their export trade to other countries, including Australia.

In the case of Spain, the information presented in Section 1.4(f) points to existing excess capacity in Spain both for hot rolled products and crude steel, and that this may result in increased export volumes of rebar to Australia should the measures expire. This may be exacerbated by the diversion of rebar trade volumes from other countries, not the subject of this continuation application, to Spain.

(h) Measures and the Celsa Group

The largest exporter of the goods from Spain the subject of the measures which form this application for continuation is Celsa Barcelona. Celsa Barcelona belongs to the Celsa Group, a consolidation of associated (through common private ownership) companies operating steelmaking facilities in Spain, Poland, the United Kingdom, France and Norway. In Spain, the Celsa Group owns and operates three mills producing rebar, known as:

- Celsa Barcelona;
- Nervacero S.A; and
- Celsa Atlantic.⁵¹

⁴⁹ [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/SC\(2019\)3/FINAL&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DSTI/SC(2019)3/FINAL&docLanguage=En) at p. 28 (accessed 24 September 2020)

⁵⁰ <https://www.worldsteel.org/en/dam/jcr:7aa2a95d-448d-4c56-b62b-b2457f067cd9/SSY19%2520concise%2520version.pdf> atp. 1 (accessed 24 January 2020)

⁵¹ https://www.industry.gov.au/sites/default/files/adf/public-record/071-ver_report-exporter- compania-case264.pdf at p. 8 (accessed 24 January 2020).

PUBLIC RECORD

Both Celsa Barcelona and Nervacero S.A. are ACRS accredited in Australia for the production of various models of rebar in coiled form. Beyond Spain, Celsa Huta Ostrowiec Sp. z o.o (Poland) obtained ACRS accreditation for its production of the goods since 29 January 2018 (for rebar in coiled form)⁵² and 3 May 2019 (for rebar in lengths)⁵³.

Figure 1.4(c), above, indicates the strong levels of integration and interchangeability of supply sources of rebar within the Celsa Group. Specifically, following the imposition of measures on Celsa Barcelona and Nervacero S.A. (19 November 2015), both the estimated dumping margin and export volume declined. Then, following ADRP Report No. 34 published on 4 March 2016, and the removal of measures against Nervacero S.A., both the estimated dumping margins and export volumes increased from Spain. Then following the initiation of the dumping investigation concerning rebar exported by Nervacero S.A. and the eventual imposition of measures against that exporter (7 March 2018) both a decline in export volumes and estimated dumping margins are observed. It is the Australian industry's contention that the Celsa Group's ability to source the goods from the accredited mill not subject to measures is highly elastic and transferable given the corporate group's access to importers and distribution networks that identify the Celsa Group as the exporter/supplier, rather than the specific mill, for marketing purposes. As such, the Celsa Group will place orders on those ACRS accredited mills within its ownership structure that have the lowest or least effective exporter-specific measures against it. This contention is further strengthened by the introduction of rebar supplied from the Celsa Group's Polish mill that secured ACRS certification at or around about the time that measures were imposed against Nervacero S.A.. As indicated in Figure 1.4(h), the volume of rebar exported from Spain declined at the time that the volume of rebar exported from Poland increased. As the Celsa Group owned Polish exporter is the only ACRS certified exporter from Poland, then the Australian industry ascribes the volume attributable to Polish exports are attributable to that entity specifically.

⁵² <https://www.steelcertification.com/coil1.html> (accessed 24 January 2020).

⁵³ <https://www.steelcertification.com/bar1.html> (accessed 24 January 2020).

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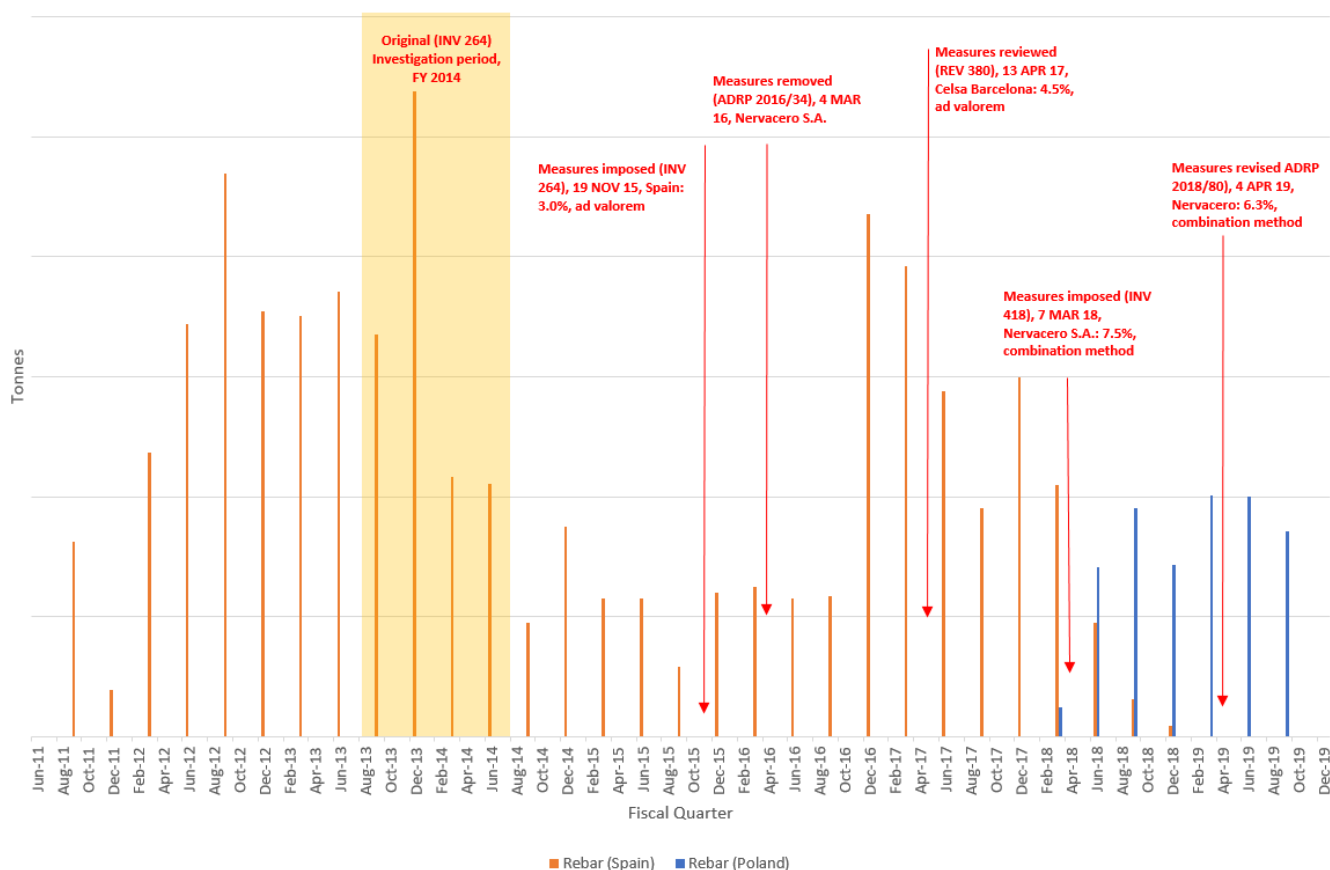


Figure 1.4(h) – Export volumes of rebar from Spain and Poland⁵⁴

Therefore, it is the Australian industry's expectation that should measures not be continued against Celsa Barcelona, then any volume that has been observed to be exported from ACRS accredited Celsa Group mills outside of Spain may be expected to return to Celsa Barcelona given the Celsa Group's past practice of supplying rebar from those mills without anti-dumping measures.

(i) Conclusion - Spain

Spanish exporters have continued to export rebar to Australia at dumped prices for extended periods following the imposition of measures and have maintained their distribution links in Australia via their network of importers who have continued to offer to sell rebar exported from Spain into the Australian domestic market. Spanish exporters have also maintained the third-party accreditation to market rebar products effectively in

⁵⁴ CONFIDENTIAL ATTACHMENT 1.4

PUBLIC RECORD

the Australian construction market.

Exporters from Spain have the capacity to increase production of hot rolled products, including rebar, which given the size of actual hot rolled steel production in Spain (13.777 million tonnes in 2018) would be material if exported and sold into the Australian rebar market.

The Australian industry considers that it is likely that the expiration of anti-dumping measures would allow importers to acquire rebar from Spain at dumped prices and in greater volumes. In these circumstances, the Australian industry considers that it is likely that exports of rebar at dumped prices by all exporters (except Nervacero S.A.) from Spain would continue if the measures expire.

2. Will, or is it like that, material injury will continue or recur?

Steel mills are capital intensive facilities with relatively high fixed costs and are therefore sensitive to injury in terms of volume loss as well as price compression or suppression.

Rebar is considered a commodity product and securing volume is highly price sensitive.

Exporters and importers not only compete against the domestic industry but also against each other in order to secure volume in the Australian market.

2.1 Market trends for rebar

(a) Volume and sources of imports

Subject countries

Figure 2.1(a)(i) indicates that following the imposition of measures, the volume of rebar imported from the countries the subject of this application grew in the 12-month periods for 2016 and 2017, before declining slightly in 2018 (3.4 per cent), and then contracting significantly in the 12-month period for 2019.

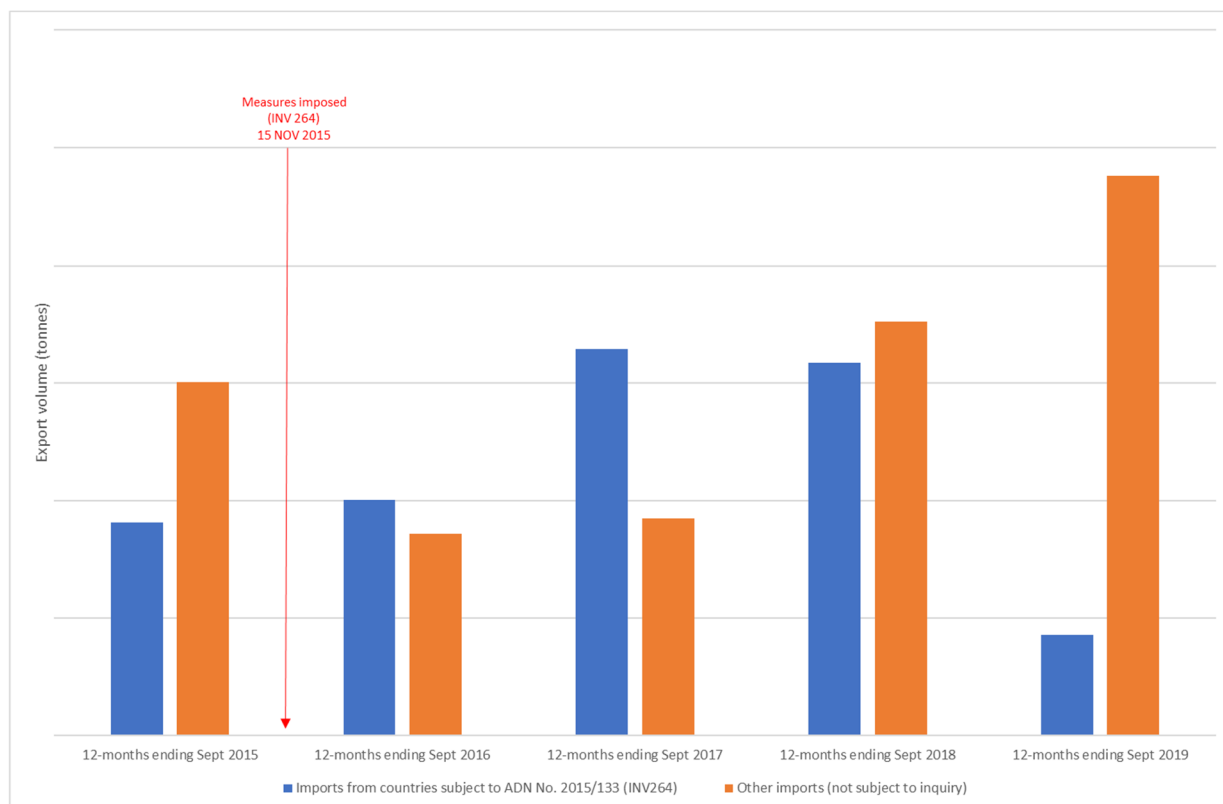


Figure 2.1(a)(i) – Volume and sources of imports⁵⁵

⁵⁵ Source: appendix A2

Non-subject countries

The volume of imports from sources not the subject of this continuation application declined following the imposition of measures, and accounted for fewer imports than the subject countries (12-month period for 2016). In the following 12-month period (2017), imports from the non-subject countries recovered slightly in volume, but fell further behind in terms of overall imports of the goods in the Australian market. In the 12-month period for 2018, the volume of imports from non-subject countries increased significantly, and slightly surpassed the volume of imports from the subject countries. It is not until the final 12-months of the analysis period that the volume of imports from the non-subject countries surged, and significantly overtook the volume of imports from the subject countries.

Conclusion – volume and source of imports

The volume of imports from the subject countries remained dominant throughout the analysis period following imposition of measures.

(b) Value and source of imports

Korea

Figure 2.1(b)(i) indicates the relationship between the export price (FOB, KRW/t) and volume of rebar exported from Korea. It is observed that periods of declining quarterly export prices are proceeded by growth in export volumes (i.e. 1 April 2016 to 31 March 2017). Conversely, periods of quarterly average export price increases are proceeded by declining export volumes (i.e. 1 April to 31 December 2017). Towards the end of the analysis period; following below average quarterly export volumes from 1 October 2018 to 31 March 2019; a series of reductions in the average quarterly export price have supported export volume growth from 1 June to 31 December 2019.

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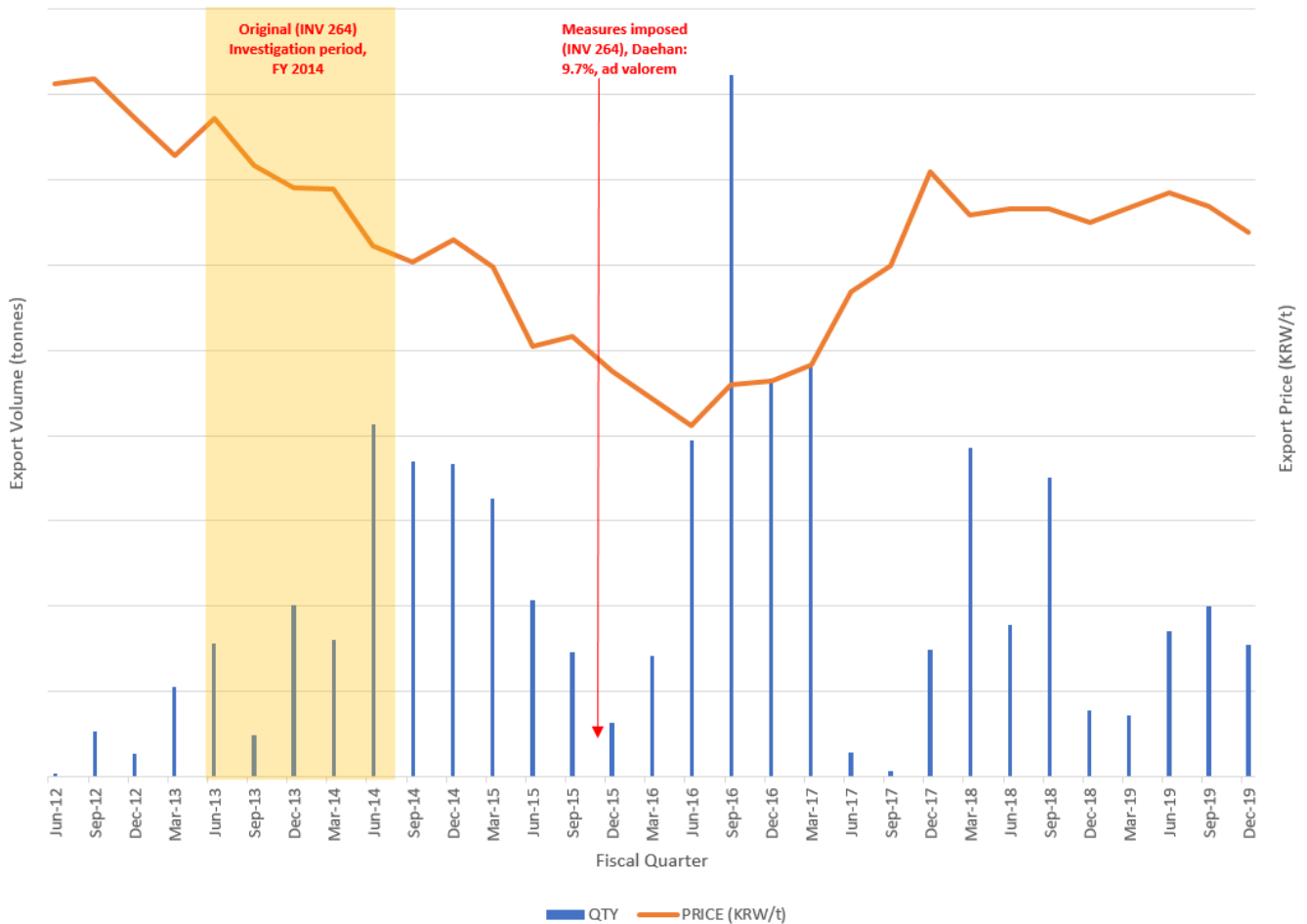


Figure 2.1(b)(i) – Export price and volume for rebar exported from Korea⁵⁶

Taiwan

Figure 2.1(b)(ii) indicates that in order for exporters from Taiwan to regain export volumes of rebar to Australia following the imposition of measures in November 2015, they reduced export prices to levels below those observed during the original investigation period (FY 2014). Again, it is observed that as Taiwanese quarterly export prices increased; reaching their post-measures high in the September 2018 quarter; export volumes immediately retreated, resulting in several quarters of Taiwanese exporters being absent from the Australian market. Exports of rebar from Taiwan were only able to again be sold into the Australian market in the June and September 2019 quarters at lower export prices.

⁵⁶ CONFIDENTIAL ATTACHMENT 1.1

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Figure 2.1(b)(ii) – Export price and volume for rebar exported from Taiwan⁵⁷

Singapore

Figure 2.1(b)(iii) indicates that export volumes to Australia remained stable - supported by export price levels that were at or about the export price levels observed during the original investigation period (FY 2014). It is observed that as export prices increased in the September 2018 quarter, export volumes began to fall away. In response, the exporter from Singapore reduced export prices again (refer June to December 2019 quarters).

⁵⁷ CONFIDENTIAL ATTACHMENT 1.2

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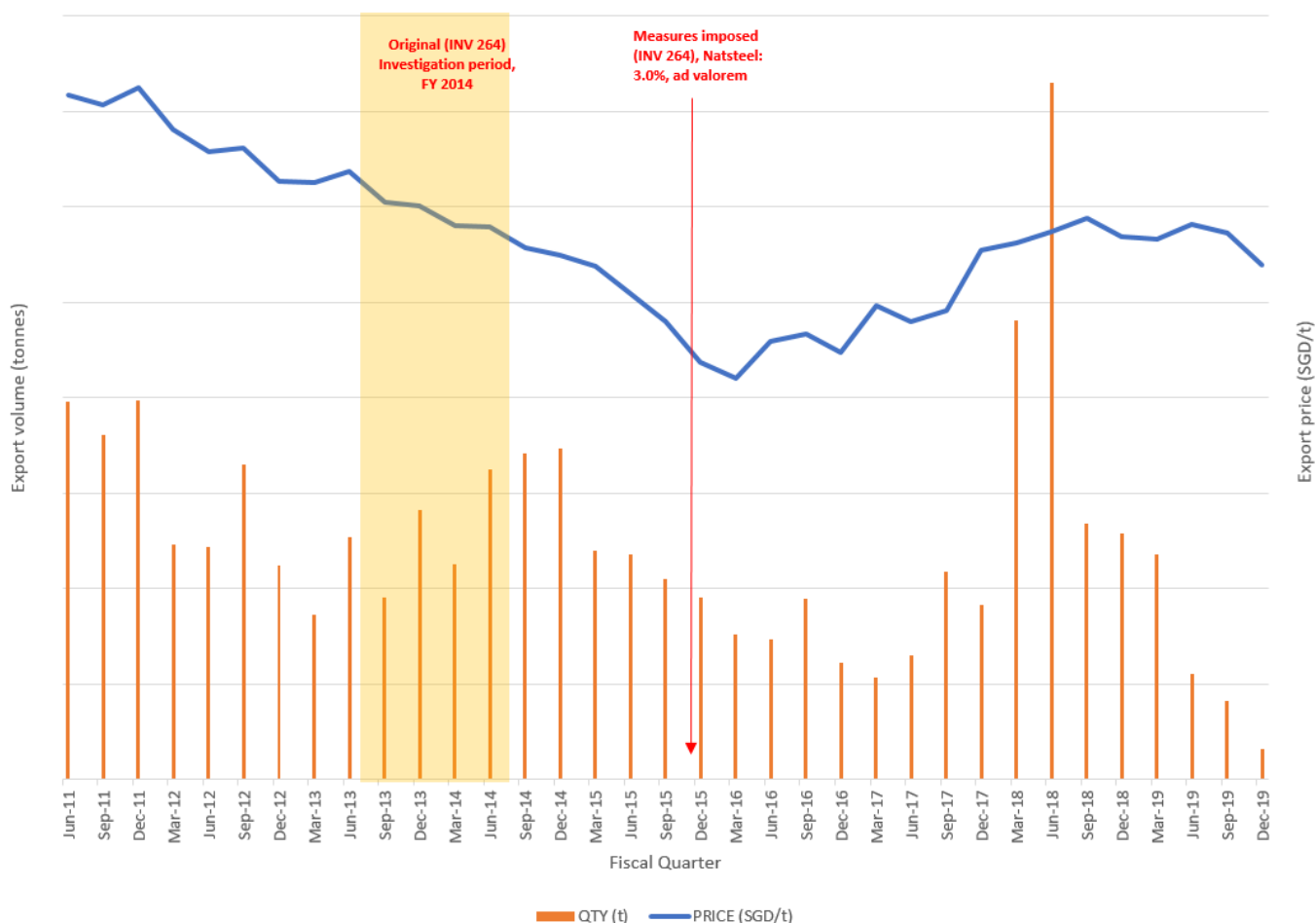


Figure 2.1(b)(iii) – Export price and volume for rebar exported from Singapore⁵⁸

Spain

Figure 2.1(b)(iv) indicates the relationship between the export price (FOB, EUR/t) and volume of rebar exported from Spain. It is observed that following the imposition of measures, the export price declined rapidly to maintain export sales volume (March to December 2016 quarters). Increased export volumes were then achieved across the December 2016 to December 2017 quarters, supported by quarterly average export prices that were at or about the same levels observed during the original investigation period. In response to a rapid escalation in export prices from the December 2017 quarter, export volumes also declined rapidly, with no export volumes observed from 1 January 2019.

⁵⁸ CONFIDENTIAL ATTACHMENT 1.3

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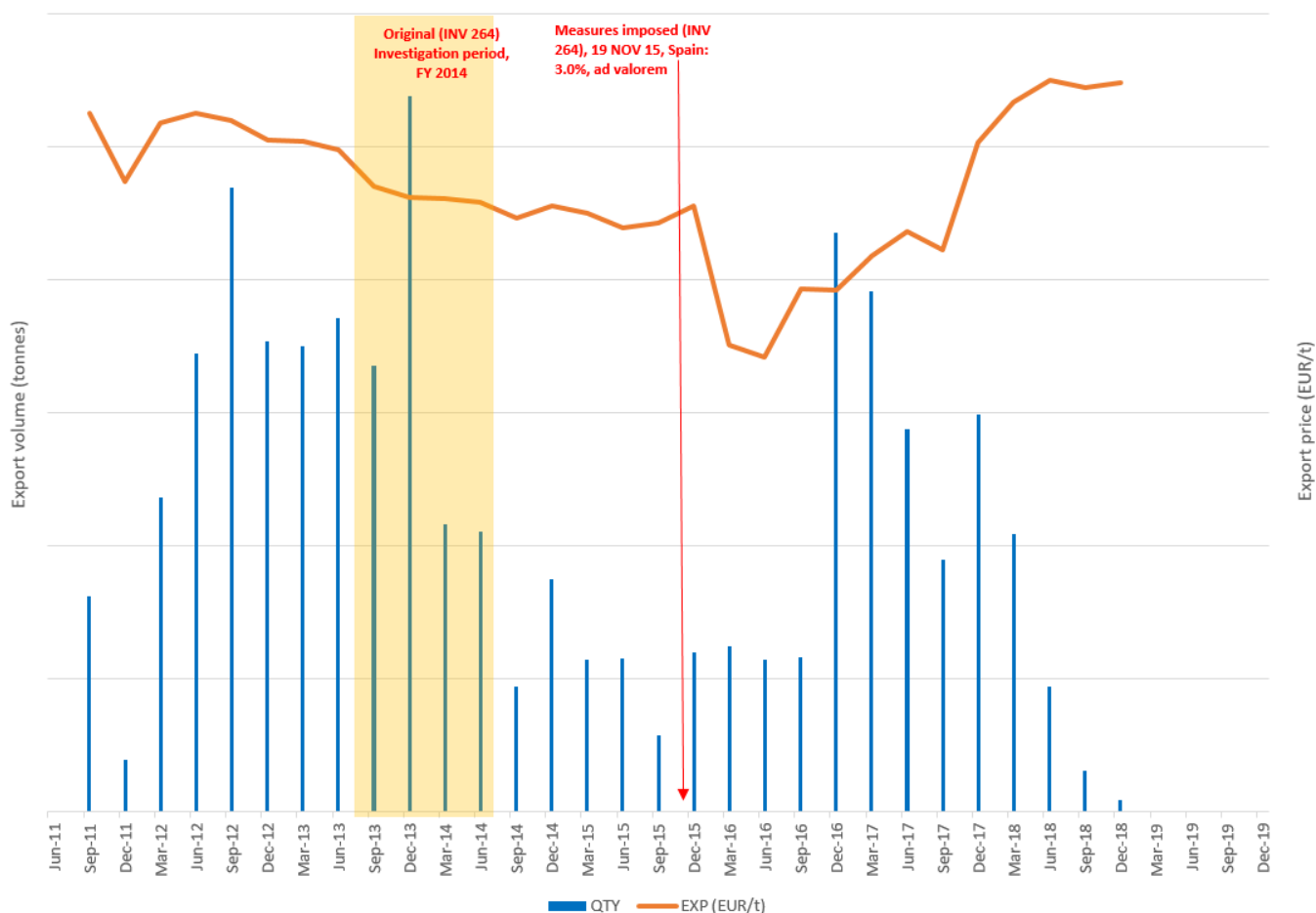


Figure 2.1(b)(iv) – Export price and volume for rebar exported from Spain⁵⁹

(c) Australian market size

Figure 2.1(c) indicates that the size of the Australian rebar market grew year-on-year across the analysis period except for the 12-month period in 2019, when it slightly contracted (<1 per cent). Overall the size of the Australian market grew by approximately 34 per cent between the 12-month period for 2019 as compared to the 12-month period for 2015.

⁵⁹ CONFIDENTIAL ATTACHMENT 1.4

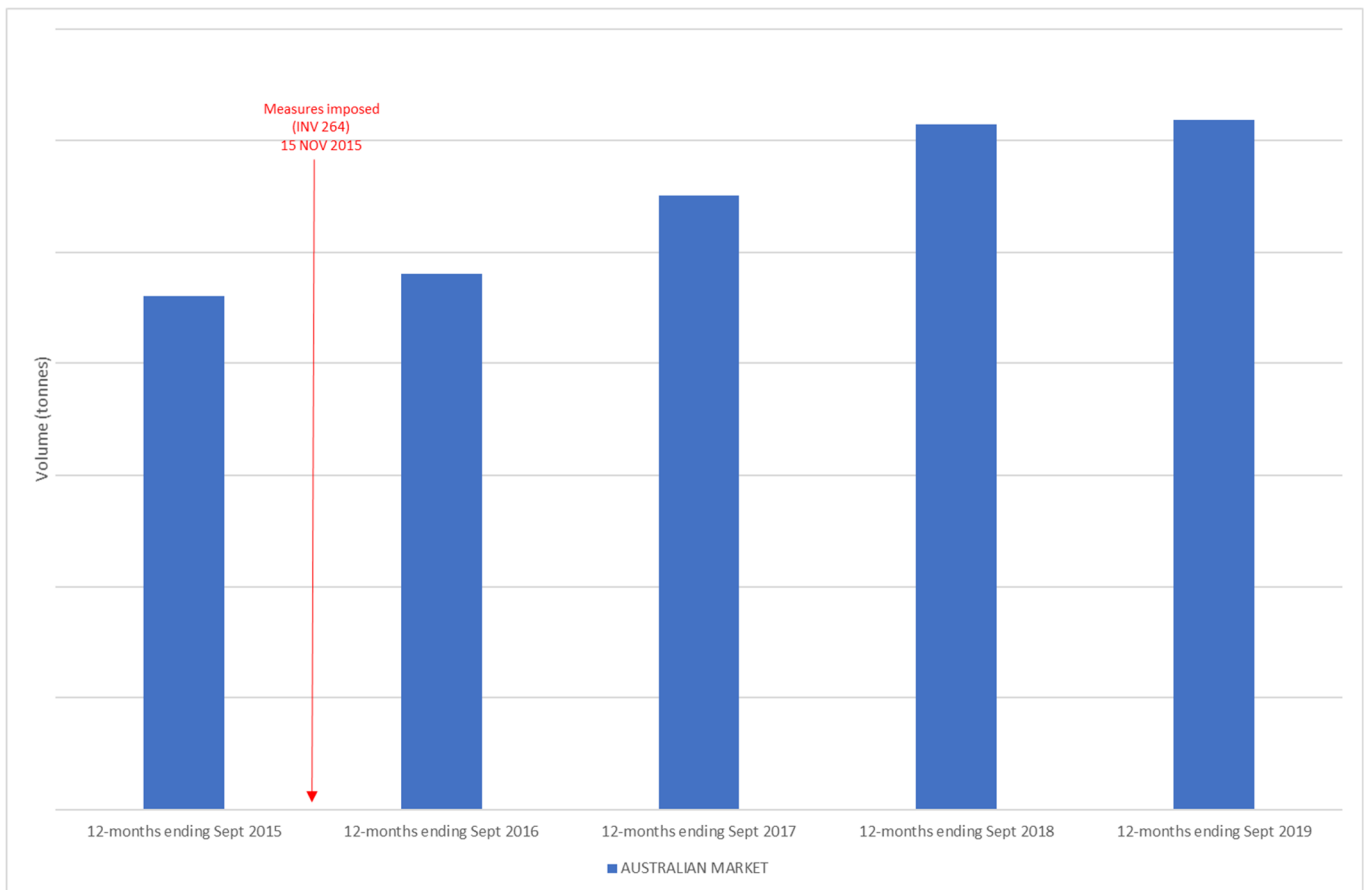


Figure 2.1(c) – Size of the Australian rebar market by volume⁶⁰

(d) Demand in the Australian rebar market

The key market segments for rebar are:

- residential construction;
- non-residential commercial construction;
- engineering construction (including mining and infrastructure); and
- swimming pool construction (to a lesser extent).

The commercial construction market is the main driver of demand for rebar.

According to BIS Oxford Economics' latest *Building Industry Prospects* report (December 2019), total building commencements eased back 11% in 2018/19, with a further 8% decline to \$101.87 billion expected for 2019/20. The decline in building activity is driven by the significant downturn in residential commencements, expected to reach a trough of 155,700 dwellings in 2019/20 (-21%), before a recovery from 2020/21 (+9%). The short-term outlook for non-

⁶⁰ Source: appendix A2

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residential building remains favourable. It is forecast that non-residential building; the main driver for rebar in Australia; will grow 13% in 2019/20 and 5% in 2020/21, carrying activity to a new record of \$48.1 billion. As such, non-residential building will partially cushion the fall in total building activity over 2019/20. Only high-density dwellings are expected to still be declining in 2020/21.⁶¹ This forecast is indicated in Figure 2.1(d)(i).

[The following figure is confidential in its entirety due to copyright restrictions]

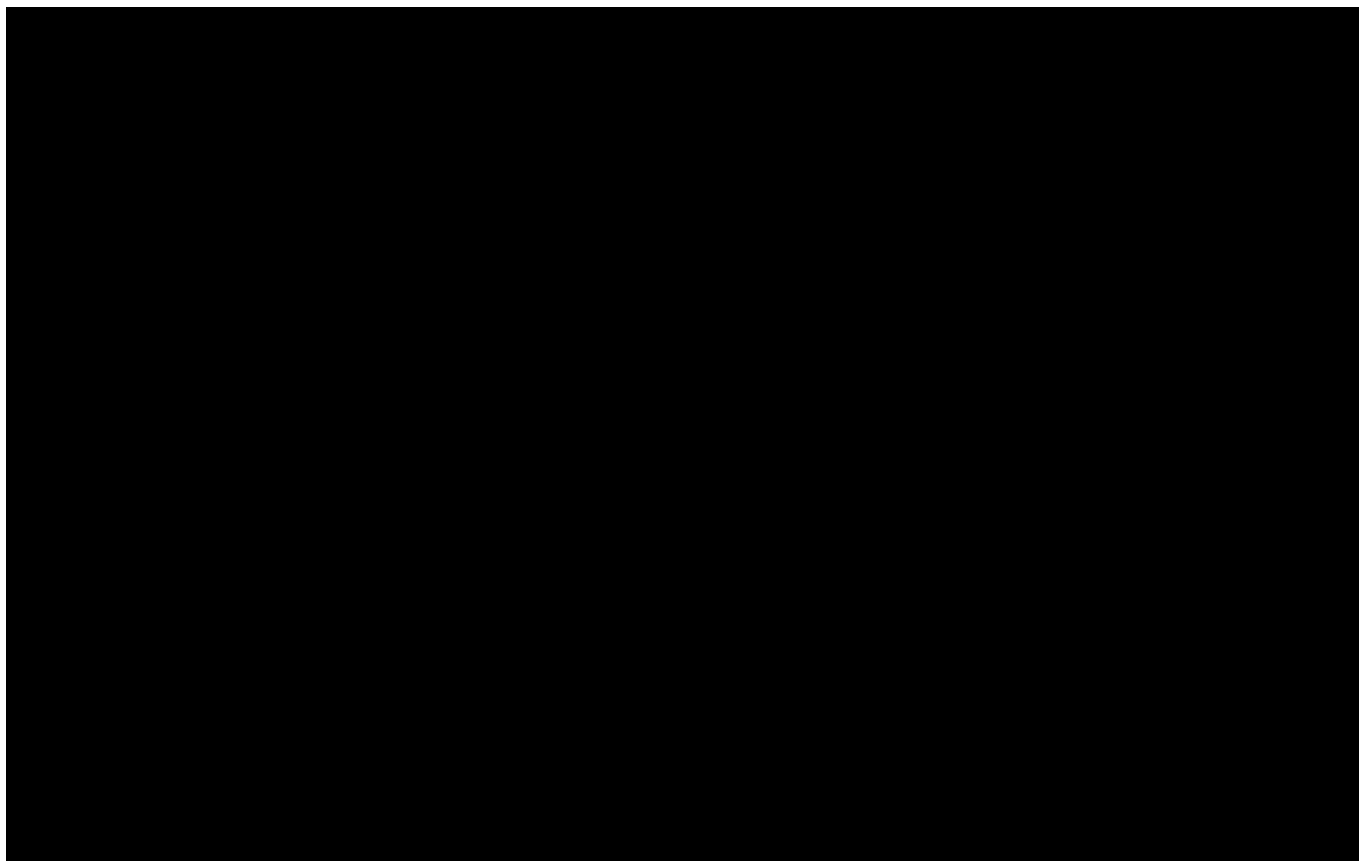


Figure 2.1(d)(i) – ‘Australia: Building commencements by sector’⁶²

Similarly, in BIS Oxford Economics’ *Engineering Construction in Australia* report latest quarterly update (October 2019), the value of work done fell by 19.7% over FY19 to \$85.3bn (mostly attributable to oil and gas activity, which fell by over \$20bn). Excluding oil and gas, engineering construction work done was largely stagnant (declining 0.9% to \$76.6bn), as falls in roads and telecommunication construction activity offset gains in electricity and non-oil and gas mining.

In the next year, the value of work done is forecast to grow by 6% over FY20 to \$90.2bn, supported by a strong outlook for transportation and non-oil and gas mining engineering

⁶¹ CONFIDENTIAL ATTACHMENT 2.1.1 at p. 1.

⁶² CONFIDENTIAL ATTACHMENT 2.1.1 at p. 1.

PUBLIC RECORD

construction; key contributors to engineering construction based demand for rebar in Australia. Importantly, the transport infrastructure boom is expected to continue in FY20 with a number of major projects forecast to either commence, or ramp up, over the coming year (refer Figure 2.1(d)(iii) and Figure 2.1(d)(iv), below). BIS Oxford Economics expects a rebound in the non-oil/gas mining sector, with strong growth in other minerals, driven by iron ore, and also growth in coal and coke handling.⁶³ This forecast is indicated in Figure 2.1(d)(ii).

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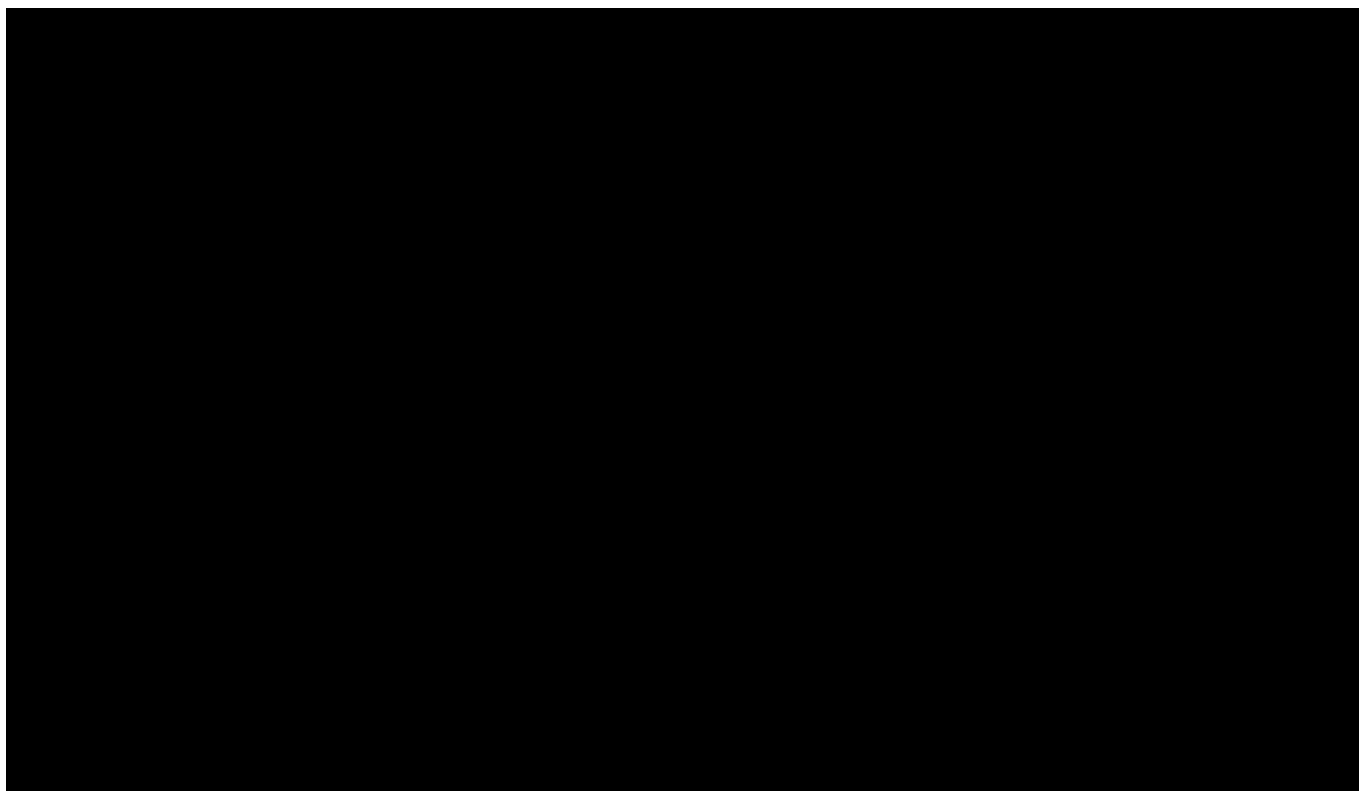


Figure 2.1(d)(ii) – Engineering Construction work done, Australia⁶⁴

⁶³ CONFIDENTIAL ATTACHMENT 2.1.2 at p. 8.

⁶⁴ CONFIDENTIAL ATTACHMENT 2.1.2 at p. 8.

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[The following figure is confidential in its entirety due to copyright restrictions]

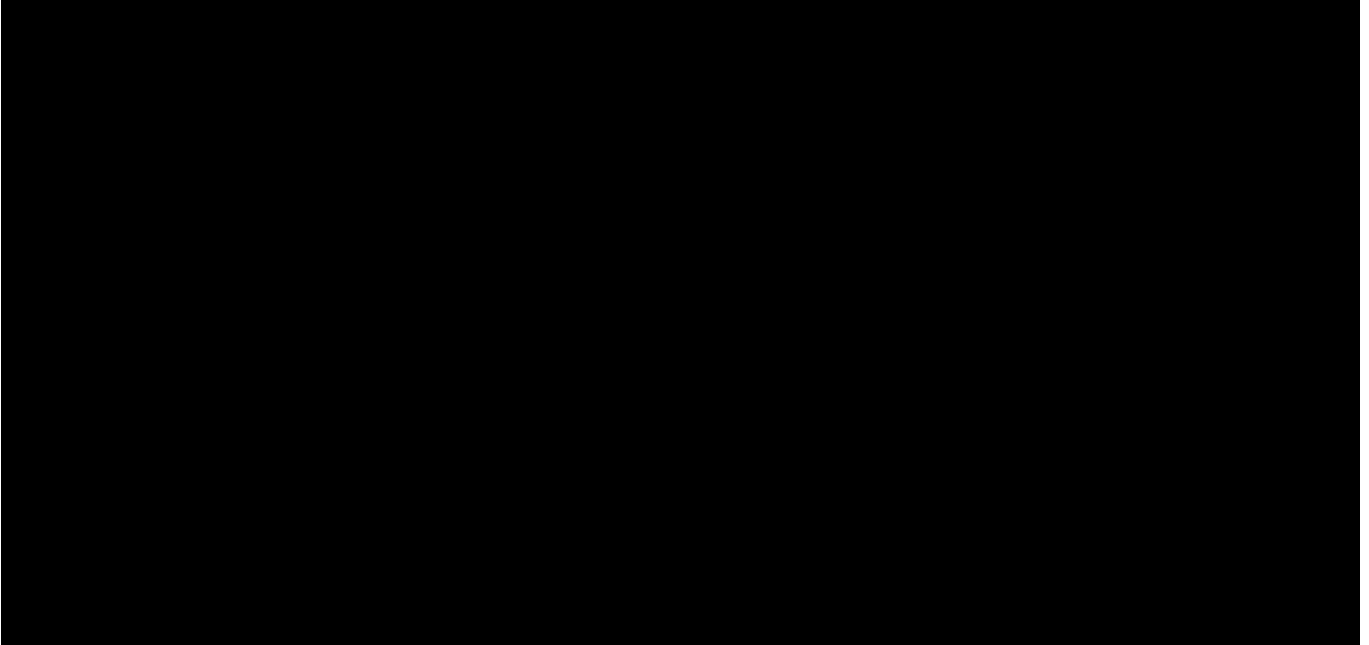


Figure 2.1(d)(iii) - Engineering Construction Work Done, Australia (Transport Construction)⁶⁵

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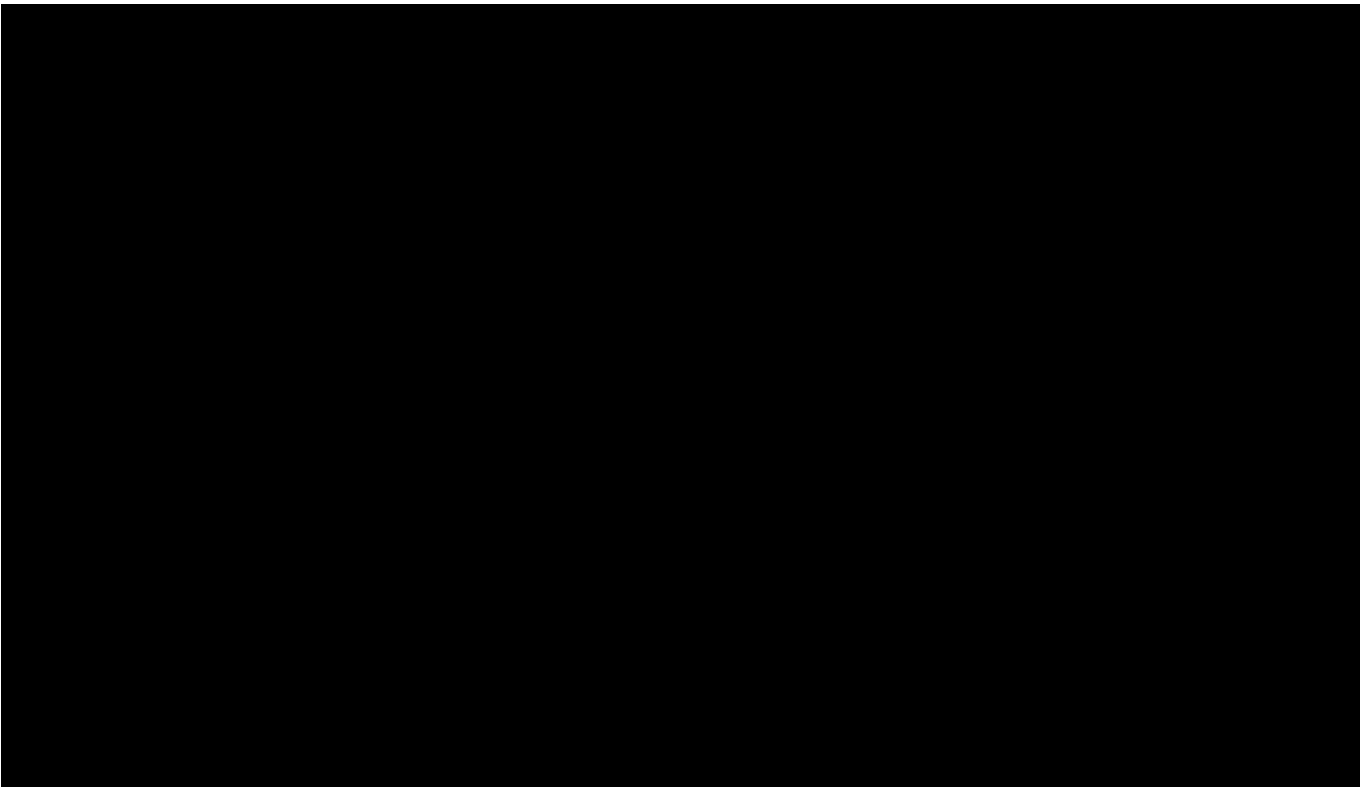


Figure 2.1(d)(iv) - Major Transport Projects Above \$2bn⁶⁶

⁶⁵ CONFIDENTIAL ATTACHMENT 2.1.2 at p. 12.

⁶⁶ CONFIDENTIAL ATTACHMENT 2.1.2 at p. 12.

Conclusion

Overall, the Australian industry considers that this indicates that high levels of demand in the Australian rebar market will continue to be present from 2019 to 2024 (refer Figure 2.1(d)(v), below).

[The following figure is confidential in its entirety due to copyright restrictions]

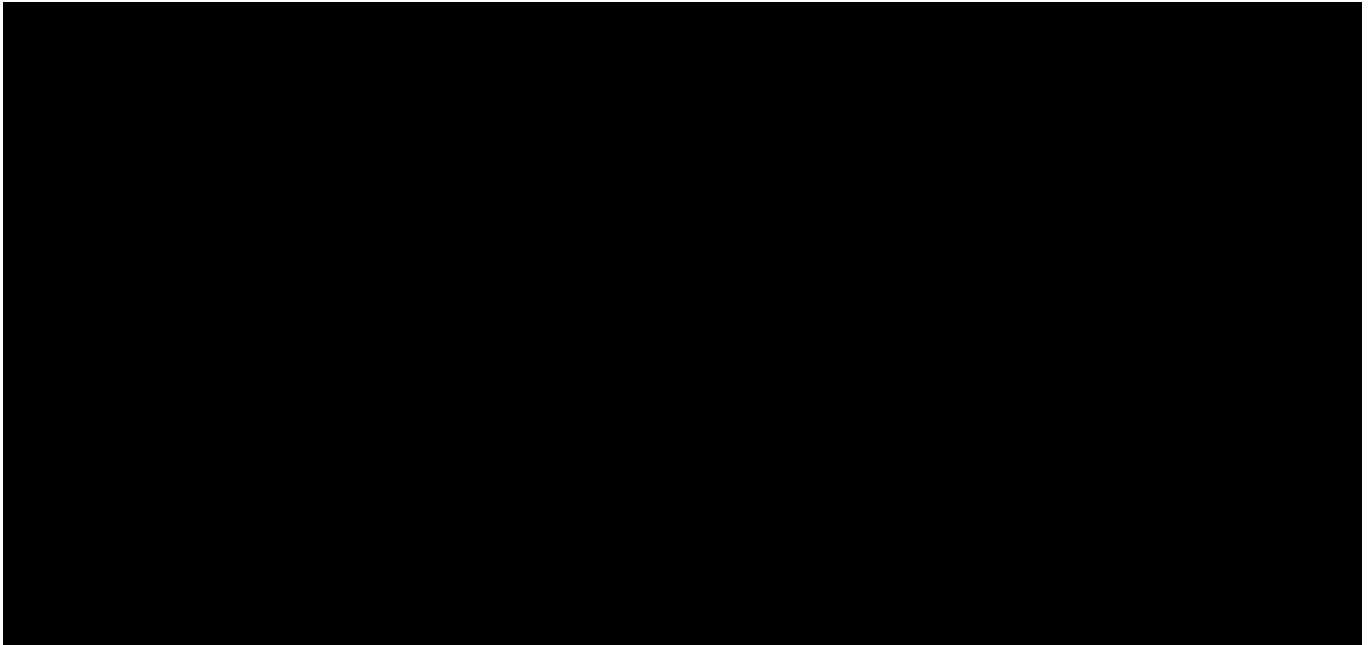


Figure 2.1(d)(v) - Total Building and Construction Work Done⁶⁷

⁶⁷ CONFIDENTIAL ATTACHMENT 2.1.2 at p. 9.

2.2 Sales and market shares of all suppliers

Figure 2.2(a) indicates the market shares of all suppliers for rebar by volume in Australia.

[The following figure is confidential in its entirety because it contains commercially sensitive market intelligence]

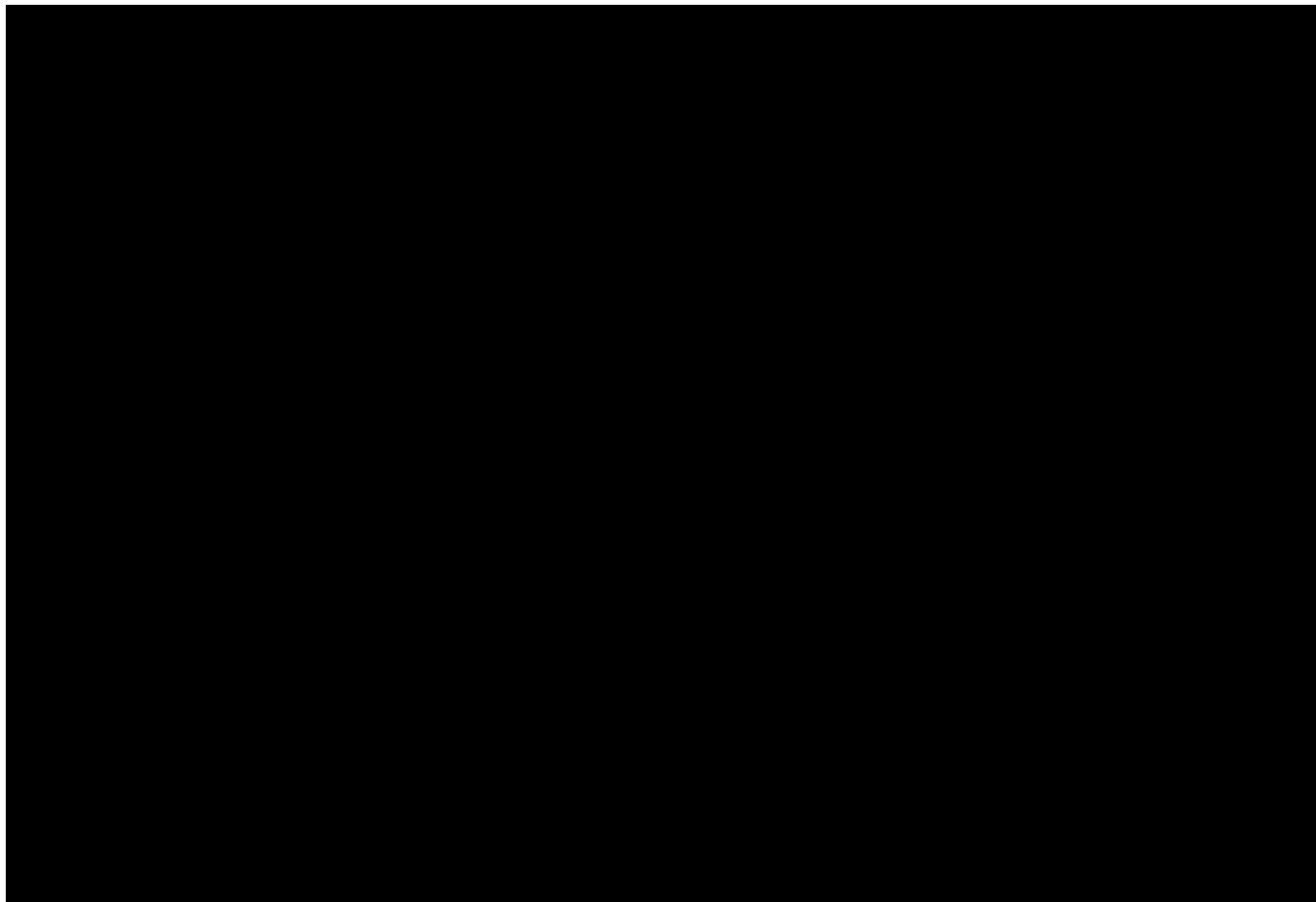


Figure 2.2(a) – Australian rebar market share by volume⁶⁸

The market share of exports (excluding imports sold by the Australian industry) from:

- Korea has increased year-on-year ending 30 September 2016, and then declined year-on-year to 30 September 2019;
- Singapore has decreased year-on-year until 30 September 2017, increased in the following year ending 30 September 2018, and then decreased in 30 September 2019;
- Taiwan has increased year-on-year until 30 September 2017, declined in the following year ending 30 September 2018, and then decreased again in 30 September 2019;
- Spain has increased year-on-year until 30 September 2017, declined in the following

⁶⁸ Source: appendix A2

year ending 30 September 2018, and then vacated the Australian market in the following year; and

- countries not subject to this application for continuation fluctuated since measures were imposed in November 2015: declining year-on-year ending 30 September 2017 and then increasing year-on-year until 30 September 2019.

Importantly, it is observed that the market share of exports from non-subject countries is only three percentage points higher than prior to the imposition of the measures. In terms of the largest single source of the goods exported from non-subject countries, this has varied since 1 October 2014: in the year ending 30 September 2015, exports of rebar from China accounted for the largest market share of non-subject countries. In the years ending 30 September 2016 and 2017, exports of rebar from Thailand accounted for the largest market share of non-subject countries. Since the years ending 30 September 2018 and 2019, Turkey has contributed to the majority of non-subject country market share.

2.3 Economic condition of the Australian industry

The economic condition of the Australian industry is considered from the 12-month period immediately prior to the imposition of the measures on 15 November 2015 (12-months ending 30 September 2015), until the 12-month period ending 30 September 2019. This period has been examined to analyse trends before and after the imposition of the anti-dumping measures.

The analysis is based on the financial information of all entities producing like goods in Australia, i.e. the entities collectively known as 'InfraBuild Steel'.

(a) Price depression and price suppression

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between revenues and costs.

Figure 2.3(a) indicates the Australian industry's unit revenue and unit CTMS for rebar.

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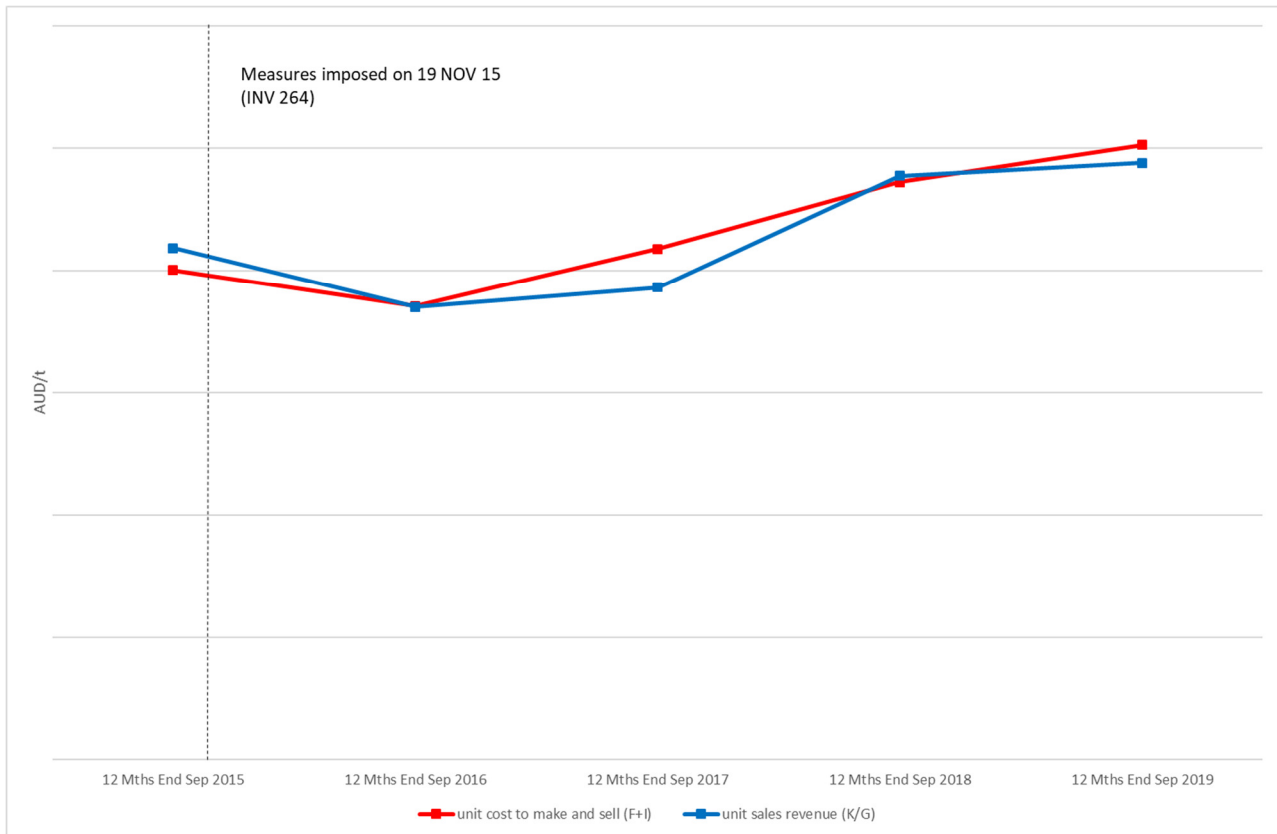


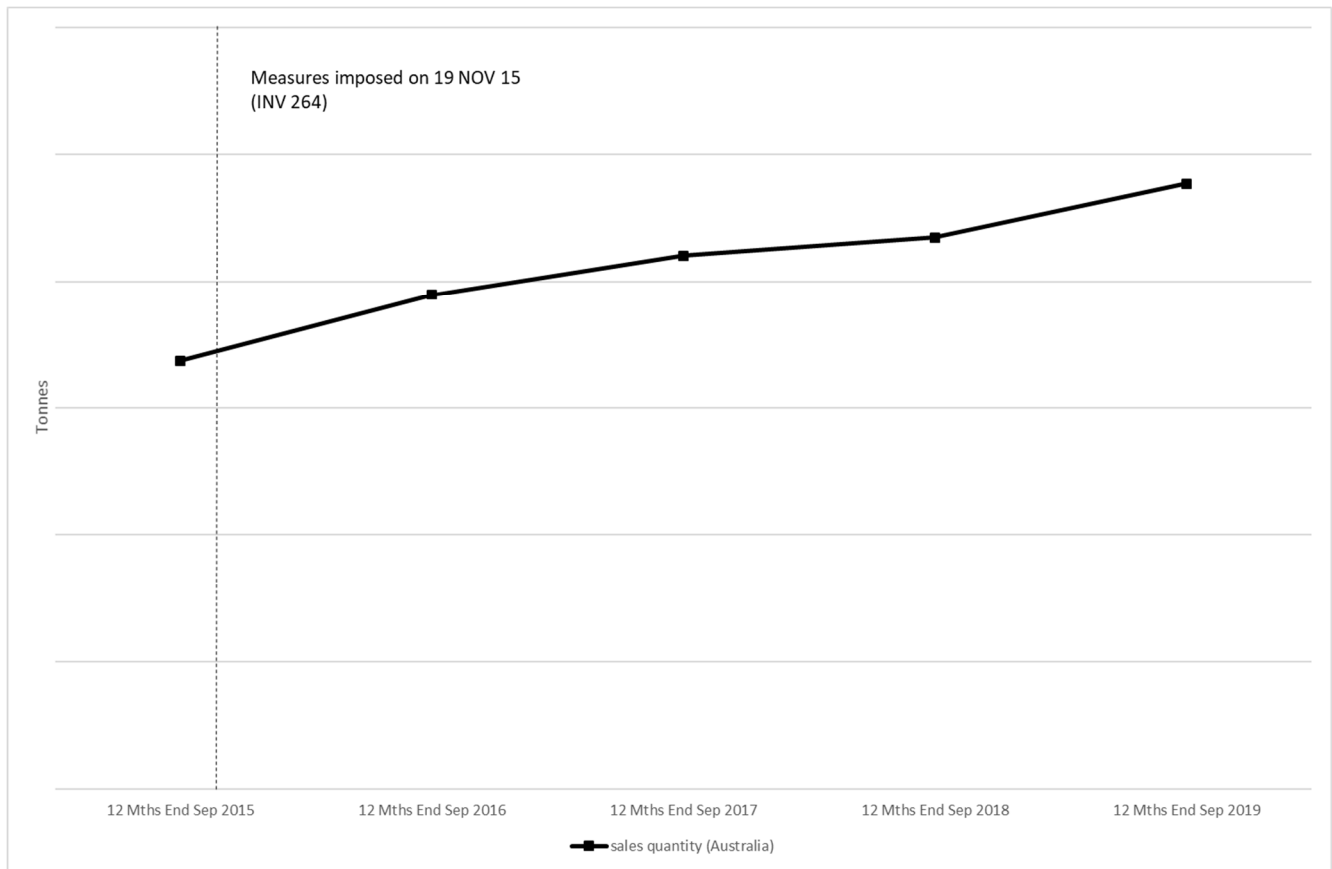
Figure 2.3(a) – Australian industry unit Revenue and CTMS⁶⁹

After anti-dumping measures were imposed, the Australian industry's rebar prices fell but recovered to new high levels by 2019. As such, it is not possible to conclude that the Australian industry has experienced price depression in that time. However, the Australian industry has been unable to achieve prices sufficiently high to cover the increasing CTMS of rebar since 2016 – only marginally covering the CTMS in 2018, and breaking even in 2016. Therefore, the Australian industry considers that it has experienced injury in the form of price suppression in the period since measures were imposed.

⁶⁹ Source: [appendix A6.1](#).

(b) Sales volume

Figure 2.3(b) shows the Australian industry's total sales volumes for its own production of rebar in the Australian market.



*Figure 2.3(b) – Australian industry's rebar sales volume of own production (like goods)*⁷⁰

Following the imposition of anti-dumping measures in November 2015, sales volumes have increased year on year across the analysis period, at various rates of growth. It is observed that the rate of growth in sales volume was slowest in 2018 as compared to 2017.

⁷⁰ Source: [appendix A6.1](#).

(c) Sales revenue

Figure 2.3(c) shows the Australian industry's net sales revenue for its own production of rebar in the Australian market.

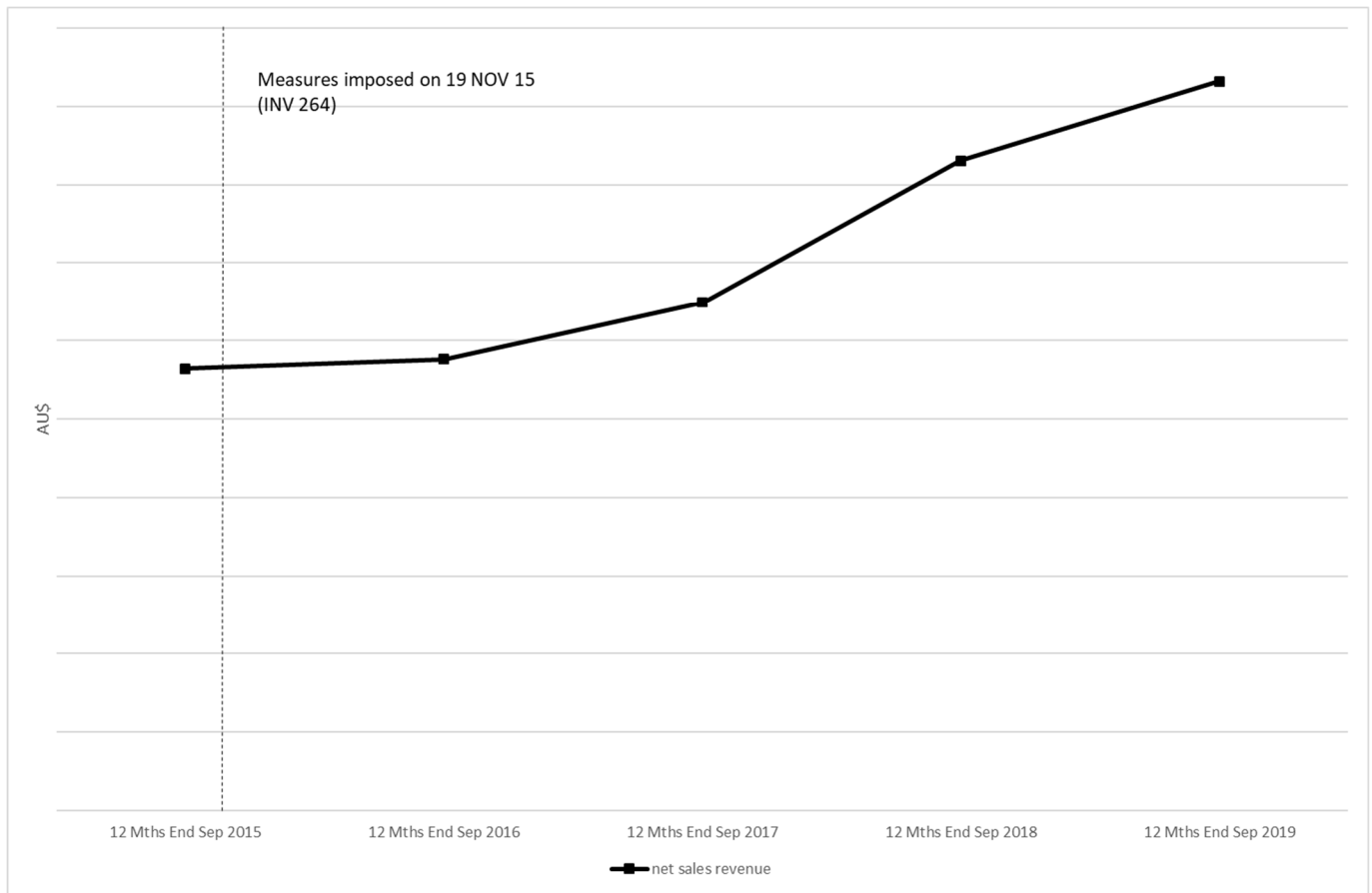


Figure 2.3(c) – Australian industry's rebar net sales revenue of own production (like goods)⁷¹

Since anti-dumping measures were imposed in November 2015, net sales revenue has increased year on year across the analysis period.

⁷¹ Source: [appendix A6.1](#).

(d) Profit and profitability

Figure 2.3(d)(i) indicates that the Australian industry's total profit from sales of rebar has been negative since anti-dumping measures were imposed in November 2015, except for the 12-month period ending 2018.

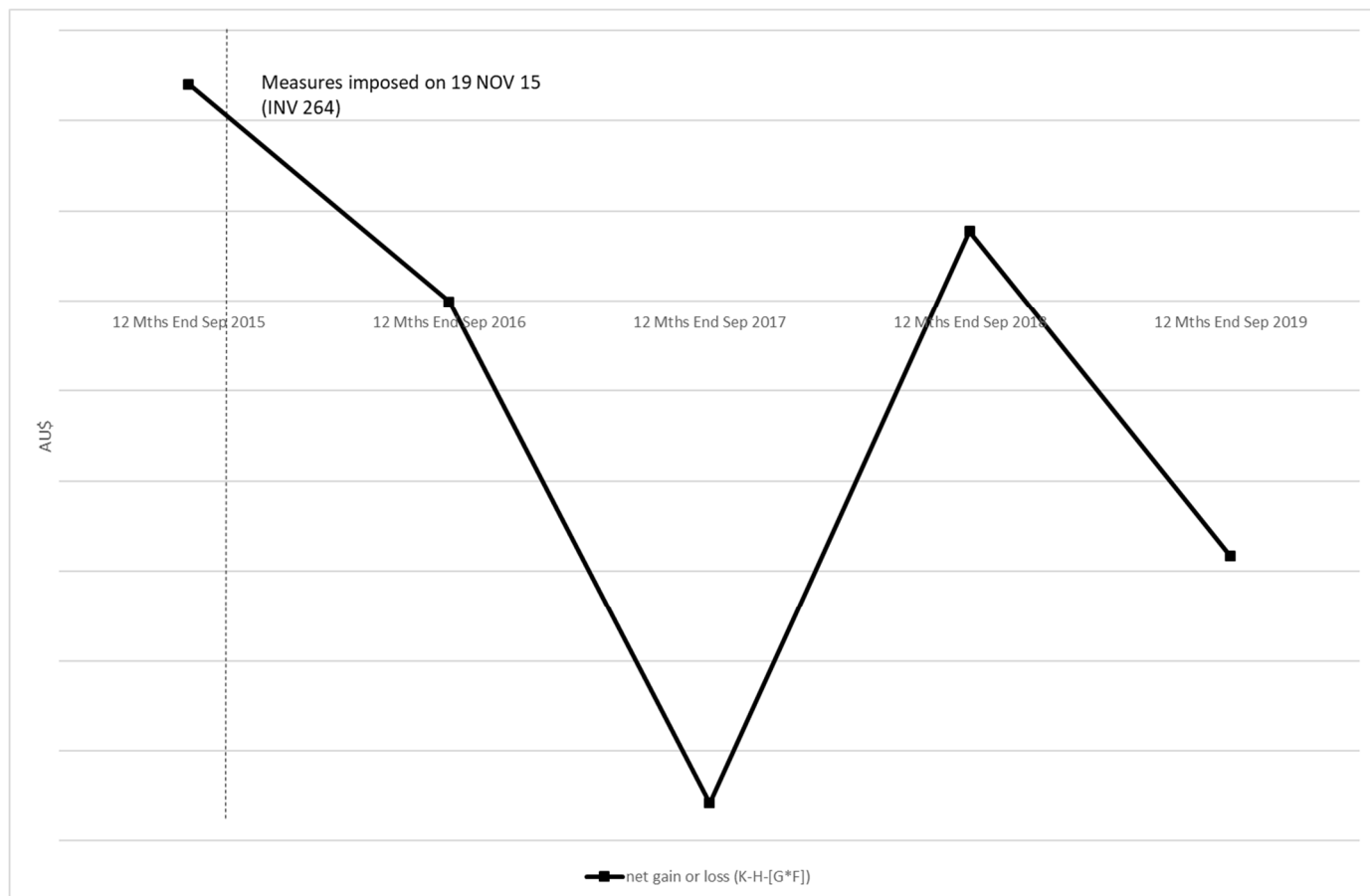


Figure 2.3(d)(i) – Australian industry rebar net profit⁷²

Figure 2.3(d)(ii) shows that the Australian industry's unit profit and unit profitability for rebar has been negative since the imposition of anti-dumping measures for each 12-month period except 2018.

⁷² Source: [appendix A6.1](#).

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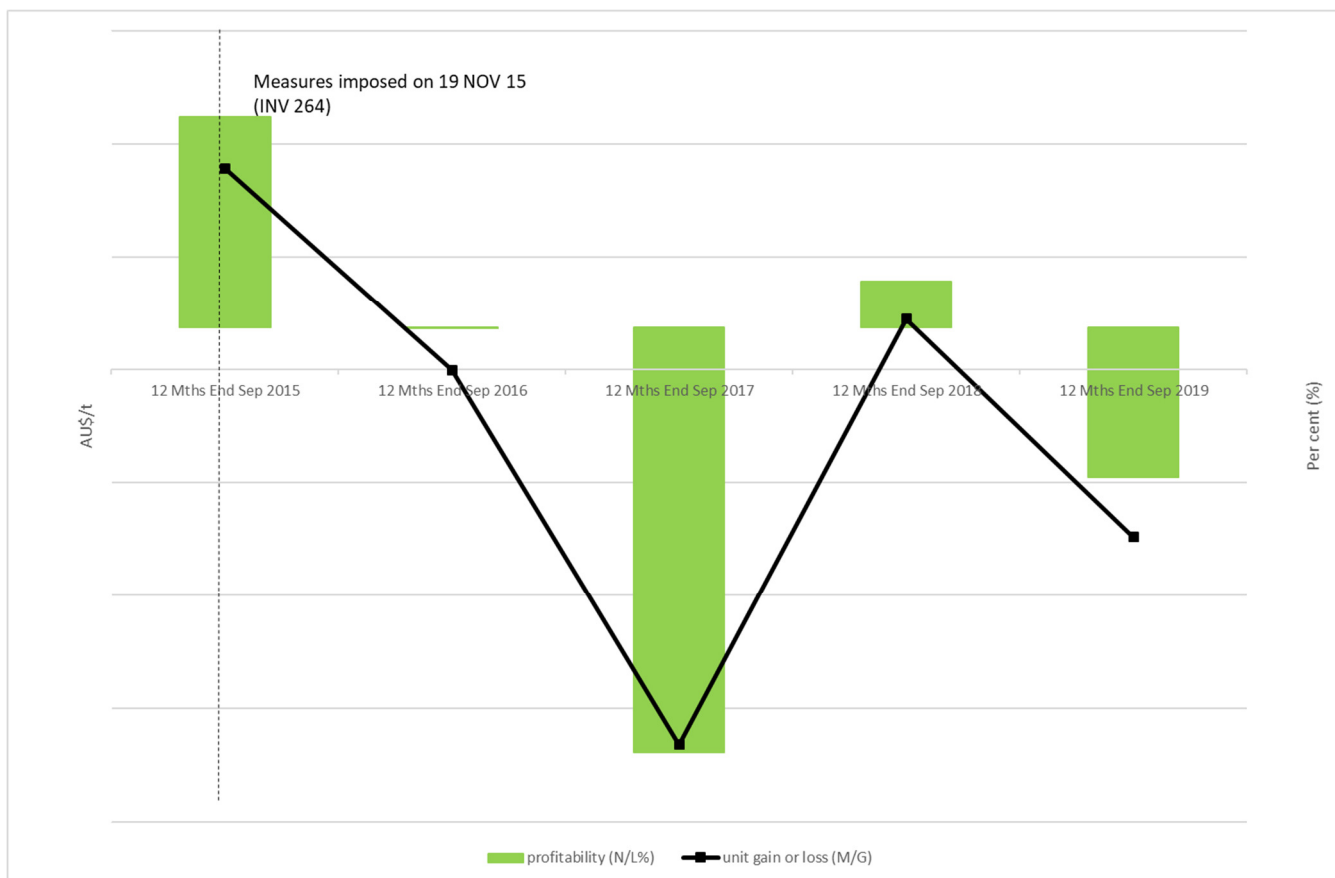


Figure 2.3(d)(ii) – Australian industry's rebar unit profit and profitability (unit gain/loss divided by price)⁷³

Since November 2015, when anti-dumping measures were imposed, the Australian industry's unit profit and profitability of rebar sold in Australia declined. In 2018, profit and profitability recovered somewhat, but to levels still below those achieved before the anti-dumping measures were put in place. The Australian industry's net profit, unit profit and profitability result in 2019 was again negative, but not as severe as observed in the 12-month period ending 2017 when the volumes of goods exported from the countries the subject of this application were at their highest since measures were imposed. The Australian industry considers that it has experienced injury in the forms of reduced profits and profitability in the period since measures were imposed.

⁷³ Source: [appendix A6.1](#).

(e) Market share

Figure 2.3(e) indicates that the Australian industry's market share by volume increased in the first 12-month period following the imposition of anti-dumping measures (2016), then declined in 2017 and 2018 and achieved a recovery in 2019, but not to the levels achieved in the first twelve months following the imposition of measures.

[The following figure is confidential in its entirety because it contains commercially sensitive market intelligence]

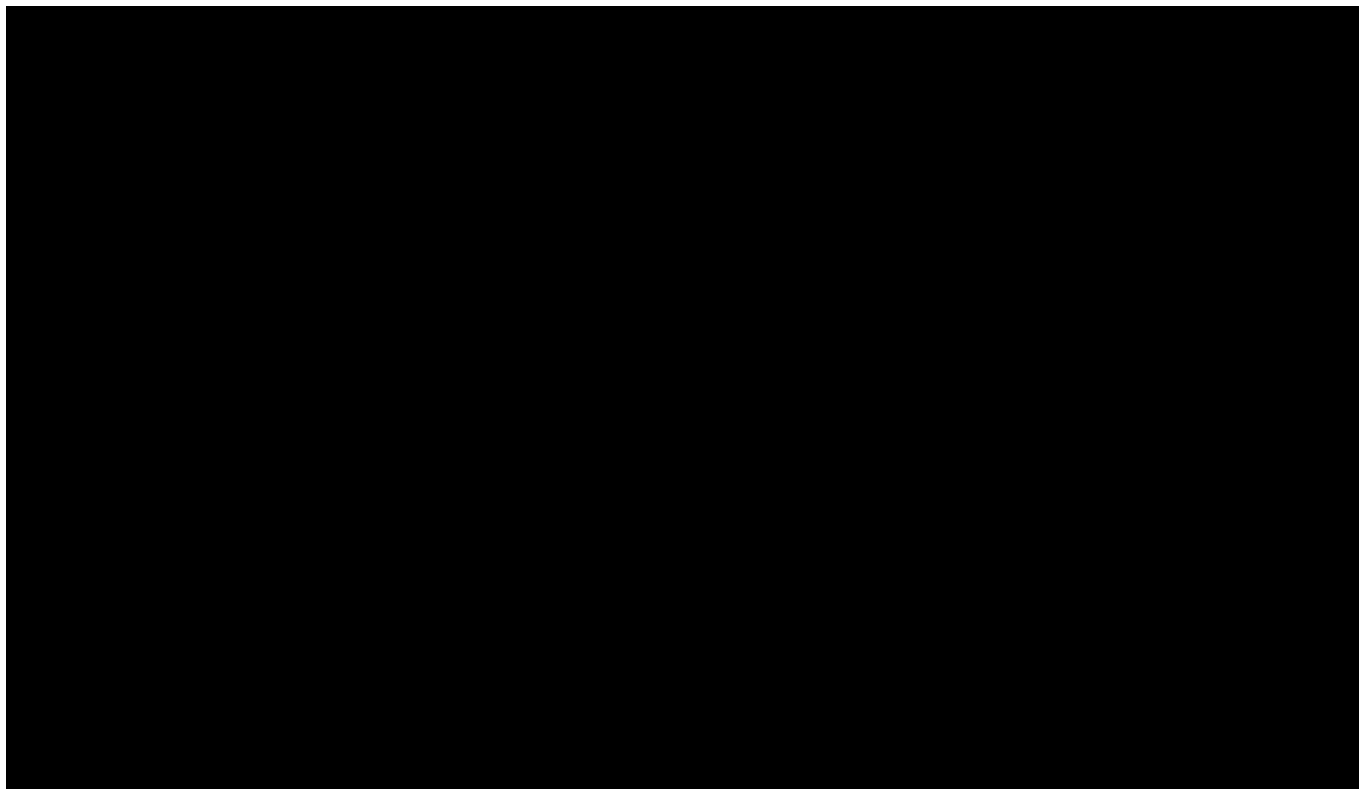


Figure 2.3(e) – Australian rebar market shares by volume⁷⁴

Figure 2.3(e) also indicates that the market share of exports from:

- Singapore has declined initially following the imposition of measures (2016 -2017), but then returned to levels comparable with the 12-month period immediately prior to the imposition of measures in 2018, before declining in market share in 2019;
- Taiwan has grown since measures were imposed year-on-year until 30 September 2018, before declining in 2019 to levels compatible with the 12-month period immediately prior to the imposition of measures;
- Korea has grown since measures were imposed until 2016, and then declined year on year for the rest of the analysis period; and

⁷⁴ Source: appendix A2.

PUBLIC RECORD

- Spain has grown since measures were imposed year-on-year until 30 September 2017, before declining in 2018 to levels slightly below what was observed in the 12-month period immediately prior to the imposition of measures, and then ceasing in 2019;
- countries not subject to the current measures has fluctuated across the analysis period and levels comparable to the 12-month period immediately prior to the imposition of measures were observed in 2019.

Further, Taiwan and Singapore's increase in export volumes coincided with decreases in the Australian industry's market share until 30 September 2018. Taiwan and Singapore represent the largest market share of the countries subject to the current measures.

The Australian industry considers that it has experienced injury in the form of reduced market share in the period since measures were imposed, especially 2017 and 2018.

2.4 Other economic factors

The Australian industry has completed appendix A7 to its application in relation to other injury factors on a 12-month ending basis (which captures the 12-month period from 1 October to 30 September) for the period from 1 October 2015 to 30 September 2019, for all entities representing the Australian industry producing the like goods.

(a) Capacity utilisation

Figure 2.4(a) indicates the Australian industry's capacity utilisation, based on shift structure at each mill for the relevant period plus an overtime option, has improved year-on year since the measures were imposed following the 12-month period in 2015, except for 2018, when the rate of capacity utilisation declined, before recovering again in 2019.

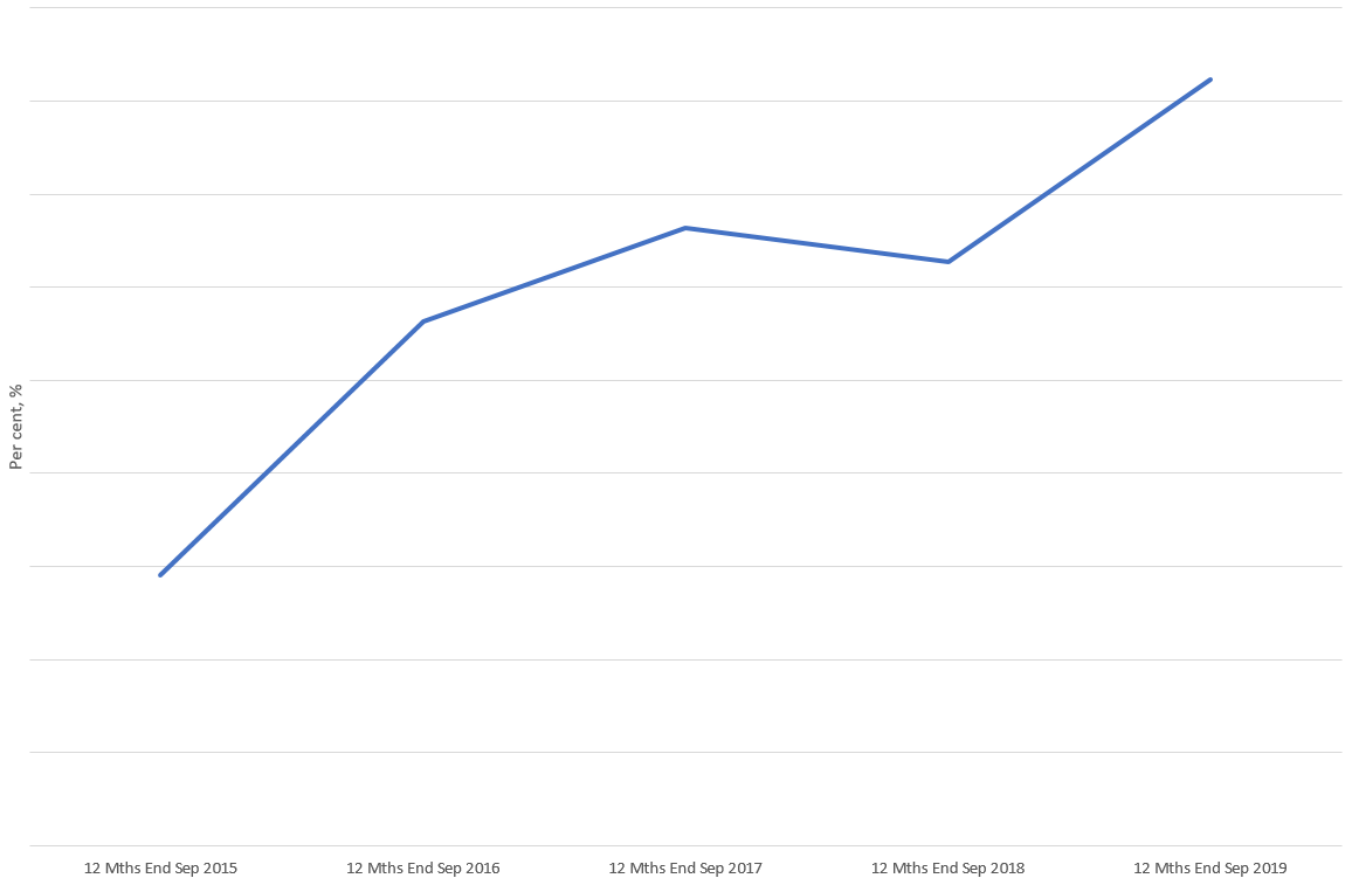


Figure 2.4(a) – Australian industry's rebar production capacity utilisation⁷⁵

⁷⁵ Source: [appendix A7](#).

(b) Capital investment

Figure 2.4(b) indicates that the Australian industry's level of capital investment in the production of rebar has fluctuated since the measures were imposed, declining in 2016, following entry of the Australian industry into voluntary administration (in April 2016), improvement in 2017, further decline in 2018, prior to a significant improvement in 2019.



Figure 2.4(b) – Australian industry capital investment in rebar production (AUD)⁷⁶

Overall, the Australian industry's capital investment in rebar production improved, however, there were periods of reduced capital investment following the imposition of measures (i.e. 2016 and 2018), and the Australian industry considers that it has experienced injury in the form of reduced capital investment during those periods.

⁷⁶ Source: [appendix A7](#).

(c) Return on investment

Figure 2.4(c) shows the Australian industry's return on investment (ROI) in the production of rebar.

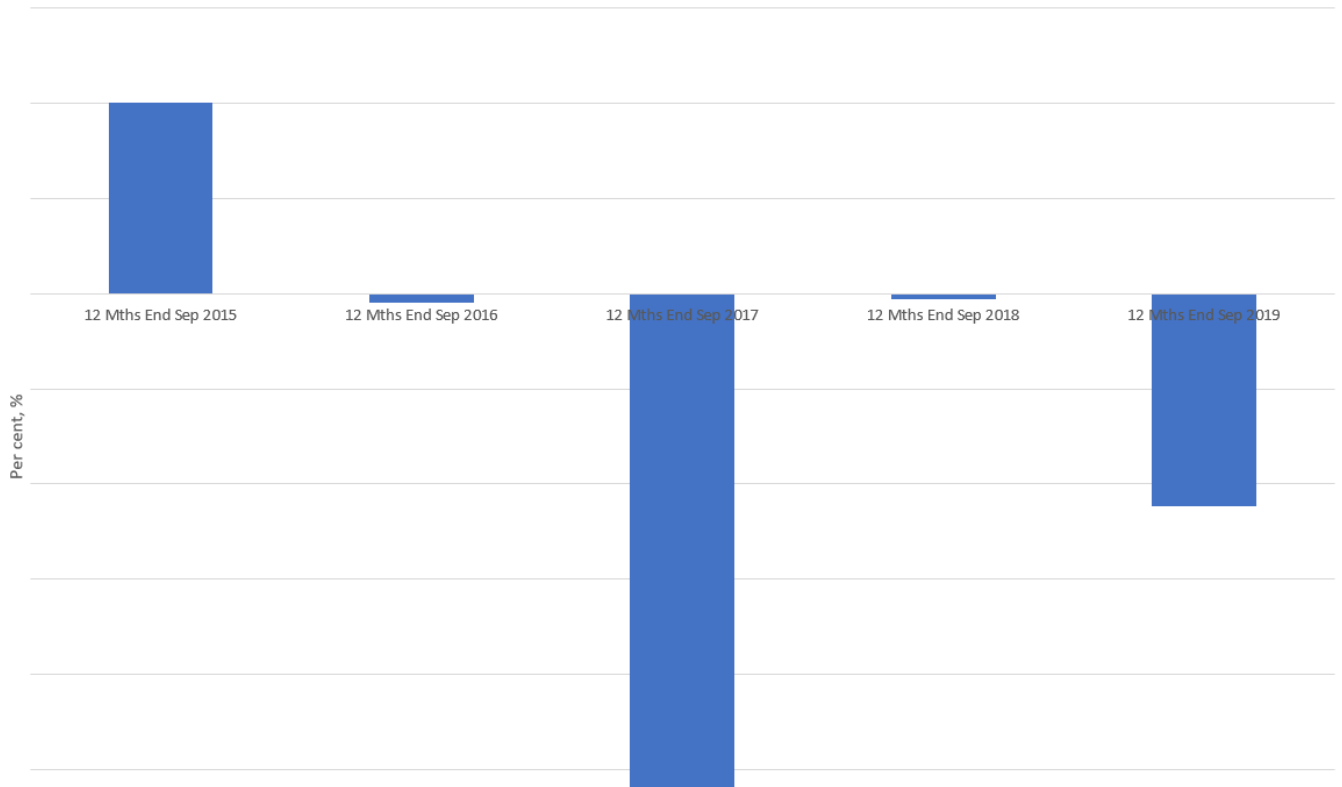


Figure 2.4(c) – Australian industry's return on investment in rebar production⁷⁷

The Australian industry's ROI in the production of rebar declined following the imposition of measures and has either been negative, or marginally positive (2018) for the entire analysis period.

The Australian industry considers that it has experienced injury in the form of negative ROI in the period since the measures were imposed.

⁷⁷ Source: [appendix A7](#).

(d) Research and development (R&D)

Figure 2.4(d) indicates that the allocation of R&D expenditure to rebar production increased in 2016 following the imposition of measure, before declining entirely in 2017, returning in 2018 and then declining to levels comparable to the year immediately prior to the imposition of measures in November 2016.

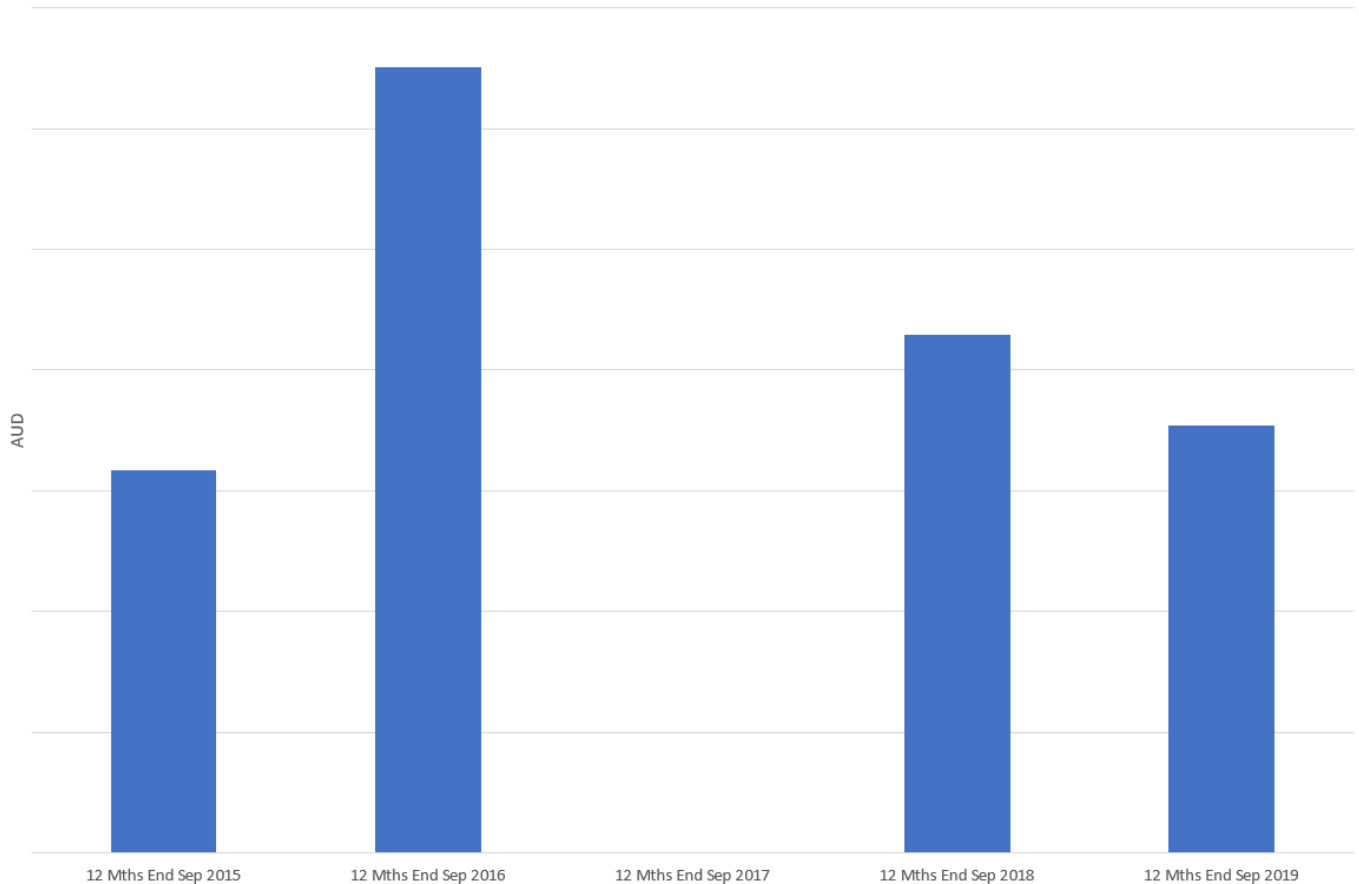


Figure 2.4(d) – Australian industry's allocation to rebar of R&D expenditure⁷⁸

The Australian industry considers that it has experienced injury in the form of reduced R&D expenditure allocated to production of rebar since the measures were imposed.

⁷⁸ Source: [appendix A7](#).

(e) Productivity

Figure 2.4(e) shows the Australian industry's productivity, measured as the tonnes of like goods produced per 12-hour shift, increased following the imposition of measures in November 2015 for the 2016 12-month period, then declined in 2017, before improving again in 2018, and declining in 2019.

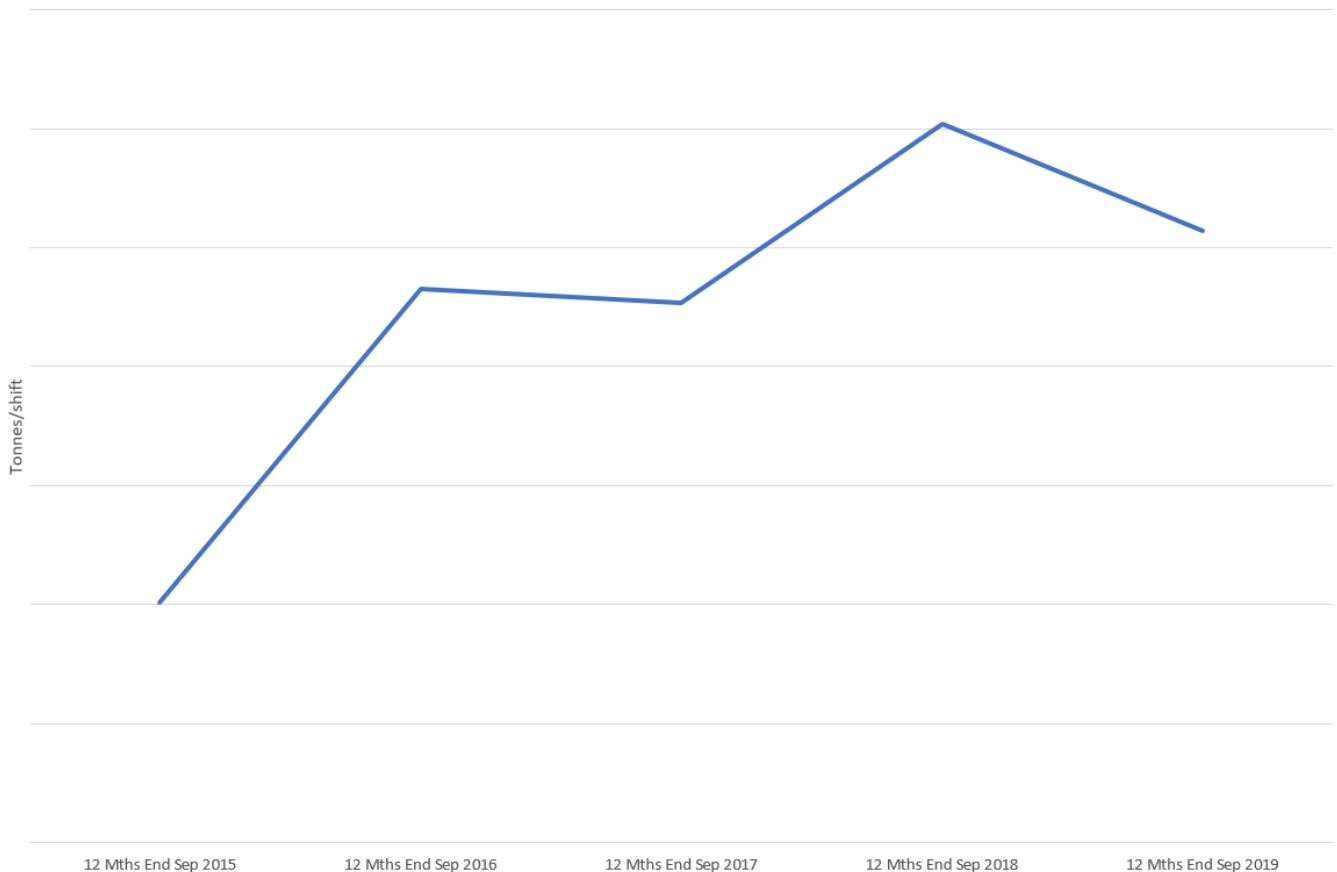


Figure 2.4(e) – Australian industry's rebar productivity (tonnes per 12-hour/shift) ⁷⁹

Overall, the Australian industry's rebar productivity improved, however, there were periods of lost productivity following the imposition of measures, and the Australian industry considers that it has experienced injury in the form of lost productivity during those periods.

⁷⁹ Source: [appendix A7](#).

(f) Employment

Figure 2.4(f) shows the Australian industry's staff levels related to the production of rebar.

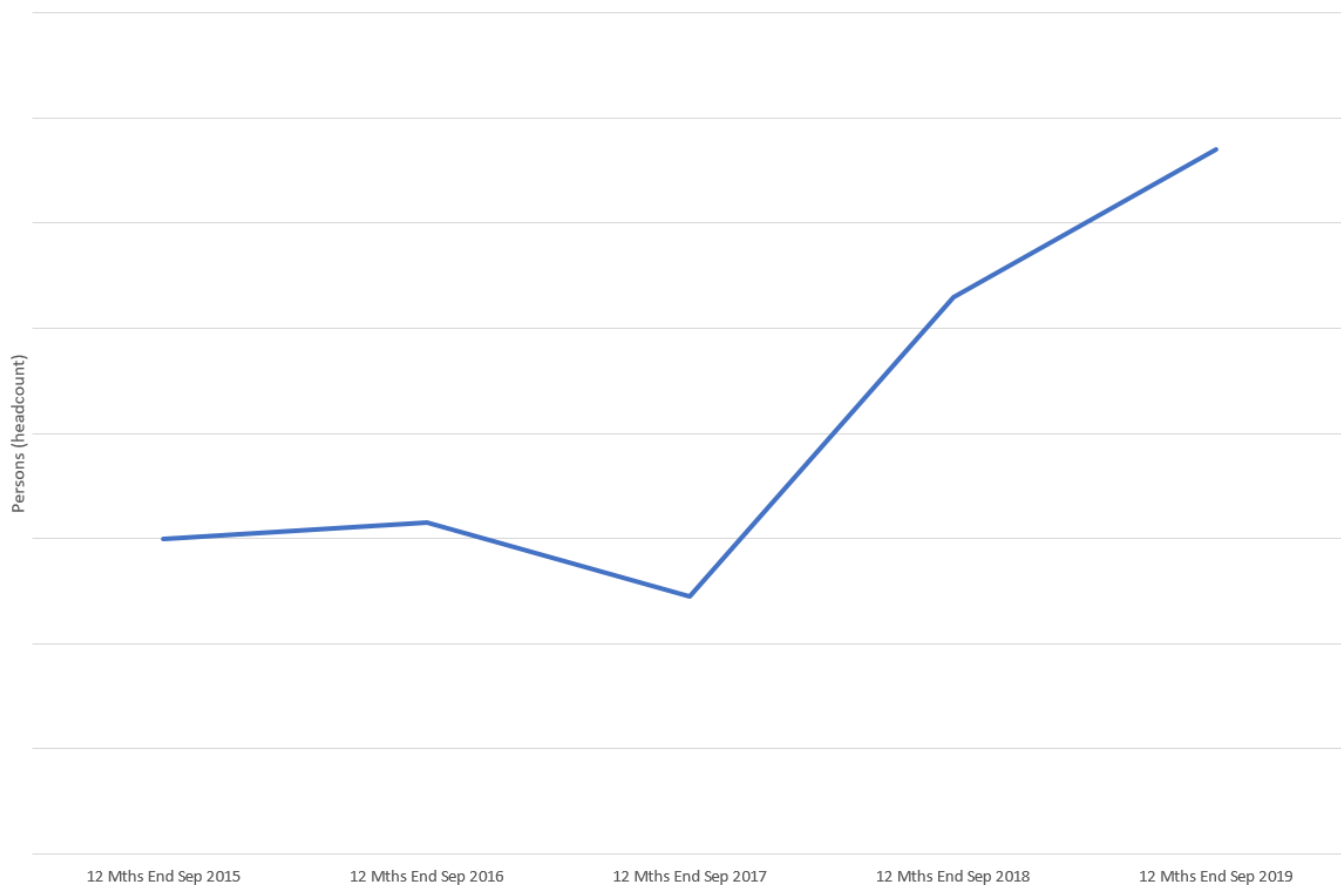


Figure 2.4(f) – Australian industry's employee numbers in rebar production⁸⁰

The Australian industry's staff levels declined since the imposition of measures in November 2015 until 30 September 2017, which corresponds with the industry's entry into voluntary administration. The period of voluntary administration (April 2016 to September 2017) of the entities comprising the Australian industry to the retrenchment of experienced staff. Following the acquisition of the Australian industry by the GFG Alliance, new staff were recruited as part of the company restructure, this is reflected in the strong rebound in employment numbers in 2018 and 2019.

The Australian industry considers that it experienced injury in the form of reduced employment in the period following the imposition of measures until 2017.

⁸⁰ Source: [appendix A7](#).

(g) Wages

Figure 2.4(g) shows the Australian industry's average wage to employees producing rebar has increased overall since measures were imposed. It also indicates that the wages of employees engaged in the production of rebar have remained below the wages of employees who are involved in other production, especially for the 12-month period ending 2018, when wages for employees engaged in the production of non-like goods grew more significantly than wages for employees producing rebar. This position reversed in the 12-month period ending 2019.

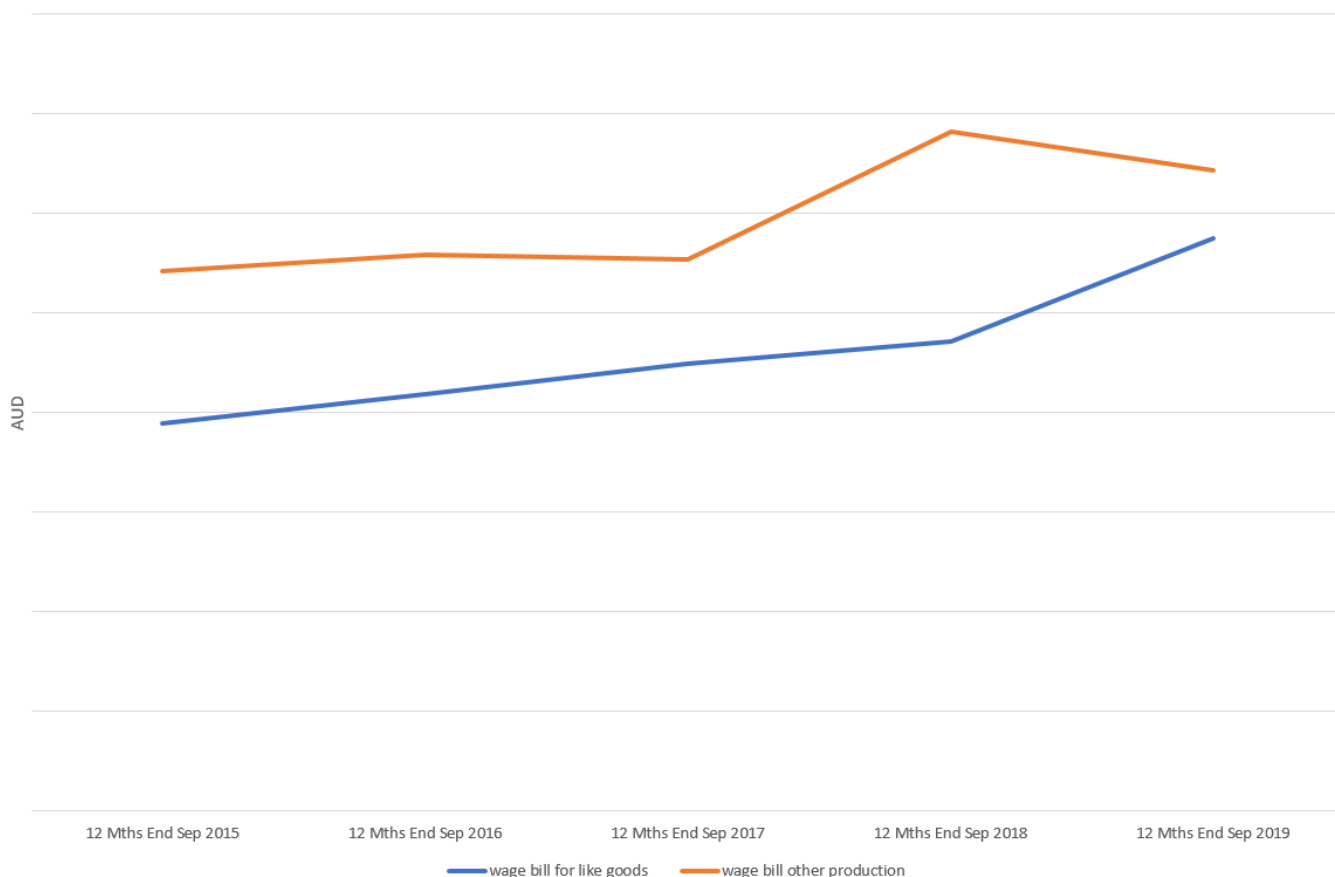


Figure 2.4(g) – Australian industry employee wages expense (AUD)⁸¹

⁸¹ Source: [appendix A7](#).

(h) Stock-on-hand

Figure 2.4(h) indicates the Australian industry's stock-on-hand for rebar, based on its year-end closing stockholding position, declined overall during the analysis period. However, the Australian industry's stock-on-hand position increased significantly in 2018.

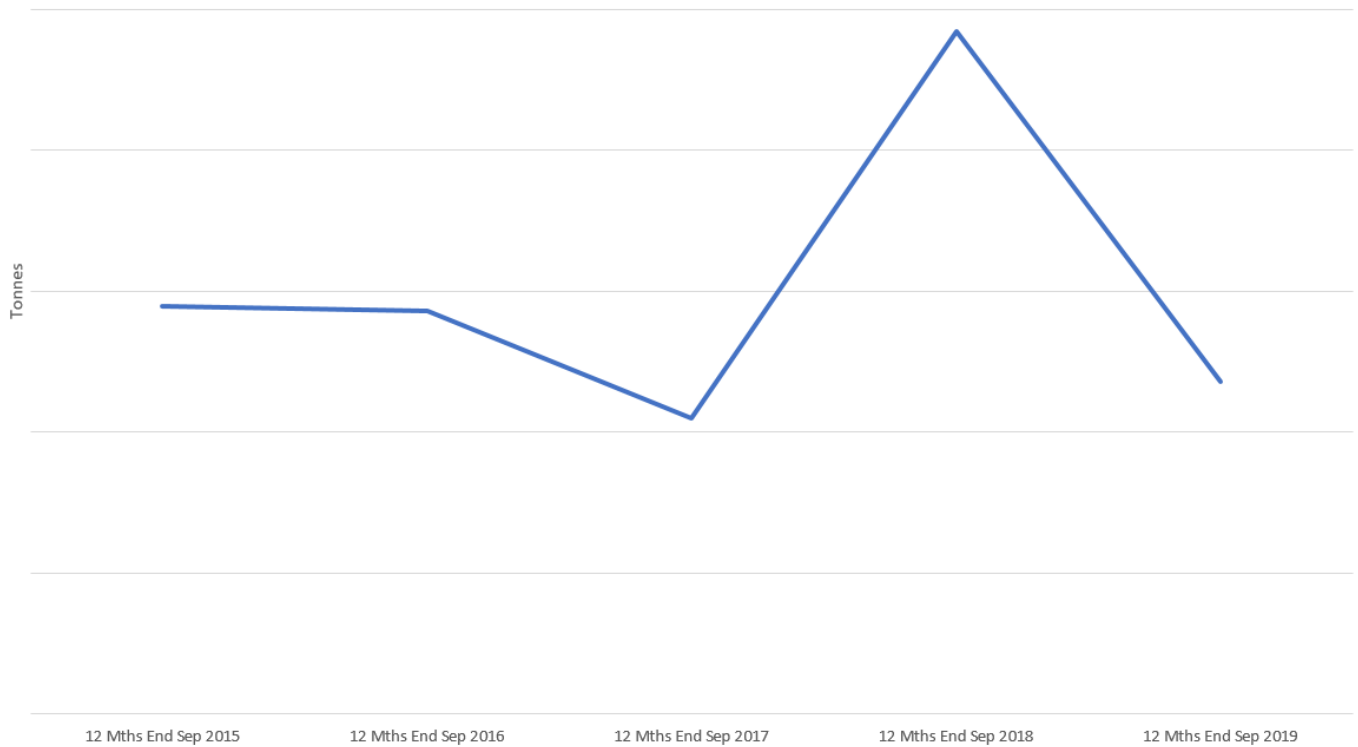


Figure 2.4(h) – Australian industry's rebar stock-on-hand (tonnes)⁸²

The Australian industry considers that it experienced injury in the form of increased stock-on-hand of the goods in 2018.

⁸² Source: [appendix A7](#).

2.5 Conclusion: Economic condition and other economic factors of the Australian industry

The Australian industry considers that in the analysis period following the imposition of measures in November 2015, the Australian industry has experienced injury in the forms of price suppression, increased stock-on-hand and reduced:

- profit and profitability;
- market share;
- capital investment;
- return on investment;
- research and development expenditure;
- productivity; and
- employment levels.

2.6 Analysis: Likelihood that material injury will continue or recur?

As indicated in section 2.5 (above), the Australian industry considers that it has experienced injury in the form of price suppression. In the original investigation, the Commission found that the Australian industry set its prices by applying an IPP (**Import Parity Price**) process in which it negotiated prices with reference to offers made in the rebar market for imported goods. It was found that competition from importers of rebar exported to Australia from the subject countries at dumped prices required the Australian industry to lower its prices relative to those dumped prices. This resulted in the Australian industry achieving lower prices than it might have otherwise and consequently experiencing injury.

The Australian industry maintains that since the imposition of the measures in November 2015, there remains a high level of transparency and sensitivity related to prices in the Australian rebar market. By reason of the process of ACRS certification, and the accreditation of all mills the subject of this application, the nature of the rebar market is such that products of the same specification from different sources are interchangeable. Consequently, price is the primary consideration in purchasing decisions and the Australian rebar market is characterised by a high degree of price elasticity.

Since the imposition of measures, the Australian industry continues to apply the IPP model and the IPP is:

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- used to set prices on an individual customer basis;
- set with reference to monthly price offers by importers in the Australian rebar market; and
- used by customers in negotiations with the Australian industry,

noting that [REDACTED]

[REDACTED] [sensitive commercial information]. The Australian industry considers that this will not diminish the role of price as the primary consideration of purchasing decisions.

The Australian industry has analysed export volume and pricing patterns, including price undercutting, for the countries subject to measures to determine if injury is likely to recur or continue.

Price undercutting occurs when imported goods are sold at prices below those of Australian manufactured like goods. The Australian industry has compared its prices in the analysis period to sales by importers of rebar. The analysis is based on the Australian industry's sales data or like goods as well as on available information from importers' price offers to customers at the free-into-store (FIS) level. In its price undercutting analysis, the Australian industry has excluded its sales of imported rebar as well as sales made to it by importers or exporters.

(a) Korea

Volume

The Australian industry concluded at Section 1.1(h) of this application that since the imposition of measures in November 2015, the exporters from Korea have continued to export rebar to Australia at comparable volumes and have maintained distribution links in Australia.

Price

Figure 2.6(a) compares at the distributor level, the Australian industry's quarterly weighted average FIS Australian selling price to price offers of rebar imported from Korea (manufactured by Daehan) on the same terms.

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[The following figure is confidential in its entirety because it contains commercially sensitive market intelligence]

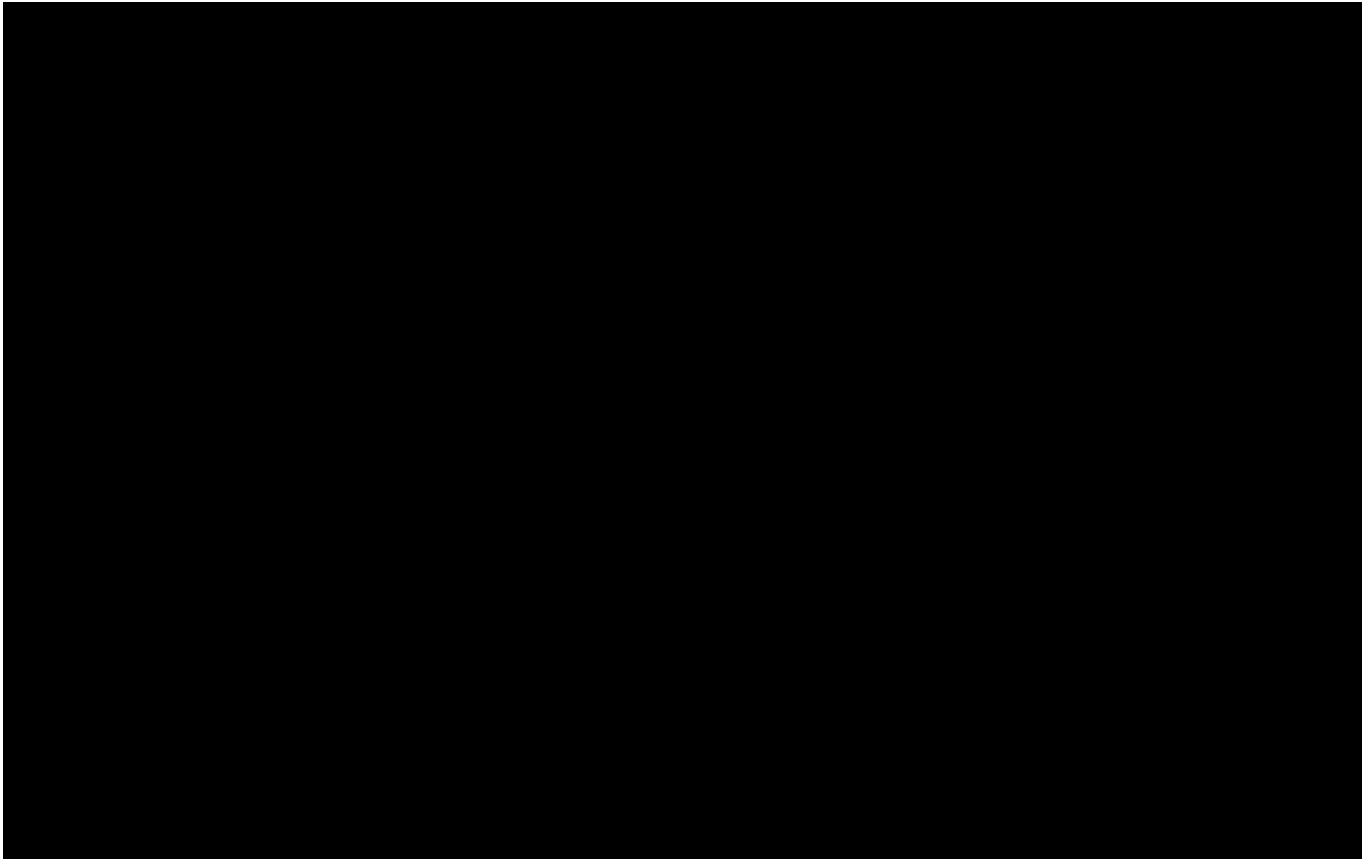


Figure 2.6(a) - Comparison of selling prices between Australian industry and price offers of rebar imported from Korea⁸³

The Australian industry considers that there was price undercutting during the analysis period following the imposition of measures of between [REDACTED] per cent and [REDACTED] per cent.

⁸³ CONFIDENTIAL ATTACHMENT 1.2.3

Conclusion

The Australian industry considers that the export of rebar from Korea at dumped prices during the analysis period has caused it to experience price suppression.

The Australian industry also considers that

- the maintenance of distribution links by Korean exporters;
- the instances of price undercutting observed in respect of rebar imported from Korea;
- the high degree of price elasticity in the Australian rebar market; and
- the import price competition to which the Australian industry is subject would likely result in it achieving either reduced selling prices or lost sales (where the Australian industry does not reduce its prices) should the measures on exporters of rebar from Korea expire. Consequently, price suppression and lost sales volume and the resulting impact on revenue and profits are likely to continue if measures on rebar exported to Australia from Korea expire.

(b) Taiwan

Volume

The Australian industry concluded at Section 1.2(h) of this application that since the imposition of measures in November 2015, the exporters from Taiwan have continued to export rebar to Australia at greater volumes and have maintained distribution links in Australia.

Price

Figure 2.6(b) compares at the distributor level, the Australian industry's quarterly weighted average FIS Australian selling price to price offers of rebar imported from Taiwan on the same terms.

[The following figure is confidential in its entirety because it contains commercially sensitive market intelligence]

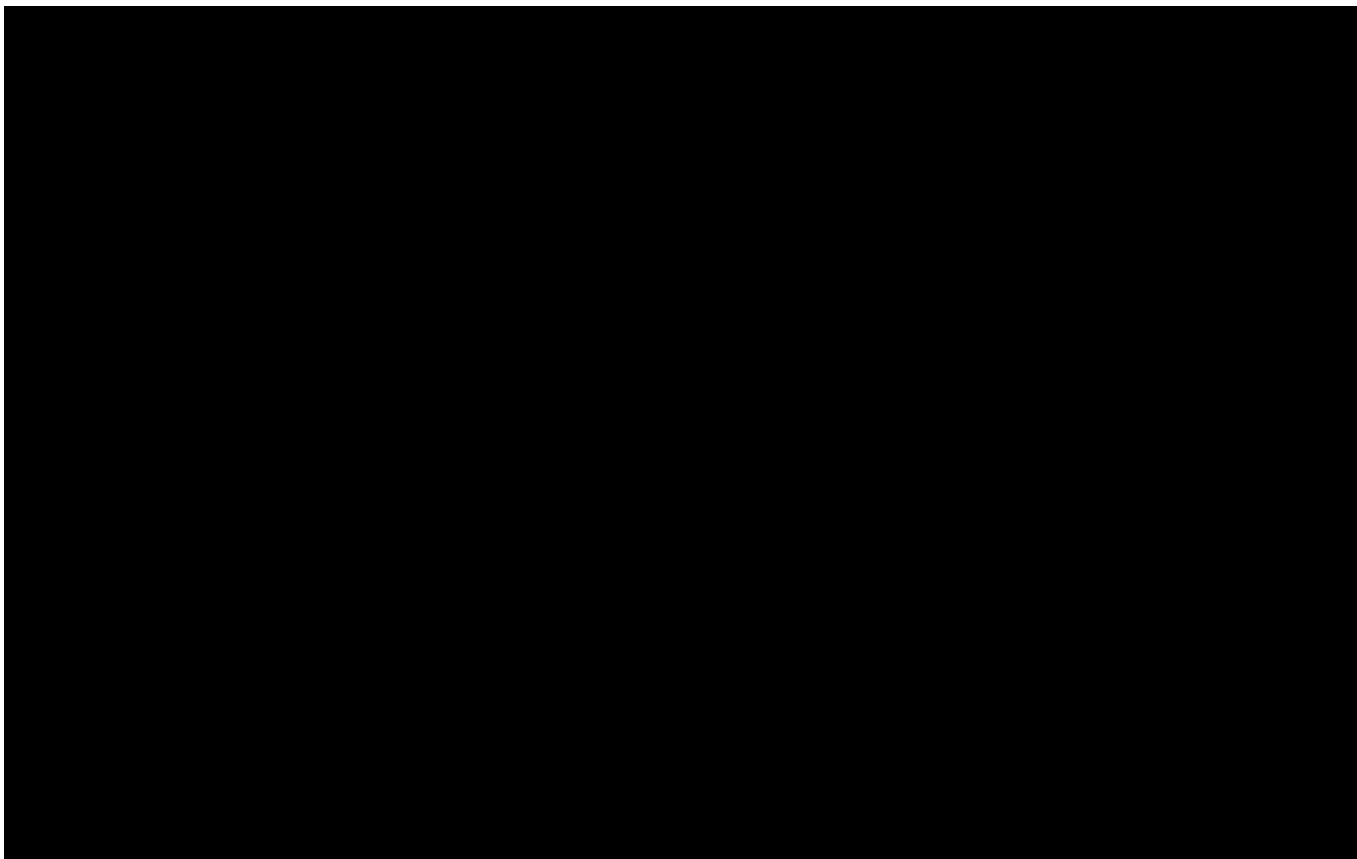


Figure 2.6(b) - Comparison of selling prices between Australian industry and price offers of rebar imported from Taiwan⁸⁴

The Australian industry considers that there was price undercutting during the analysis period following the imposition of measures of between [REDACTED] per cent and [REDACTED] per cent.

Conclusion

The Australian industry considers that the export of rebar from Taiwan at dumped prices during the analysis period has caused it to experience price suppression.

The Australian industry also considers that

- the maintenance of distribution links by Taiwanese exporters;
- the instances of price undercutting observed in respect of rebar imported from Taiwan;

⁸⁴ CONFIDENTIAL ATTACHMENT 1.2.3

PUBLIC RECORD

- the high degree of price elasticity in the Australian rebar market; and
- the import price competition to which the Australian industry is subject would likely result in it achieving either reduced selling prices or lost sales (where the Australian industry does not reduce its prices) should the measures on exporters of rebar from Taiwan expire. Consequently, price suppression and lost sales volume and the resulting impact on revenue and profits are likely to continue if measures on rebar exported to Australia from Taiwan expire.

(c) Singapore

Volume

The Australian industry concluded at Section 1.3(h) of this application that since the imposition of measures in November 2015, the exporter from Singapore has continued to export rebar to Australia at greater volumes in the 12-month period for 2018 and has maintained its distribution link in Australia.

Price

Due to insufficient market intelligence available for imports from Singapore, Figure 2.6(c) compares the Australian industry's quarterly weighted average FIS Australian selling price to the export prices of rebar imported from Singapore on FOB terms.

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[The following figure is confidential in its entirety because it contains commercially sensitive market intelligence]

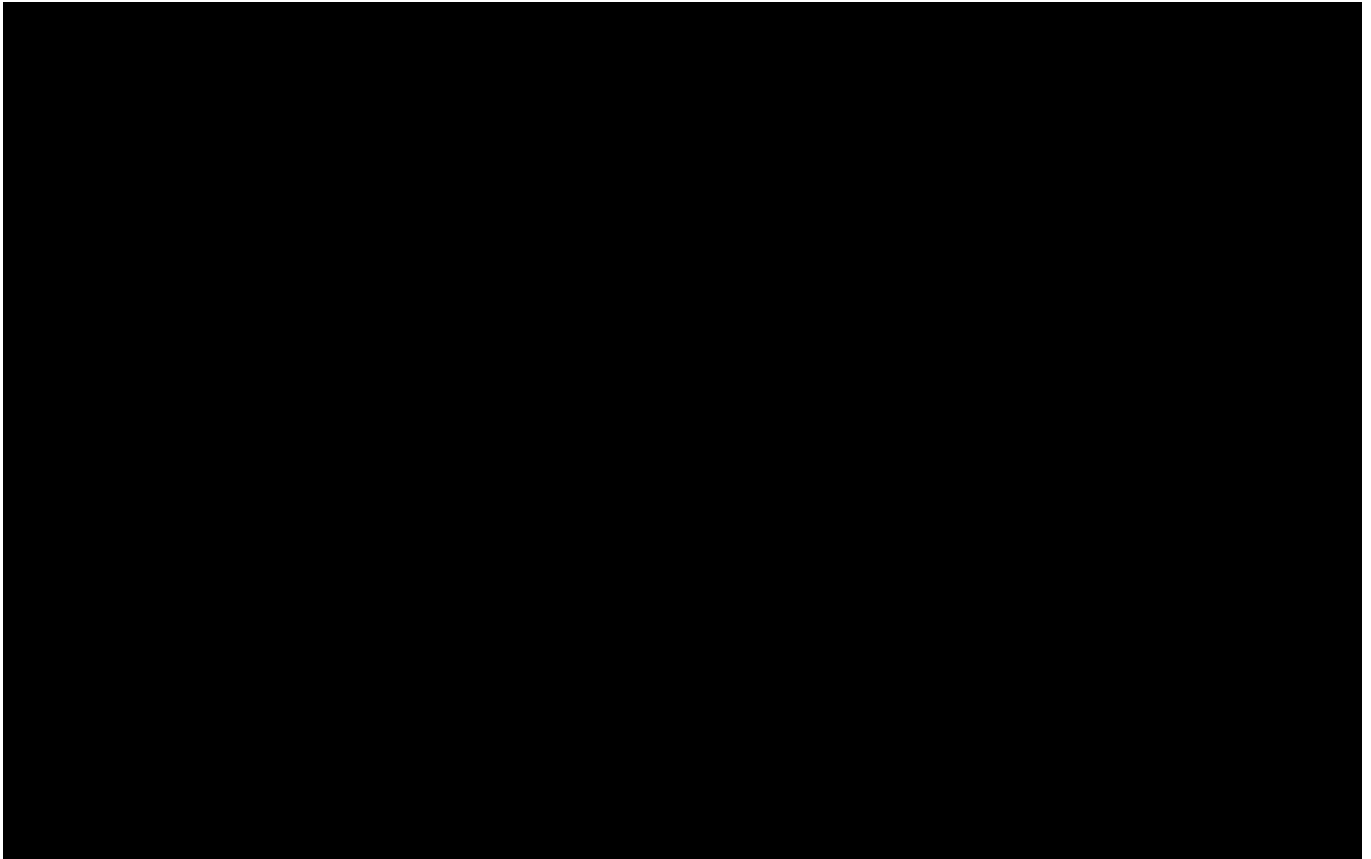


Figure 2.6(c) - Comparison of selling prices between Australian industry and export prices of rebar imported from Singapore⁸⁵

The Australian industry considers that there was price undercutting during the analysis period following the imposition of measures. The exact undercutting margins may need to be assessed by the Commission following verification of the importer's sales value into the market.

Conclusion

The Australian industry considers that the export of rebar from Singapore during the analysis period has caused it to experience price suppression.

The Australian industry also considers that

- the maintenance of a key distribution link by the Singaporean exporter;
- the instances of price undercutting observed in respect of rebar imported from Singapore;

⁸⁵ CONFIDENTIAL ATTACHMENT 1.2.3

PUBLIC RECORD

- the high degree of price elasticity in the Australian rebar market; and
- the import price competition to which the Australian industry is subject would likely result in it achieving either reduced selling prices or lost sales (where the Australian industry does not reduce its prices) should the measures on exporters of rebar from Singapore expire. Consequently, price suppression and lost sales volume and the resulting impact on revenue and profits are likely to continue if measures on rebar exported to Australia from Singapore expire.

(d) Spain

Volume

The Australian industry concluded at Section 1.4(h) of this application that since the imposition of measures in November 2015, the exporters from Spain have continued to export rebar to Australia at greater volumes (especially in 2017) and have maintained distribution links in Australia.

Price

Figure 2.6(d) compares at the distributor level, the Australian industry's quarterly weighted average FIS Australian selling price to price offers of rebar imported from Spain on the same terms.

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[The following figure is confidential in its entirety because it contains commercially sensitive market intelligence]

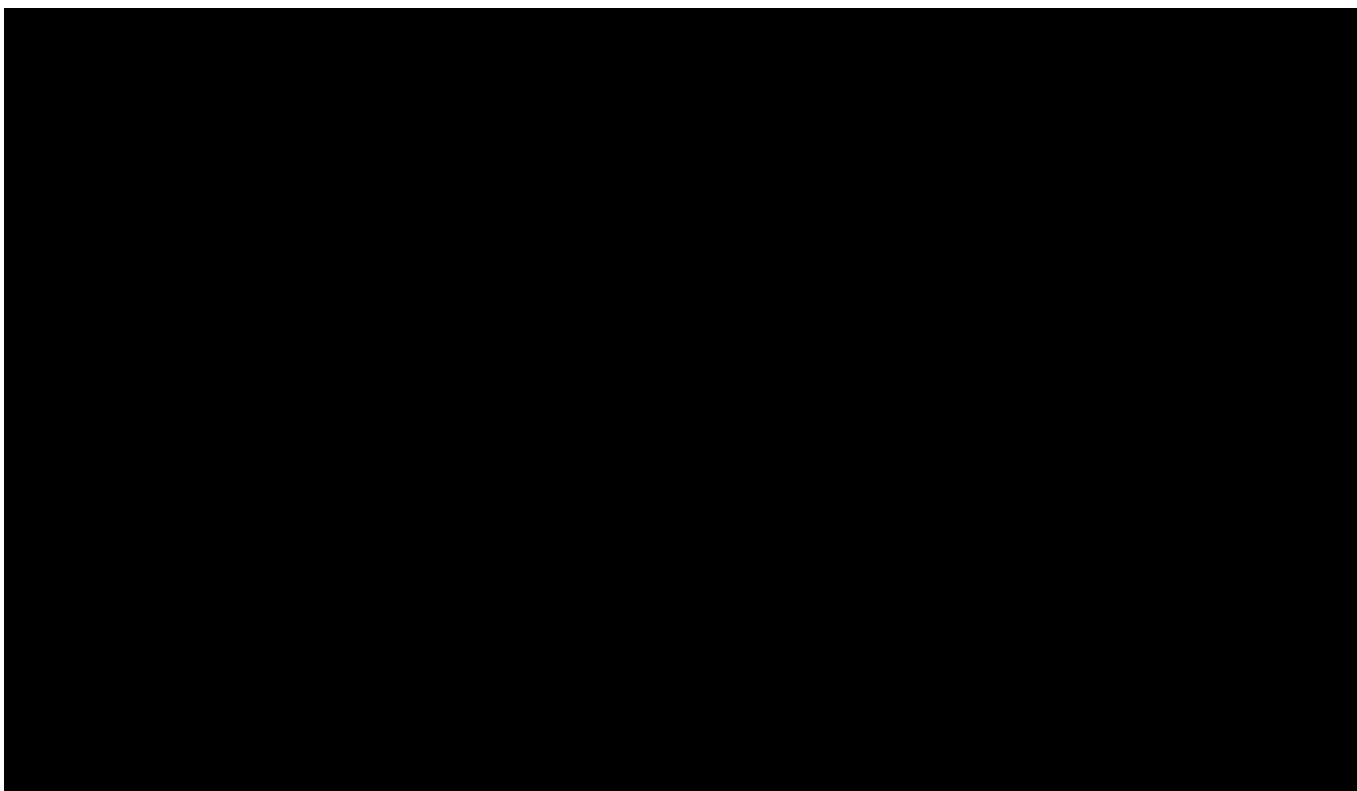


Figure 2.6(d) - Comparison of selling prices between Australian industry and price offers of rebar imported from Spain⁸⁶

The Australian industry considers that there was price undercutting during the analysis period following the imposition of measures of between [REDACTED] per cent and [REDACTED] per cent.

Conclusion

The Australian industry considers that the export of rebar from Spain at dumped prices during the analysis period has caused it to experience price suppression.

The Australian industry also considers that:

- the maintenance of distribution links by Spanish exporters;
- the instances of price undercutting observed in respect of rebar imported from Spain;
- the high degree of price elasticity in the Australian rebar market; and
- the import price competition to which the Australian industry is subject would likely result

⁸⁶ CONFIDENTIAL ATTACHMENT 1.2.3

PUBLIC RECORD

in it achieving either reduced selling prices or lost sales (where the Australian industry does not reduce its prices) should the measures on exporters of rebar from Spain expire. Consequently, price suppression and lost sales volume and the resulting impact on revenue and profits are likely to continue if measures on rebar exported to Australia from Spain expire.

(e) Alternative sources of export supply that have arisen following imposition of the measures

Figure 2.1(a)(i) (reproduced below), indicates the growth of alternative sources of rebar exported to Australia both prior to, and following, the imposition of measures. It is observed that the volume of rebar exports from non-subject countries have fluctuated across the analysis period.

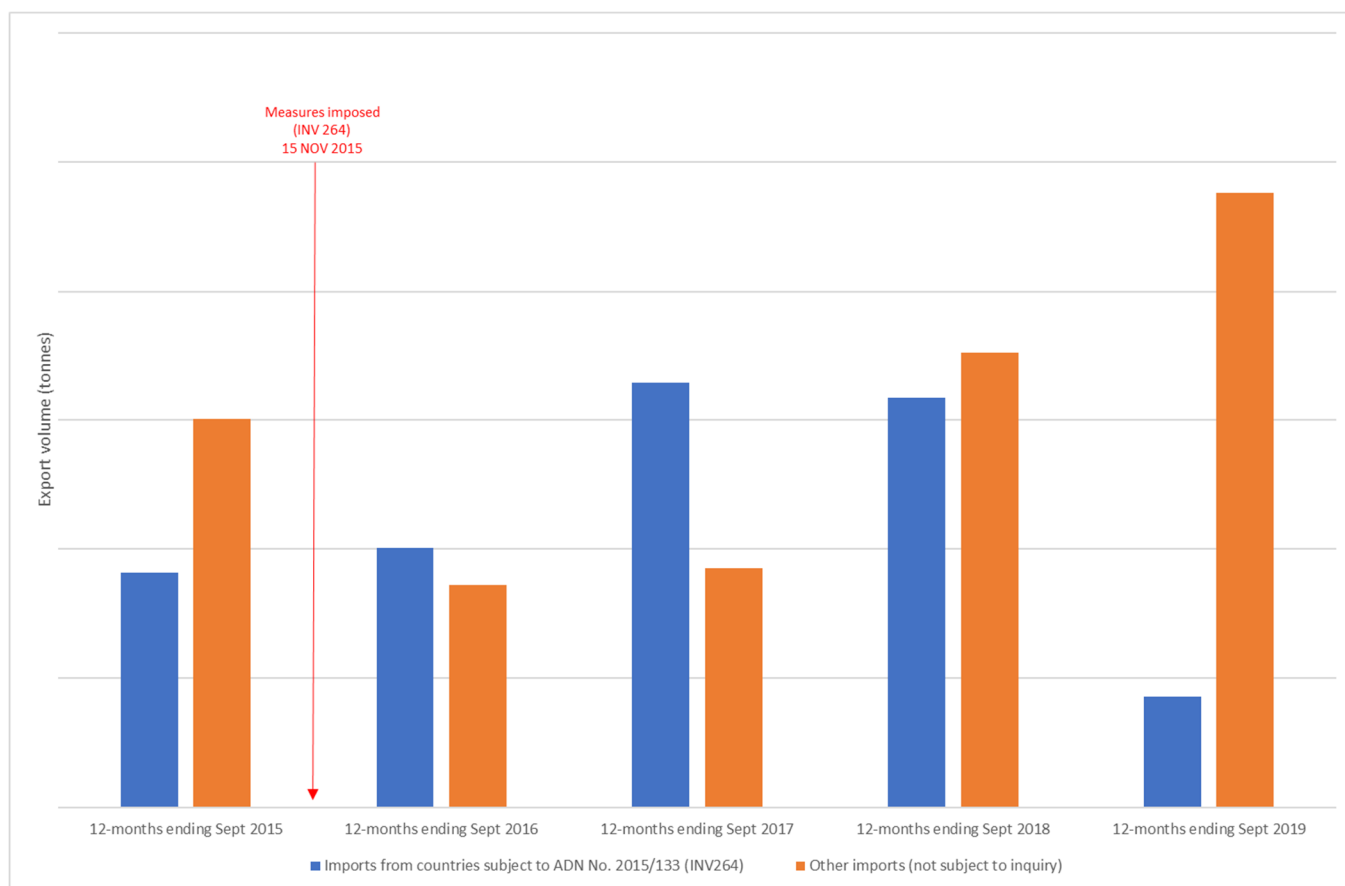


Figure 2.1(a)(i) (reproduced) – Volume and sources of imports⁸⁷

Figure 2.6(e)(i) considers the source of imports from the non-subject countries. Again, it is

⁸⁷ Source: appendix A2.

PUBLIC RECORD

indicated that the source and volume of imports from non-subject countries varies. For example, the prominence of China as a source of imports was dominant in the 12-month period immediately prior to the imposition of measures before vacating the market entirely. Similarly, Thailand was an alternate source that remained dominant both before and after the imposition of measures before again exiting the Australian market.

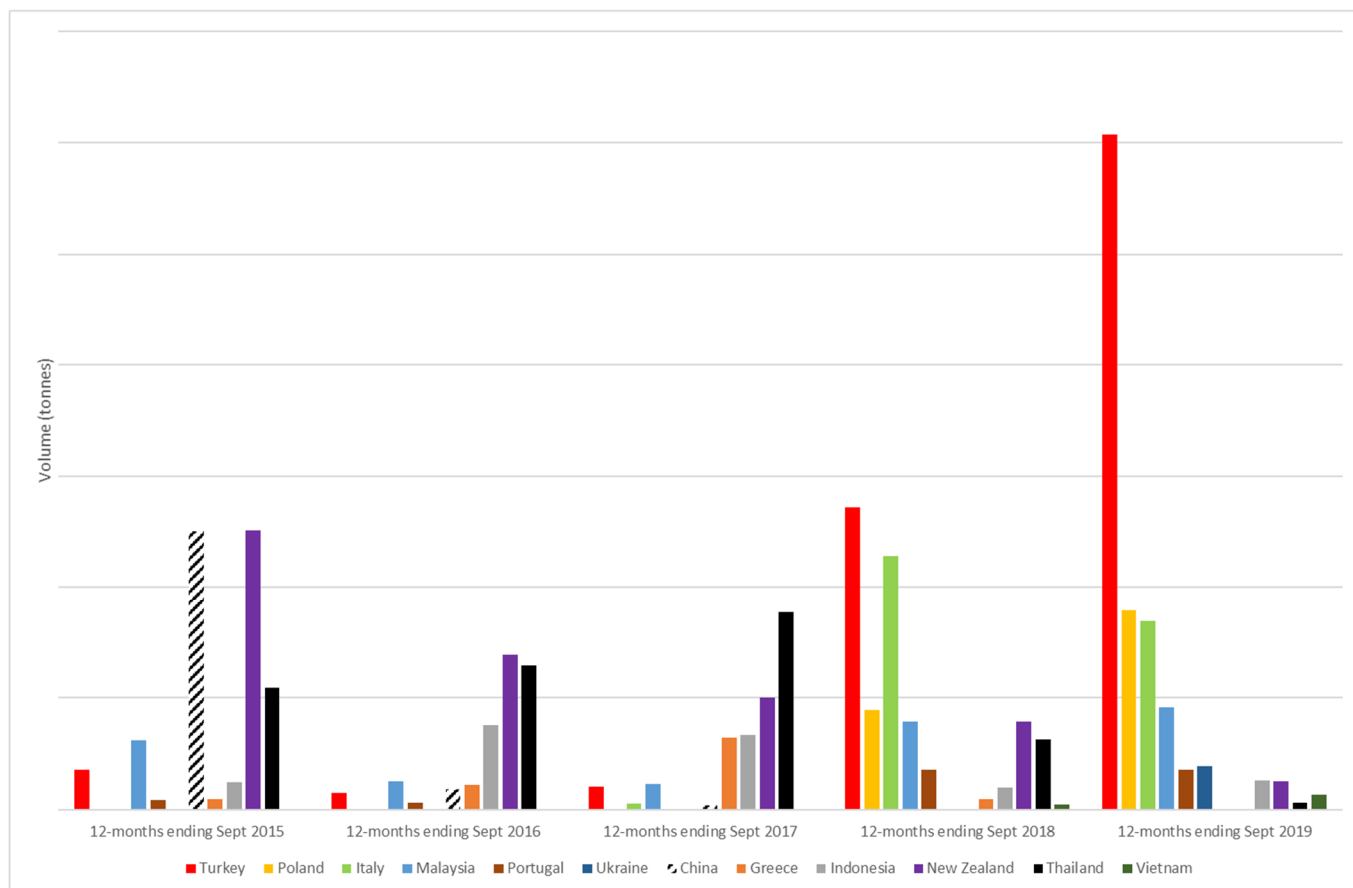


Figure 2.6(e)(i) - Volume and sources of imports from non-subject countries⁸⁸

Exports of rebar from Turkey

The new dominant source to have emerged from the 12-month period since the imposition of measures is Turkey (refer 2018 and 2019). Exporters from Turkey are not entirely newcomers to the Australian market, with a number of mills having obtained ACRS certification prior to the imposition of measures. Notwithstanding this, their historic presence has been limited until 2018. The key factor explaining the sudden growth in rebar export volumes from Turkey is related to the unprecedented growth in global trade defence mechanisms including the United States' (US) 'Section 232 tariffs' and the European Union's (EU) steel safeguards that have

⁸⁸ Source: appendix A2

PUBLIC RECORD

effectively increased either the barriers to entry or imposition of quotas against Turkish exports into some of its traditionally largest rebar markets.

As an open market with limited barriers to trade by imported goods, the Australian rebar market is susceptible to diversions in global trade flows caused by international interventions in the form of tariff, quota and non-tariff barriers.

Since February 2018; following the publication of the US' Department of Commerce (**DOC**) report to its Section 232 investigation conducted under the authority of the US Trade Expansion Act of 1962, as amended – in which the DOC indicated the intention to recommend that tariffs be imposed in relation to imports of rebar and other steel and aluminium products to the US - the Australian market has experienced a sudden change in the sources of imports of rebar, especially concerning exports from Turkey.

The US market, previously Turkey's largest for rebar exports, has been largely closed off by the implementation of Section 232 tariffs. Turkey shipped 86,790 mt of rebar to the US in February 2018, down 65% for the same month in 2017.⁸⁹

On 26 March 2018, the European Union, another major export market for Turkish steel producers, commenced a safeguards investigation as a result of the US Section 232 tariff action. In 2017, Turkey exported about 11% of its overseas shipments of rebar to the EU. On 17 July 2018, the EU imposed provisional safeguards on certain steel products, including rebar exported from Turkey, and on 31 January, the European Commission imposed safeguard measures consisting of a tariff-rate quota on imports into the EU of 26 steel product categories, including rebar. They will remain in place until 30 June 2021.

To further compound matters, on 13 August 2018, the US doubled the rate of its Section 232 tariffs applicable to exports of rebar from Turkey, from 25 per cent to 50 per cent. It was not until mid-May 2019, that the US again reduced its Section 232 tariffs to 25 per cent for Turkey.

As a result, the Australian market is observing a growth in import volumes of rebar resulting from displaced trade flows distorted by recent trade barrier actions by other major global importing markets of the goods. Figure 2.6(e)(ii) demonstrates the impact of the US' trade defence action on Turkey's traditional rebar export market.

⁸⁹ CONFIDENTIAL ATTACHMENT 2.6(e)

PUBLIC RECORD

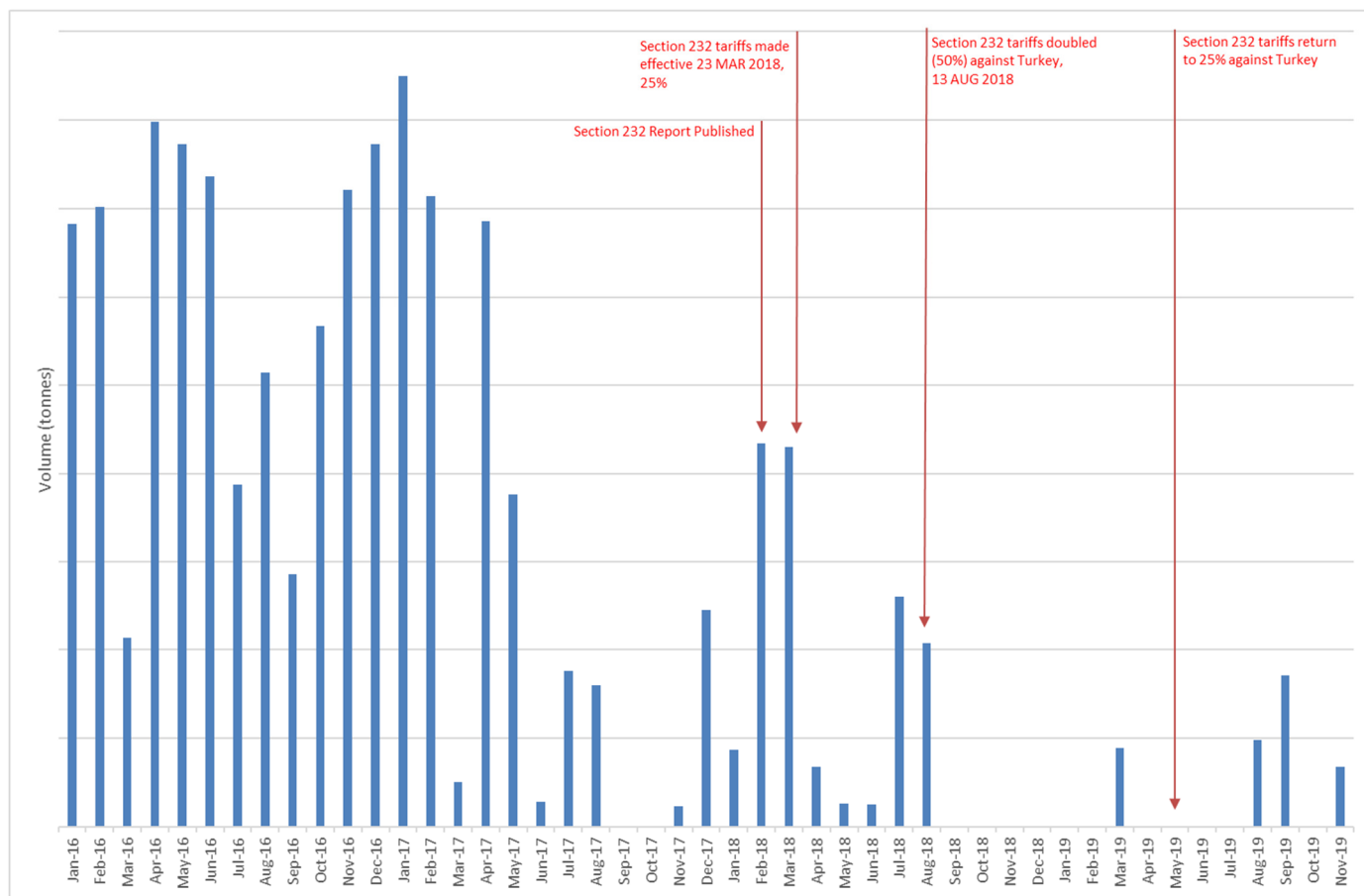


Figure 2.6(e)(ii) – Export volume of rebar from Turkey to the United States⁹⁰

Similarly, Figure 2.6(e)(iii) indicates the impact of the imposition of the EU's provisional and then final safeguard measures. However, as the EU safeguard measures take the form of tariff-rate quotas, Turkish rebar exporters have been better able to maintain some level of access to the EU market by rapidly exhausting their country-specific tariff-rate quota. Notwithstanding any manipulation of the tariff-rate quota system applied, rebar export volumes from Turkey to EU-member countries are consistently lower than its average historic volumes, especially since the revision of the final safeguard measures (commenced 20 May 2019).

⁹⁰ CONFIDENTIAL ATTACHMENT 2.6(e)

PUBLIC RECORD

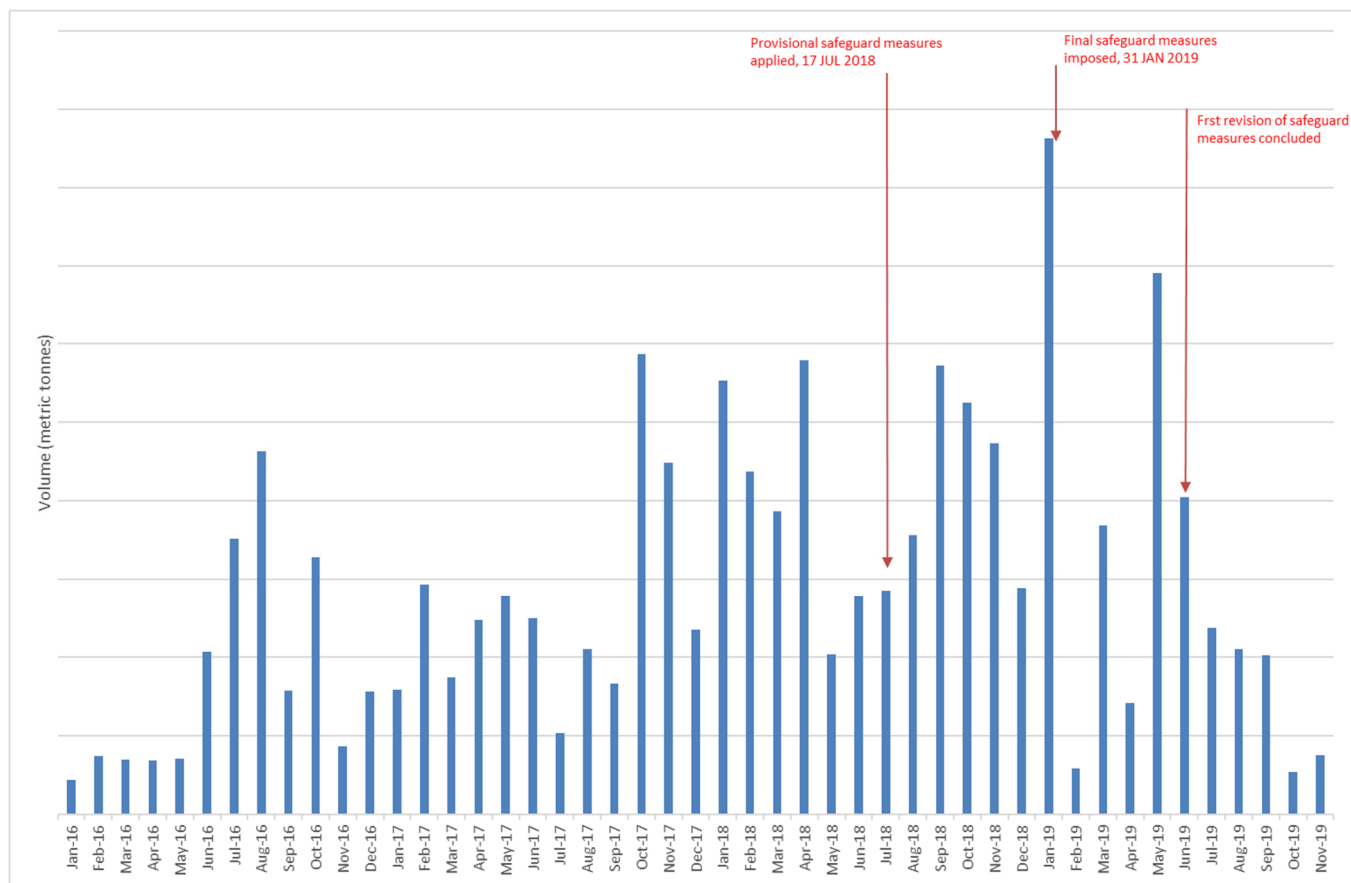


Figure 2.6(e)(iii) – Export volume of rebar from Turkey to the European Union (including UK)⁹¹

Exports of rebar from Poland and Italy

Figure 2.6(e)(i) also indicates both Poland and Italy have emerged (to a lesser) extent as alternative sources of rebar in the Australian market in the 12-month period for 2018.

As discussed in Section 1.4(h), above, the emergence of the Celsa Group owned Polish mill, Celsa Huta Ostrowiec Sp. z o.o, appears to be an opportunistic strategy by those associated with Celsa Barcelona’s distribution links in Australia to obtain a new duty-free source of supply within the corporate group following the imposition of measures against both Celsa Barcelona, and then against its affiliate, Nervacero S.A., since 7 March 2018. The Australian industry considers that should measures expire against Celsa Barcelona, then there will be a recurrence of material injury caused to the Australian industry by increased export volumes by that exporter at dumped prices.

In terms of the emergence of exports from Italy in 2018, there is limited history for this exporter

⁹¹ CONFIDENTIAL ATTACHMENT 2.6(e)

PUBLIC RECORD

in the Australian market, and it is observed that the volume of goods exported from Italy declined by over a quarter (26 per cent) in 2019. The Australian industry considers that the exports from Italy are a likely symptom of the trade divergence caused by the United States' Section 232 tariffs, caused by volume displaced from export to the United States into the markets of the EU.

Conclusion – Turkey as an alternative source of rebar

Exports of rebar from Turkey have been present in the Australian market for a number of years, at volumes less significant than those observed in 2018 and 2019. The trade defence actions of the US and the EU; Turkey's traditional rebar markets; have significantly distorted Turkish exporter's overseas trade patterns. As such Australia has become an attractive destination for its displaced export volumes. However, the US Section 232 tariffs are not permanent, and the EU safeguard measures expire on 30 June 2021. When either or both of these events occur within the lifecycle of the continued measures, then the volume of rebar exported from Turkey is likely to again return to its long-term average. On the other hand, the presence of the countries the subject of these anti-dumping measures have been consistent both before and after the imposition of measures. Should the measures expire, then when Turkish exporters return to their traditional markets in the US and EU, it is likely that the exporters from the subject countries will again export rebar to Australia at dumped prices and in volumes likely to cause material injury to the Australian industry.

Subject country exports by excluded exporters – Power Steel and Nervacero S.A

As indicated in Sections 1.2 and 1.4, above, the Australian industry acknowledged that it was unable to separately identify from the export data, exports of rebar from producers/exporters that were not the subject of the anti-dumping measures addressed in this application for continuation. Accordingly, the Australian industry has had to assume that the export volume identified from Taiwan and Spain constitute exports of rebar that are the subject of the current anti-dumping measures.

In the case of Taiwan, this assumption is supported by the Australian industry's observation (discussed in Section 1.2, above) from its market intelligence that exports by Wei Chih; the Taiwanese exporter subjected to the relevant anti-dumping measures; was dominant in the Australian market, especially since September 2017. In the case of Spain, due to the two active

PUBLIC RECORD

exporters; Celsa Barcelona and Nervacero S.A; being related parties, the Australian industry's market intelligence did not separately identify the mill source.

However, even if the Australian industry was wrong to assume that the majority of volumes of rebar identified as exported from Taiwan and Spain was in fact exported by producer/exporters not the subject of the anti-dumping measures addressed in this application for continuation, then the pattern of trade behavior between mills from the subject countries is such that the Australian industry considers that if the anti-dumping measures expire, it is likely that dumping of rebar from Wei Chih from Taiwan, and Celsa Barcelona from Spain will recur. In support of this contention, Figures 1.2(a) and 1.4(a) are reproduced below.

Figure 1.2(a), below, indicates that following the imposition of measures in November 2015, the export volume from all sources from Taiwan ceased. Export volumes again commenced in the June 2016 quarter. Even if it is assumed that these volumes were entirely from Power Steel; not subject to the current anti-dumping measures, then the imposition of securities against Power Steel at the ad valorem rate of 4.4 per cent from 14 November 2017,⁹² and the imposition of anti-dumping measures on 7 March 2018 following the conclusion of *Dumping Investigation No. 418* at the rate also of 4.4 per cent,⁹³ appears to have resulted in a return of export volume to Wei Chih, now with the more 'competitive' anti-dumping measures comprising of a 2.8 per cent ad valorem rate of duty. Indeed, the spike in export volume from Taiwan in the June 2018 quarter strongly suggests this. Although there was a decline in volume for the September 2018 quarter, the reduction in the ad valorem rate to -0.4 per cent following the conclusion of the review of anti-dumping measures in 31 May 2019,⁹⁴ resulted in a return of volume for Wei Chih in the following June 2019 quarter.

Conclusion – Power Steel

In summary, the dominance or recurrence of export volumes from different exporters within the same subject country is strongly correlated to the 'competitiveness' or effectiveness of their respective measures, such that an exporter with higher duty rates or a less favourable floor price will likely cede volume to an exporter with lower duty rates or more favourable floor price settings. Therefore, should the anti-dumping measures against Wei Chih and other exporters from Taiwan (except Power Steel) expire then the Australian industry expects the dumping and the material injury caused by it (or others) to continue or recur.

⁹² Refer ADN 2017/176

⁹³ Refer ADN 2018/010 with interim dumping duties calculated using the combination method of a floor price and ad valorem rate

⁹⁴ Refer ADN 2019/054

PUBLIC RECORD

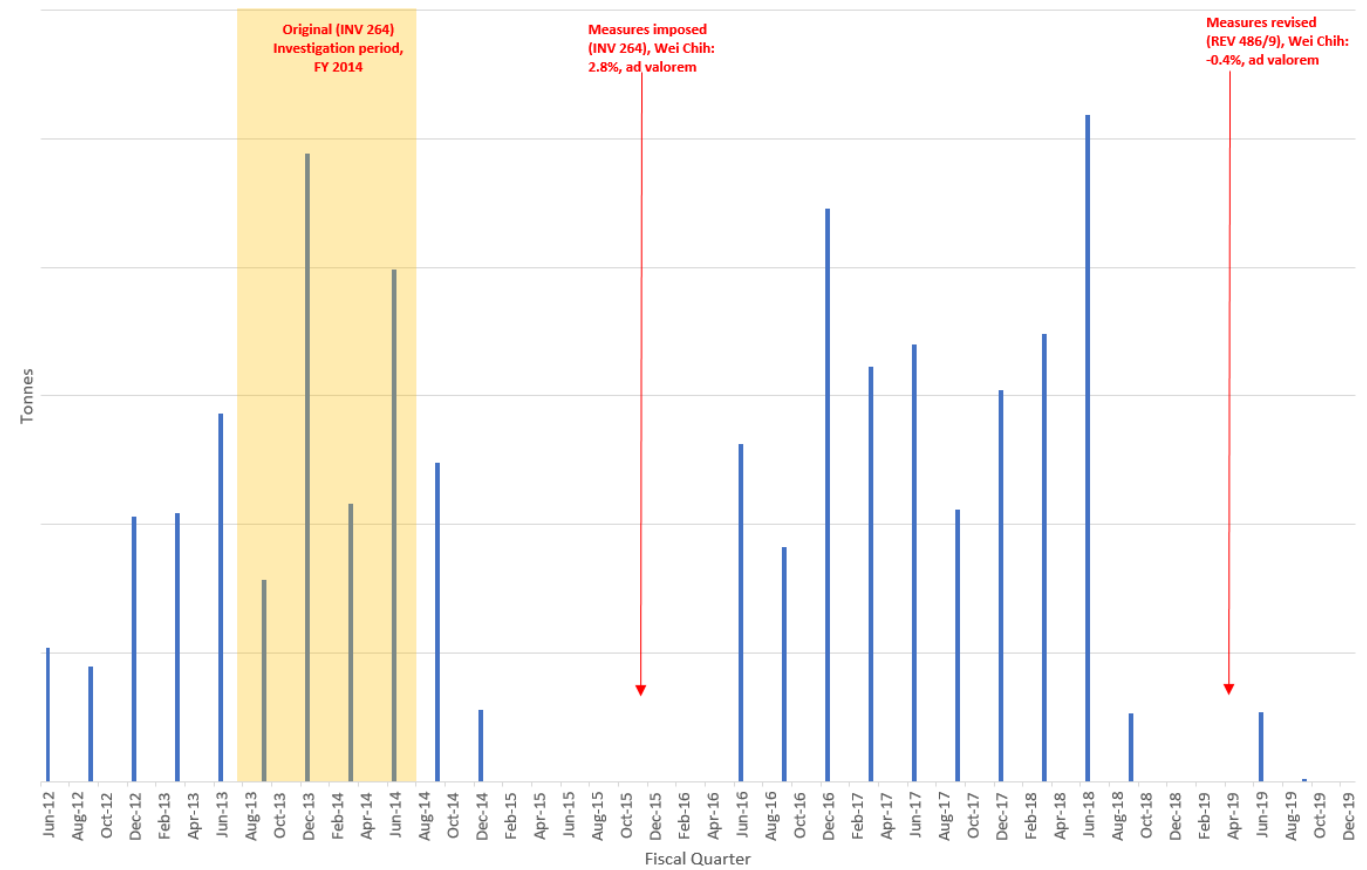


Figure 1.2(a) (reproduced) –Export volumes of rebar from Taiwan⁹⁵

Figure 1.4(a), below, indicates the interplay between Celsa Barcelona and Nervacero S.A following the imposition of measures in November 2015. The initial response of both exporters from Spain was a reduction in export volumes of rebar. This continued until the removal of measures against Nervacero S.A on 4 March 2016.⁹⁶ Export volumes then increased, possibly sourced from both exporters, given the low anti-dumping duty rate applicable to Celsa Barcelona (3.0 per cent, ad valorem). It was not until the Minister initiated review of anti-dumping measures was concluded on 13 April 2017, increased the ad valorem duty rate for Celsa Barcelona to 4.5 per cent, that volumes then decreased in the June 2017 quarter. From this point, with no anti-dumping duties applicable to Nervacero S.A, it is possible that it was responsible for the majority of volume, until 7 March 2018, following the outcome of *Dumping Investigation No. 418* imposed (initially) dumping duties at the rate of 7.5 per cent together with a floor price (later reduced to 6.3 per cent on 4 April 2019). It is anticipated, that if Nervacero S.A was the dominant supply source prior to this time, then following the imposition of

⁹⁵ CONFIDENTIAL ATTACHMENT 1.2

⁹⁶ Refer ADRP Decision No. 34.

PUBLIC RECORD

measures against it, then it is likely that Celsa Barcelona became the dominant exporter of rebar from Spain from the June 2018 quarter, having the more 'competitive' or less effective anti-dumping measures (of 4.5 per cent, *ad valorem*) compared to the significantly more effective measures of Nervacero S.A (6.3 per cent, combination method).

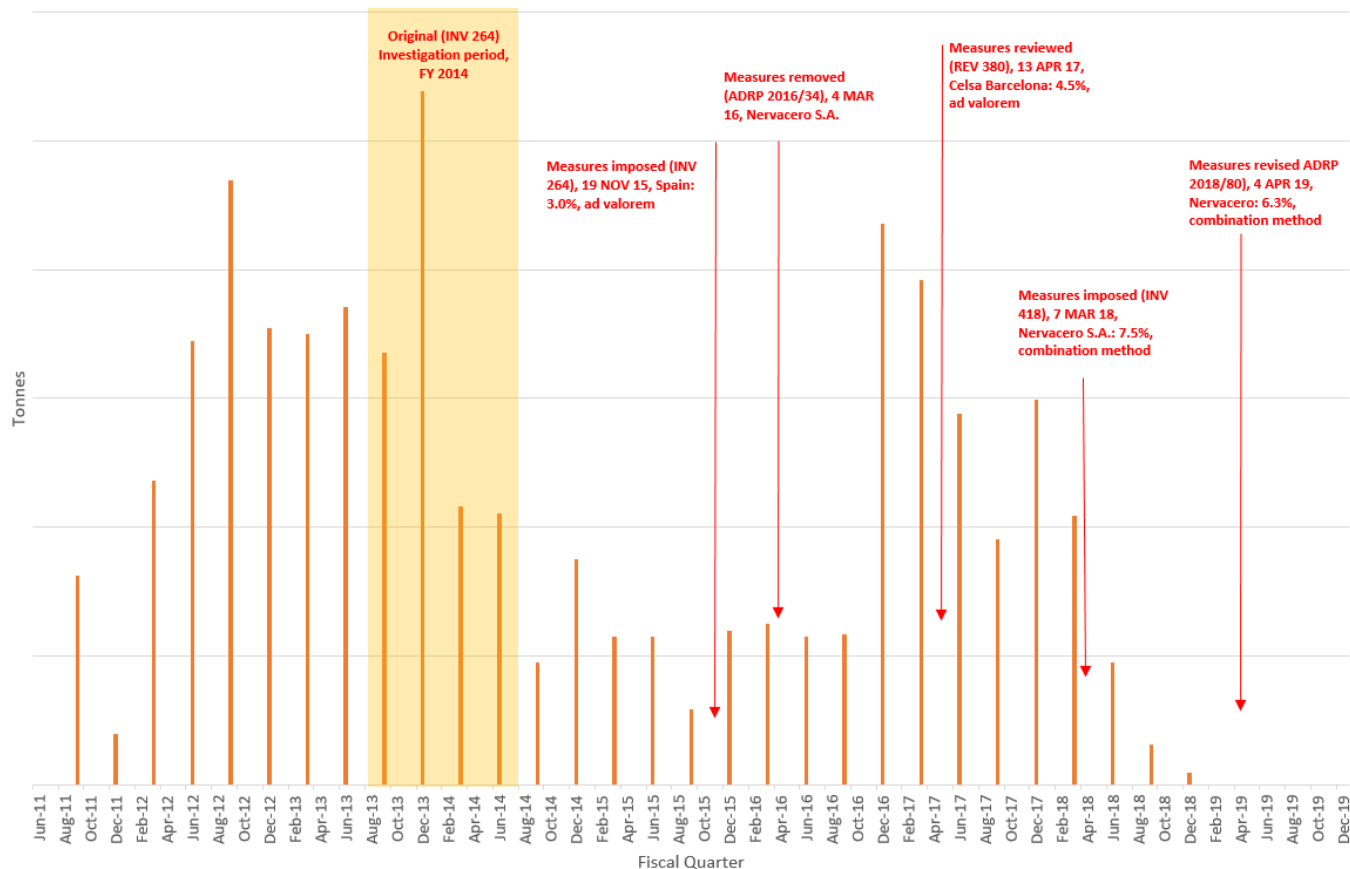


Figure 1.4(a) (reproduced) – Export volumes of rebar from Spain⁹⁷

Conclusion – Nervacero S.A

In other words, the interplay between the exporters of rebar from Spain in response to these or other anti-dumping measures indicates the likelihood that should the anti-dumping measures against Celsa Barcelona and other exporters from Spain (except Nervacero S.A) expire then the Australian industry expects the dumping and the material injury caused by either it (and others) to continue or recur.

⁹⁷ CONFIDENTIAL ATTACHMENT 1.4