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The Director
Investigations 2
Anti-Dumping Commission
GPO Box 2013
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By email

Dear Director

Compañía Española de Laminación S.L. Continuation 546 – submission on expiry of the measures

As you know, we act for Compañía Española de Laminación S.L. (“Celsa Barcelona”) in this continuation inquiry.

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A Introduction

On 7 February 2020, InfraBuild (Newcastle) Pty Ltd, formerly Liberty OneSteel (Newcastle) Pty Ltd (“InfraBuild” or “the Applicant”) applied to the Anti-Dumping Commission (“the Commission”) for the continuation of anti-dumping measures for steel reinforcing bar (“rebar” or “the goods”) exported from Korea, Singapore, Spain and Taiwan. The anti-dumping duties were originally imposed on 19 November 2015. Following that application, the Commission initiated this continuation inquiry on 3 March 2020.

The Commission published the Statement of Essential Facts for this inquiry on 20 August 2020 (the “SEF”).

Celsa Barcelona takes the opportunity to provide its comments concerning certain aspects of the SEF. We respectfully submit that the Commission should recommend the Minister not to secure continuation of the anti-dumping measures as against Celsa Barcelona. Expiry of the measures as against Celsa Barcelona is the outcome that is justified and supported by the application of law to the facts established in the SEF.

B No dumping likely, and no likely injury, by Celsa Barcelona

At the outset, we recall the legislative standard that the Commission is required to apply in the continuation inquiry, as provided in Section 269ZHF(2) of the *Customs Act 1901* (“the Act”). That section provides:

The Commissioner must not recommend that the Minister take steps to secure the continuation of the anti-dumping measures, unless the Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping... and the material injury that the anti-dumping measure is intended to prevent.

Celsa Barcelona respectfully notes following key pieces of evidence with respect to Celsa Barcelona as found by the Commission in the SEF:

- Celsa Barcelona has not dumped the goods to Australia;
- Celsa Barcelona did not export the goods to Australia;
- the Australian industry is no longer “materially injured” by imports subject to the measure, and in our view, even less likely so by imports from Celsa Barcelona;

The evidence thus established gives no support for a finding that there would be a continuation or recurrence of dumping by Celsa Barcelona and a continuation or recurrence of material injury caused by dumped imports from Celsa Barcelona as a consequence of the expiration of the measure, using the standard of a “probable likelihood”, or indeed on any logical standard.

A contrary finding could only soundly be reached if assumptions drawn by the Commission from different pieces of evidence were adequate to support the “probable likelihood” concerned, and were not themselves countermanded by assumptions that could be drawn from other pieces of evidence.

It is to those other facts and circumstances that we now turn.

C Changes in the commercial position and focus of Celsa Barcelona

Celsa Barcelona’s individual circumstances have changed from those at the time leading up to the imposition of the anti-dumping measure in 2015. Such changes are directly relevant to the Commission’s consideration of the factors prescribed under Section 269ZHF(2). Celsa Barcelona’s commercial focus and sales practices is now significantly different. Celsa Barcelona has pivoted its sales and marketing focus onto the domestic Spanish and EU market, and away from non-EU countries

including Australia. This is clearly demonstrated by the fact that Celsa Barcelona had only very small volume of export sales export during the inquiry period, and did not sell the GUC to Australia.

As the Commission is aware, since the original measure was imposed in 2015, Celsa Barcelona's exports of the subject goods to Australia have declined significantly, despite the relatively low anti-dumping duty applicable to Celsa Barcelona. The key driver for this has been Celsa Barcelona's decision to focus on supplying the domestic Spanish and EU markets, in light of the strong recovery of the Spanish economy. This was explained in Celsa Barcelona's Exporter Questionnaire response ("EQR"):

By way of background, Celsa Barcelona would like to draw the Commission's attention to some broader changes to Celsa Barcelona's domestic sales of like goods during the period.

The Spanish domestic market for steel reinforcing bar has changed considerably since the original investigation. In Spain, the demand for steel reinforcing bar has increased substantially as the Spanish construction market continues to recover from the impact of the global financial crisis initiated in 2007-2008. Please refer to EuroConstruct's Press Release which demonstrates the increasing Construction Markets in Spain and the European Union more widely ([available here](#)).

[CONFIDENTIAL TEXT DELETED – sales and market information].

To put this into perspective, during the original investigation period of July 2013 to June 2014 exports accounted for the majority of Celsa Barcelona's sales of the GUC. In contrast, during the inquiry period Celsa Barcelona's domestic sales of the GUC in Spain accounted for more than [CONFIDENTIAL TEXT DELETED – number]% of its total sales of the GUC during the inquiry period. This percentage increases to near [CONFIDENTIAL TEXT DELETED – number]% once sales to other EU common market areas are taken into account. Sales outside the EU zone were mostly [CONFIDENTIAL TEXT DELETED – sales information]. Celsa Barcelona's total production and sales of rebar [CONFIDENTIAL TEXT DELETED – sales and production information]. Celsa Barcelona's total rebar sales accounted for just over [CONFIDENTIAL TEXT DELETED – number]% of its total sales, a reduction of more than [CONFIDENTIAL TEXT DELETED – number]% from the position during the original investigation period.

As was verified by the Commission, Celsa Barcelona's domestic sales of like goods that are "profitable" or "recoverable" accounted for [CONFIDENTIAL TEXT DELETED – number]% of total sales during the inquiry period. Celsa Barcelona's domestic sales achieved a net profit of nearly [CONFIDENTIAL TEXT DELETED – number]%. Celsa Barcelona also achieved [CONFIDENTIAL TEXT DELETED – profit overall]. Celsa Barcelona has been running at full capacity during the inquiry period and the Spanish market has fully recovered since the original investigation, when it was still suffering in the aftermath of the financial crisis. Again, all of this can be contrasted with the original investigation period, when Celsa Barcelona was in a difficult financial position, with low capacity utilization and [CONFIDENTIAL TEXT DELETED – historic operation condition].

Celsa Barcelona advises that its [CONFIDENTIAL TEXT DELETED – business plan] is unlikely to change in the foreseeable future. There is no economic incentive for Celsa Barcelona to recommence exporting substantial volumes of GUC to Australia, let alone to engage in dumping, should the measure be allowed to expire.

These significant changes in Celsa Barcelona's circumstances lead to the assumption that Celsa Barcelona is unlikely to re-engage in the dumping of the GUC into Australia.

D Comparative treatment of exporters subject to measures

We now wish to address the changes in the Australian market brought about by the measures, and what they mean for the purposes of the Commission's consideration of the expiry of the measures as against Celsa Barcelona. The clear result of the measures has been to encourage exporters who are either not subject to the measures under inquiry, or are not dumping, to more actively involve themselves in the Australian market. These include exports from Turkey and from Singapore, which the Commission is on record as saying are unlikely to be dumped or to cause injury.

As the SEF confirms, Celsa Barcelona's exports to Australia declined significantly since 2014 and diminished since 2018.¹ The SEF makes the following observations regarding the export volumes and impact of measures for each of the source of exports subject to the measures:

7.4.2.1 Korea

From 2016, immediately following the imposition of measures, volumes from Korea increased to the highest point since 2011. Since then, volumes from Korea have trended downward. Korean exporters have maintained a presence in the Australian market.

7.4.2.2 Singapore

Singapore has generally been the largest exporter of the subject countries both before and after the imposition of measures. Singapore increased exports to Australia following the imposition of measures in 2015 until 2018. Since then there has been a reduction in volume, however, Singapore continues to be the largest exporter of the subject countries.

7.4.2.3 Spain

Exports from Spain subject to the measures reduced significantly immediately prior to the introduction of the measures. The reduction coincided with the publication of the Preliminary Affirmative Determination (PAD) for Investigation 264 (denoted by the vertical dotted red line in Figure 10). Following the imposition of measures, exports from Spain have remained relatively low.

...

7.4.2.4 Taiwan

Taiwanese exports subject to the measures ceased in 2015 just prior to the imposition of measures. Taiwanese exports subject to these measures re-entered the market in 2017, however, volumes from these exporters have been minimal since 2018. The Commission also notes that volumes from Taiwanese exporters subject to these measures following the inquiry period remains minimal. [underlining supplied]

¹ SEF, figure 11.

Celsa Barcelona expects that it would be afforded with at least similar treatment to Singapore – in light of the comparable pricing behaviour and the lack of evidence of dumping or injury. We note the following analysis in the SEF:

The Commission considers that it is reasonable to assume that a profit-making business that has historically been able to sell significant quantities of rebar at a higher price will not change its behaviour and reduce its prices at the detriment of its own profit margins. On balance, the Commission considers it unlikely that in the absence of measures, Singapore will commence dumping at margins that are injurious to the Australian industry. [underlining supplied]

Such analysis would equally apply to Celsa Barcelona. As mentioned above, Celsa Barcelona has been a profit-making business and is focused on supplying the high demand and profitable domestic market. It is only reasonable to assume that this will continue to be the case, irrespective of the continuation or expiration of the dumping measure.

Further, in light of the similarly “minimal” export sales volume to Australia of Taiwanese exporters and of Celsa Barcelona, it is to be expected that the Commission would afford the same treatment to Celsa Barcelona as it has afforded to Taiwan in its consideration. Indeed, Celsa Barcelona’s export sales of the GUC have diminished *per se*, and not just in relation to Australia, meaning that the evidence relating to Celsa Barcelona provides an even stronger basis for expiry than that for Taiwan.

It is not clear to us how Celsa Barcelona could be treated differently to exporters from the other countries we have mentioned. The only logical conclusion that can be drawn from the comparisons is that the measures should also be allowed to expire as against Celsa Barcelona.

E Other Celsa Group exports justify expiry, not continuation

We note the SEF shows particular interest in exports by companies affiliated to Celsa Barcelona that are not subject to the anti-dumping measures. For instances:

CELSA is a member of the CELSA Group. The CELSA Group owns or controls a number of steel mills in a range of countries. In its application, and a subsequent submission, InfraBuild claimed that the CELSA Group is able to alternate its supply from whichever of its mills are not subject to measures. As evidence of this, it pointed to the increase in export volumes from another company in the CELSA Group, Nervacero, to Australia following the removal of measures on it in 2016. In 2018 when measures were imposed on Nervacero, its export volumes decreased.

The Commission analysed the pattern of exports from CELSA and Nervacero to Australia and found that there has been an inverse correlation in export volumes between the two sources between 2012 and 2017. This analysis is shown in Figure 11 below.

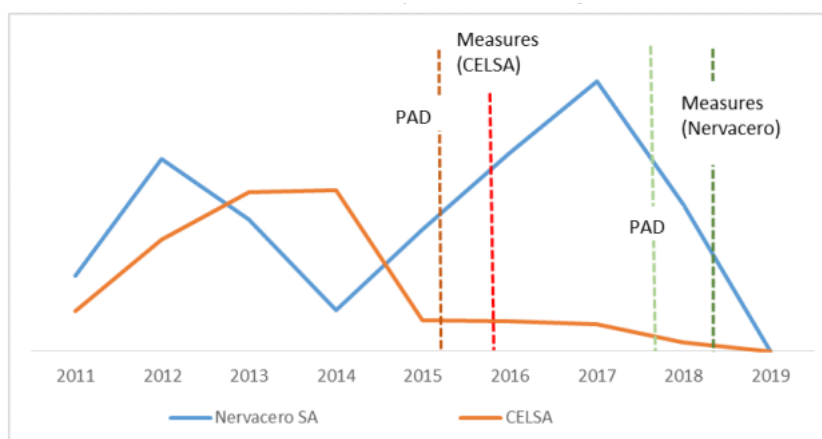


Figure 11: Exports from Spain⁵⁵ (CELSA and Nervacero) to Australia, MT

As Nervacero has been subject to dumping duties since 2018, it is reasonable to expect, given past behaviour, that exports to Australia would be sourced from CELSA in the absence of measures. InfraBuild claimed that the alternating of the CELSA Group's supply has now broadened with the ACRS certification of the CELSA Group's mill in Poland. The Commission has analysed ABF data and observes that the pattern of export sources from the CELSA Group supports InfraBuild's claim. While exports of the goods to Australia from Poland are not subject to this inquiry, the Commission finds it a relevant consideration that the CELSA Group is able to alternate its supply source. As both CELSA and Nervacero remain ACRS accredited mills (discussed further in section 7.4.5) that have supplied the Australian market prior to 2019, the Commission considers there to be a reasonable likelihood that volumes will again be supplied from CELSA in the absence of measures.² [footnotes omitted and underlining added]

and:

While there were no exports from Spain during the inquiry period, the Commission has identified evidence to support InfraBuild's assertion that the CELSA Group alternates supply mills based on which mill is subject to measures. While CELSA has reduced its export volumes following the imposition of measures, the volumes exported from Nervacero (not subject to this inquiry) increased significantly until measures were imposed on it in 2018. CELSA is an ACRS-certified exporter with some excess capacity that has maintained its distribution links in Australia. Anti-dumping measures were imposed on rebar exported from Nervacero in 2018. Following this, there have been no exports to Australia from Nervacero in 2019. In the absence of measures, it is likely that volumes that may have been supplied from Nervacero will be supplied from CELSA as has been found in the past (Figure 11 refers). These factors, together with the substitutability and price-sensitive nature of the goods and the influence of import prices on Australian industry's prices, leads the Commission to the view that in the absence of measures, dumping of Spanish rebar is likely to recur resulting in the likely recurrence of injury to the Australian industry.³

² SEF, at page 50

³ SEF, at page 63

and:

The Commission concurs with InfraBuild's claim concerning the CELSA Group and its practice of alternating supply between mills (section 7.4.2 refers). The Commission has found that in the absence of measures it is likely that the CELSA Group will again supply through CELSA from Spain, which was found to be dumping at the rate of 4.5 per cent in Review 380.⁴

We respectfully submit that the Commission cannot and should not concur with InfraBuild's claim. That claim is not fact-based and suffers from a number of logical flaws, which we now explain.

- 1 The view that in the absence of measures it is likely that the Celsa Group will again supply rebar to Australia is based on assumptions that:
 - (a) Celsa Barcelona and Nervacero must supply the Australian market;
 - (b) Celsa Barcelona will likely to do so if the anti-dumping measure is to expire, and will do so:
 - (i) at a dumped price and;
 - (ii) in a not negligible volume;

That view has no evidentiary basis. The fact is that Celsa Barcelona's export sales of the GUC have diminished for all export destinations, and that it has instead shifted business focus to supplying the EU domestic market for wire rods and rebar.

- 2 Celsa Barcelona's shift away from supplying export markets is driven by commercial factors and the healthy profit on the domestic market. Those factors are independent of the expiry of Australian dumping measures. Celsa Barcelona would not enjoy that profit if it were to inexplicably give away Spanish and EU sales and revert to selling into the Australian market at prices that might be considered by the Commission to be dumped. The non-existence of dumping duties in Australia will not impact upon Celsa Barcelona's motivation to maintain its position in the Spanish and EU markets.
- 3 The SEF considers sales to Australia by Celsa Poland as being "*a relevant consideration*" because "*the CELSA Group is able to alternate its supply source*". However the SEF gives little reasoning as to how or why an alternate supply source makes it more or less likely that the expiration of the measure would lead to recurrence of dumping and the causing of material injury by one of those sources. Instead, it would be more rational to think that having an alternate source of supply would naturally disprove that proposition. If anything, the establishment of a supply channel between Celsa Poland and Australia indicates that it is unnecessary for Celsa Barcelona to re-enter the Australian market. Just because there are a number of Celsa factories around the world does not make it any more likely that one of them would engage in dumping into Australia if it was not restrained from doing so. The fact that there are alternate sources of supply says nothing about the likelihood of resumed dumping by Celsa Barcelona. Where is the incentive for Celsa Barcelona to recommence exporting to

⁴ SEF, at page 64

Australia at a “dumping” level in order to compete with other exporters, including its affiliated company in Poland?

- 4 The conclusion that “[i]n the absence of measures, it is likely that volumes that may have been supplied from Nervacero will be supplied from CELSA as has been found in the past (Figure 11 refers)” is pure speculation. Such speculation ignores the fact that the Australian market has significantly changed since the time that either Celsa Barcelona or Nervacero was a major exporter to Australia. The import market is now dominated by exports not subject to the inquiry, especially imports from Turkey. Major customers of Nervacero – such as the Australian industry itself - have also shifted their sources of supply (or, in the case of the Australian industry, its own production arrangements) to an extent that such supply channel has discontinued. The speculative “volumes that may have been supplied” simply do not exist.

F Previous dumping and ACRS misused against Celsa Barcelona

The underlining logic that Celsa Barcelona would take every opportunity to sell its product to Australia at dumped price and to injure the Australian industry – and will likely succeed in doing so, is fanciful at best.

A prime example of the mistaken or even purposefully misleading “facts” sought to be relied upon by the Commission is the suggestion, by reference to “Review 380”, that in absence of a dumping measure against Celsa Barcelona it is likely to supply the GUC to Australia at a dumping margin of 4.5%. This is plainly baseless and wrong. The Commission is kindly reminded that the 4.5% dumping margin determined in “Review 380” was merely an attempt to restate Celsa Barcelona’s dumping margin from the original investigation. It was not an authentic “review” regarding a later period than the original investigation period.

Celsa Barcelona also objects, in the strongest terms, to the SEF’s comment that Celsa Barcelona’s maintenance of an ACRS certification can somehow be considered “incriminating”. Celsa Barcelona advises that it maintains such certification in order to be ready to supply to customers that require AS/NZS standard products, such as Australia and New Zealand. Celsa Barcelona strongly disagrees that having such certification makes it more likely that it would sell the goods to Australia at a dumped price. It cannot be used as evidence that Celsa Barcelona is likely to recommence any dumping.

G Significant changes in Australian market conditions

As part of the consideration of the question that “[i]s injury from dumping likely to be material” the SEF states:

...if measures were to expire, the continuation or recurrence of dumped exports from Korea and Spain would put downward pressure on prices in the Australian market such that the Australian industry would experience continued price suppression and the prospect of further deterioration in market share.⁵

We respectfully submit that such conclusion is unsubstantiated.

⁵ SEF 546, page 64.

As the SEF notes, the largest source of exports subject to the inquiry is Singapore. The Commission finds that these are only marginally dumped, but that “*Singaporean export prices have been the highest of the subject countries, even exceeding the average prices of countries not subject to measures consistently since the imposition*”. They do not undercut the prices of the Australian industry. The SEF also notes that exports from Taiwan have been above the floor prices that constitute the form of dumping measures imposed against them “*by a material quantum*”. The Commission finds that expiration of the measures against these exporters is unlikely to cause injury to the Australian industry. The SEF’s price analysis indicates that exports from Taiwan were amongst the lowest prices in 2018, whereas prices from Singapore have consistently been the highest amongst imports since 2016.

The SEF’s price observations are displayed in the following graph:

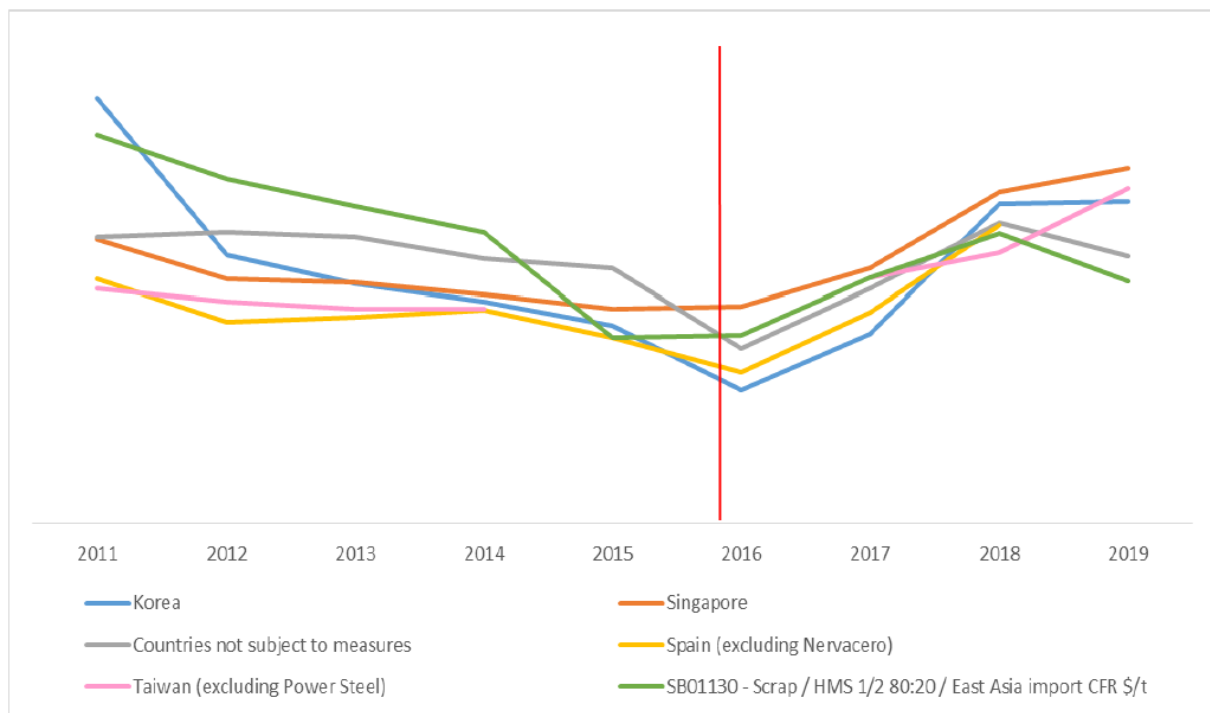


Figure 12: Weighted average FOB price of the goods (\$/MT)^{56, 57}

These observations disprove the SEF’s repeated claim of “price sensitivity” in the Australian market. Instead, it shows that even if Celsa Barcelona recommences exports to Australia, there is no evidence that such export is likely to either “*put downward pressure*” on the prices of Australian market, or to materially injure the Australian industry. Celsa Barcelona’s price – if priced similar to Singapore and Taiwan, would not have undercut the Australian industry, therefore not putting any downward pressure, and if priced similar to Turkey, such price would simply be consistent with the existing market dynamic that the Australian industry is experiencing, therefore not putting any additional downward pressure, if any.

Furthermore, the SEF’s conclusion that expiry of the measures against Celsa Barcelona would probably result in dumping by Celsa Barcelona, and that that will cause material injury to the Australian industry, appears to neglect the fact that the Australian market is not solely supplied by the exporters subject to the measures. Instead, the Australian market is mostly supplied by exporters not subject to measures.

This is shown in the following chart:

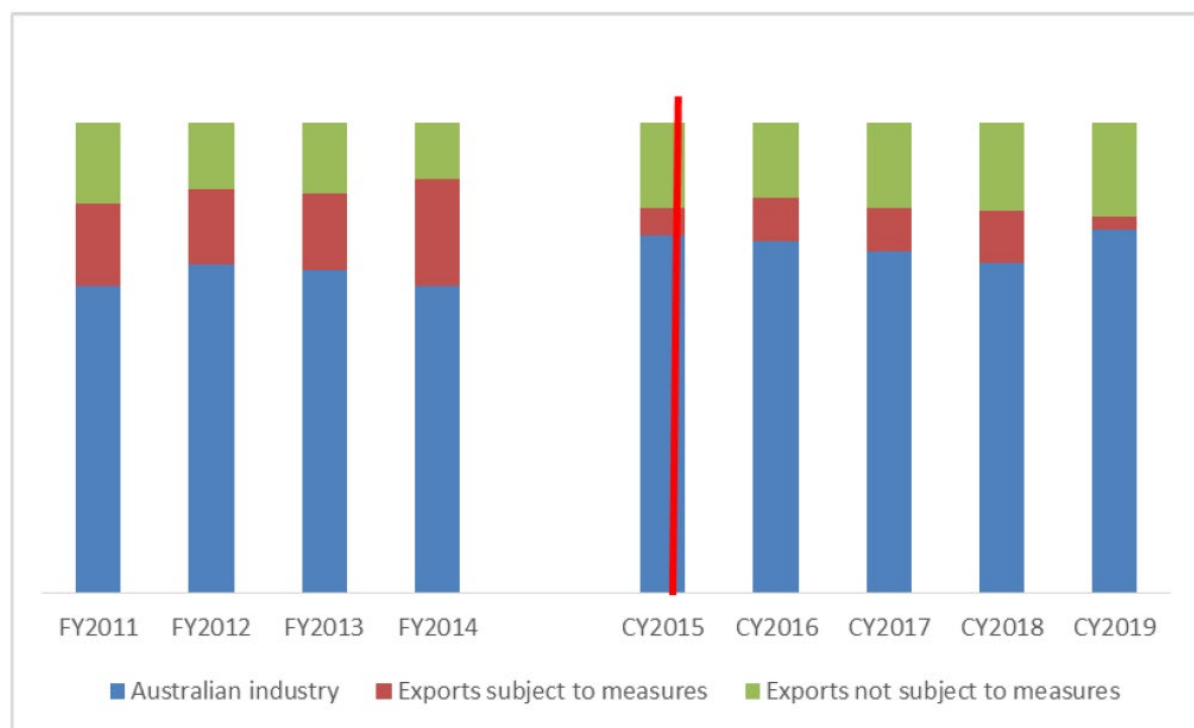


Figure 7: Australian market share

The existing presence of exports not subject to measures and their influences on the Australian industry is a critically important factor that the Commission must take into account. The Australian industry’s complaint that imports from Turkey have replaced other export sources and have been the key source of its “material injury” is well documented and extensively acknowledged by the Applicant itself.⁶ Celsa Barcelona notes that the Commission investigated this complaint of the Australian industry in Investigation 495. That investigation has since been terminated twice, with no dumping detected.

The Australian industry’s comments regarding the Turkish imports are relevant for the purpose of this continuation inquiry. In Investigation 495, the Australian industry claimed:

- Import volumes from Turkey for rebar in straight lengths increased by 123% between November and December 2018, with exports of coil increasing by 194% in that same period.⁷ These volumes were anticipated to arrive in Australia in the latter half of January and February 2019.⁸ Imports from Turkey increased again between April 2019 to June 2019, by 591% and the imports have continued in large volumes.⁹
- There is a direct correlation between the increase in volumes of rebar imported from Turkey and the Australian industry’s quarterly sales volume and market share for rebar.¹⁰

⁶ EPR 546, Doc 001, pages 56, 82.

⁷ EPR 495 Doc 019, Submission by InfraBuild, page 2.

⁸ EPR 495 Doc 019, page 6.

⁹ EPR495a-039, at page 9.

¹⁰ EPR 495, Doc 001, page 45.

- The prices of Turkish exports to Australia applied downwards pressure on the Australian industry's prices. This was due to InfraBuild's market-based pricing policy.¹¹
- Between 2014 and 2018, InfraBuild reduced its prices for rebar to its customers, as based on its market intelligence concerning import offers from Turkey.¹² This resulted in price suppression caused by those price offers for goods exported from Turkey.¹³

As shown in Figure 12 of the SEF, imports not subject to measures, which include imports from Turkey, continue to represent the lowest priced source of imports, and command nearly 90% of the market share of goods imported into Australia during the inquiry period. There is no evidence to suggest that allowing the measure to expire as against Celsa Barcelona would cause Turkish exporters to be any less competitive in their price offers or that Celsa Barcelona would resultantly export the GUC to Australia and undersell those imports. The question of dumping does not even impact on the analysis. Why the Commission thinks that Celsa Barcelona, operating profitably and at high capacity utilisation in its production for the Spanish and EU markets, would suddenly decide to "take on" Turkish exporters in a market as far away as Australia. There is simply no incentive or desire on Celsa Barcelona to export to Australia at a price that would undercut the prices of both the Australian industry and of the Turkish exporters. The proposition that Celsa Barcelona would renew dumped exports to the extent that the prices of such exports would independently "put downward pressure" on the prices of the Australian industry and cause it material injury is not even remotely believable.

Un-dumped exports account for almost all of the import market in Australia. The presence and prices of those exports count against the likelihood that exports from Celsa Barcelona would be renewed, at dumped prices, and thereby cause material injury to the Australian industry.

H Impact and method of duty to be consistent with "likelihood"

1 Export and normal value determination must take into account likely exports

The SEF proposes to continue the measure as against Celsa Barcelona based on a "*floor price duty method, with the floor price set equal to the ascertained normal value*".¹⁴ The normal value is calculated by reference to all of Celsa Barcelona's domestic sales of rebar during the inquiry period.

As established above, it is Celsa Barcelona's view that available evidence from the inquiry period cannot support the proposition that the expiration of the measure is likely to lead to a recurrence of dumping by Celsa Barcelona. However the SEF appears to suggest that such a recurrence is likely due to the presence of exports to Australia by Celsa Barcelona's affiliated companies in the past. If this is the case, and without prejudice to Celsa Barcelona's primary submission that the measures should not be continued, we submit that it is critical that any such measure so continued properly reflect the type of GUC that Celsa Barcelona or its affiliated companies are *likely* to export.

Celsa Barcelona notes that it only exported [CONFIDENTIAL TEXT DELETED – range] diameter [CONFIDENTIAL TEXT DELETED – product type] during the original investigation, in about equal

¹¹ EPR 495, Doc 001, page 47.

¹² EPR 495, Doc 001, page 47

¹³ EPR 495, Doc 001, page 55.

¹⁴ SEF 546, page 71.

portions of the total export volume. On the other hand, the goods sold by Nervacero S.A during both the original and the second investigation were mostly [CONFIDENTIAL TEXT DELETED – range] diameter [CONFIDENTIAL TEXT DELETED – product type], in a volume ratio of about [CONFIDENTIAL TEXT DELETED – number] on average. Such export product mix reflects the production facility set-up at each of the companies and the type of products that Australian customers would be likely to have an interest in purchasing from Celsa Barcelona.

If the Commission considers it appropriate to continue the measure as against Celsa Barcelona, Celsa Barcelona respectfully requests that the weighted average normal value be determined by reference to the kind of GUC that Celsa Barcelona and its affiliated company have sold to Australia in the past. That is, the normal value and export price should be determined having regard only to [CONFIDENTIAL TEXT DELETED – product type and range].

2 Duty method must not exceed any need to prevent injury

We refer to:

- the proposal in the SEF that the dumping measure should continue as against Celsa Barcelona on a floor price basis, using its normal value during the inquiry period;
- the belief that a non-injurious price cannot be calculated with reference to prices of un-dumped imports; and
- the conclusion that the non-injurious price is to be calculated based on InfraBuild's cost plus a projected profit.

Regarding the floor price-based dumping duty, Celsa Barcelona considers that such a form of measure would be likely to impede unduly Celsa Barcelona's ability to export to the Australian market. As the SEF notes, steel scrap markets tend to fluctuate and have been on a downward trend since the beginning of 2020.¹⁵ On the other hand, rebar prices in Australia has been on an upward trend since 2016. If the scrap price trend continues or stabilises it is likely that rebar prices in Australia will follow, unable to sustain continued high levels against the regional market trend. In that scenario, and as a result of the proposal to apply a 2019 normal value again Celsa Barcelona's exports, Celsa Barcelona would be "stuck" with a high floor price. Indeed it would be the only exporter in such a position.

This outcome would be unwarranted and inappropriate. Accordingly, we respectfully request, if any dumping measure is to continue with respect to goods exported by Celsa Barcelona, that such measure is set at 0% *ad valorem*, fixed, or is otherwise consistent with other un-dumped export prices to Australia.

Regarding the determination of the non-injurious price, Celsa Barcelona would like to raise the following matters for the Commission's consideration:

- Given that nearly 90% of all imports of the GUC during the inquiry period were not subject to dumping measures, the Australian market could not be said to have been materially influenced

¹⁵ SEF, Figure 13.

by dumped prices, and thus the export prices of those exporters are the most convincing benchmark for a non-injurious price.

- In the inquiry period the Australian industry increased its sales volume and market share despite competition from imports.
- The Australian industry predicts that it will be profitable despite continuing to implement some sort of “import parity” pricing that benchmarks its prices to the import prices, where such import prices are mostly unaffected by dumping measures.
- The Australian industry projects that it will be profitable in the near future, despite also claiming to be unprofitable ever since the dumping measure was imposed in 2015. This shows that the Australian industry does not believe that any material injury is likely to continue or recur, therefore there is no justification for the dumping measure to continue.

Celsa Barcelona considers that the above matters should lead the Commission to conclude that continuing the dumping measure as against Celsa Barcelona in the form of a normal value based floor price is unwarranted. Celsa Barcelona submits that the more appropriate measure – assuming *arguendo* that the Commission can recommend that the Minister secure continuation of the measure – is for a dumping duty of 0% to apply with respect to Celsa Barcelona on an *ad valorem* basis. Alternatively, the non-injurious price should be calculated with respect to the average import prices during the inquiry period.

Once again, Celsa Barcelona respectfully urges the Commission to revisit its views in relation to the likely effect of the expiration of the dumping measure as against Celsa Barcelona, and to recommend that the Minister not secure continuation of the measure against Celsa Barcelona.

Celsa Barcelona submits that the evidence as verified by the Commission simply cannot support the proposition that the Minister should secure continuation of that measure.

Yours sincerely



Charles Zhan
Partner

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