



ANTI-DUMPING NOTICE NO. 2020/077

Customs Act 1901 – Part XVB

Rod in coil

Exported from the People's Republic of China

Initiation of Continuation Inquiry No. 562 into Anti-Dumping Measures

Notice under section 269ZHD(4) of the Customs Act 1901

I, Dale Seymour, the Commissioner of the Anti-Dumping Commission (Commissioner), have initiated an inquiry into whether the continuation of anti-dumping measures, in the form of a dumping duty notice, in respect of steel rod in coil (rod in coil, or the goods) exported to Australia from the People's Republic of China (China) is justified.

The anti-dumping measures are due to expire on **22 April 2021** (specified expiry day).¹

1. The goods

The goods subject to the anti-dumping measures and this inquiry are:

Hot-rolled rods in coils of steel, whether or not containing alloys, that have maximum cross sections that are less than 14mm.

The goods covered include all steel rods meeting the above description regardless of the particular grade or alloy content.

Goods excluded from the measures are:

Hot-rolled deformed steel reinforcing bar in coil form, commonly identified as rebar or debar, and stainless steel in coils.

¹ On and from 22 April 2021, if not continued, the anti-dumping measures would no longer apply.

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995*:^{2, 3}

Tariff Subheading	Statistical Code	Description
7213		BARS AND RODS, HOT-ROLLED, IN IRREGULARLY WOUND COILS, OF IRON OR NON-ALLOY STEEL
7213.91		Other
7213.91.00	44	Of circular cross-section measuring less than 14 mm in diameter
7227		BARS AND RODS, HOT-ROLLED, IN IRREGULARLY WOUND COILS, OF OTHER ALLOY STEEL
7227.90		Other
7227.90.90	02	<i>Of circular cross-section measuring less than 14 mm in diameter</i>

2. Background to the anti-dumping measures

The anti-dumping measures were initially imposed by public notice on 22 April 2016 by the then Assistant Minister for Science and Parliamentary Secretary to the Minister for Industry, Innovation and Science (the Assistant Minister).⁴ This followed the Assistant Minister's consideration of my recommendation in *Anti-Dumping Commission Report No. 301* (REP 301) as a result of Investigation 301 (the original investigation).

The original investigation and the imposition of the anti-dumping measures resulted from an application made under section 269TB of the *Customs Act 1901*⁵ by OneSteel Manufacturing Pty Ltd, representing the Australian industry producing like goods to the goods subject to the anti-dumping measures.

Further details on the goods and existing measures are available on the Dumping Commodity Register on the Anti-Dumping Commission's (Commission) website (www.adcommission.gov.au).

3. Application for continuation of the anti-dumping measures

Division 6A of Part XVB sets out, among other things, the procedures to be followed for an application for the continuation of anti-dumping measures.

² These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods subject to the anti-dumping measures.

³ Tariff classification 7227.90.90 (statistical code 42) was previously used to classify the goods, it was replaced by 7227.90.90 (statistical code 02) from 1 January 2015.

⁴ [Anti-Dumping Notice \(ADN\) No. 2016/47](#) refers.

⁵ All legislative references in this notice are to the *Customs Act 1901*, unless otherwise stated.

In accordance with section 269ZHB(1), I published a notice⁶ on the Commission's website on 4 May 2020. The notice invited the following persons to apply for the continuation of the anti-dumping measures:

- the person whose application under section 269TB resulted in the anti-dumping measures (section 269ZHB(1)(b)(i)); and/or
- persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the anti-dumping measures (section 269ZHB(1)(b)(ii)).

On 2 July 2020, an application for the continuation of the anti-dumping measures was received from InfraBuild (Newcastle) Pty Ltd (InfraBuild). A non-confidential version of the application is available on the Commission's public record.

The application states that:

- InfraBuild and two other related entities, InfraBuild NSW Pty Ltd (formerly OneSteel NSW Pty Ltd) and The Australian Steel Company (Operations) Pty Ltd (collectively referred to hereafter as 'InfraBuild Steel') are producers of the goods; and
- the Australian market is supplied by InfraBuild Steel and by imports.

Having regard for the application, the original investigation and previous investigations in relation to 'like goods',⁷ I am satisfied that InfraBuild Steel represents the whole Australian industry producing 'like goods'⁸ to those covered by the existing anti-dumping measures⁹.

4. Consideration of application under section 269ZHD(1)

Pursuant to section 269ZHD(1), I must reject an application for the continuation of anti-dumping measures, if I am not satisfied of one or more of the matters referred to in section 269ZHD(2). These matters require me to consider if:

- the application complies with section 269ZHC; and
- there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.

⁶ [ADN No. 2020/042](#) refers.

⁷ See for example [Investigation 495 \(EPR document number 018\)](#).

⁸ The phrase "like goods" is defined under section 269T(1). Sections 269T(2), 269T(3), 269T(4), and 269T(4A) are used to determine whether the like goods are produced in Australia and whether there is an Australian industry.

⁹ Section 269ZHB(1)(b)(ii)

5. Assessment under section 269ZHD(2)(a) - Compliance with section 269ZHC

I consider that the application complies with the requirements of section 269ZHC, because it is:

- in writing;
- in a form approved by me for the purposes of this section;
- contains the information that the form requires;
- is signed in the manner indicated by the form; and
- was lodged in a manner approved under section 269SMS, being by email to the Commission's email address provided in the instrument under section 269SMS.¹⁰

6. Assessment under section 269ZHD(2)(b) – Reasonable grounds

Applicant's claims

InfraBuild's application sets out, among other things, that:

- Exports of rod in coil from China to Australia from 1 March 2015 to 30 April 2016 were made at dumped prices with an estimated dumping margin of 23.0 per cent.
- Strong demand for rod in coil in Australia makes it an attractive destination for exporters.
- Exporters of rod in coil from China to Australia have all demonstrated excess production capacity of rod in coil, and InfraBuild expects that they will continue to seek other export markets, including Australia.
- Chinese exporters of rod in coil continue to be active participants in Asian export markets (Indonesia, Philippines, South Korea and Thailand) offering prices that are at, or near, the lowest price offers of any source of rod in coil.
- The prices offered by Chinese exporters for rod in coil in export markets are below the prices achieved in the Chinese market.
- The Australian rod in coil market is highly price sensitive and the Australian industry's prices for rod in coil sold into the Australian market are mainly influenced by price competition from importers.
- Should Chinese exporters sell rod in coil into the Australian market at the same or comparable prices to those observed in other Asian export markets they would undercut InfraBuild's prices. Such low prices in the market would cause InfraBuild to achieve lower prices and sales volume than it would have otherwise achieved. In turn this would result in the Australian industry experiencing a recurrence of the injury that the measures were intended to prevent.
- The variable factors have changed since the last review of measures in 2019.

¹⁰ A copy of the instrument can be found on the Commission's website at: www.adcommission.gov.au

- The current anti-dumping measures have been effective as there has not been any exports of rod in coil from China to Australia since the measures were imposed in April 2016.

Consideration of applicant's claims

As part of its application, InfraBuild claimed that there has not been any exports of rod in coil to Australia from China since April 2016. The Commission has examined information it obtained from the Australian Border Force import database and was able to confirm the accuracy of this claim. This suggests that the anti-dumping measures have been effective in stopping the export of the goods to Australia from China at dumped prices.

Furthermore exports of like goods to Australia from a range of other countries (some with anti-dumping measures in place) have continued throughout the period examined, confirming that the Australian market continues to be a potential destination for the goods.

In REP 301, the Commission found that price is a significant factor in consumer purchasing decisions.¹¹ In its application, InfraBuild provided data and market intelligence relevant to import price offers for exports from China to other Asian markets to demonstrate that Chinese exporters made low or the lowest price offers in these markets.

Based on the evidence, I consider the following grounds set out by the applicant appear to be reasonable grounds for asserting that the expiration of the measures might lead (or might be likely to lead) to a recurrence of the material injury that the measures are intended to prevent:

- Rod in coil is a price sensitive commodity and InfraBuild's pricing is influenced by the price of imports.
- There is evidence of low priced Chinese exports in the Asian region that, if seen in the Australian market, would likely put pressure on the prices able to be realised by InfraBuild for its rod in coil.
- The anti-dumping measures have been effective in stopping the export of rod in coil to Australia from China at dumped prices and the initiation of this continuation inquiry provides an opportunity to review the future of the measures.

The Commission further notes that since the measures were imposed in 2016 there have been four separate reviews conducted into rod in coil exported from China. The most recent review in January 2019¹² found that the dumping margin for all exporters from China was 39.5%. This indicates that there are reasonable grounds to consider that dumping may continue or recur and the Australian industry may suffer material injury as a consequence.

I am therefore satisfied that there appears to be reasonable grounds to assert that if the measures expire, dumping of rod in coil from China will continue and

¹¹ [REP 301](#)

¹² [Anti-Dumping Commission Report No. 468](#)

might lead (or might be likely to lead) to a recurrence of the material injury that the measures are intended to prevent.

7. Conclusion

Having regard to the application, InfraBuild’s claims and other relevant information set out in this notice, I am satisfied of both matters referred to in section 269ZHD(2).

I have therefore decided to not reject the application.

8. This continuation inquiry

For the purposes of this inquiry, I will examine the period from **1 July 2019 to 30 June 2020** (the inquiry period) to determine whether the goods exported from China have been dumped. Following my inquiries I will recommend to the Minister whether the anti-dumping measures should:¹³

- (i) remain unaltered; or
- (ii) cease to apply to a particular exporter or to a particular kind of goods; or
- (iii) have effect in relation to a particular exporter (or to exporters generally), as if different variable factors had been ascertained; or
- (iv) expire on the specified expiry day.

9. Proposed model control code structure

On 9 August 2018, the Commission advised in Anti-Dumping Notice No. 2018/128 that a model control code (MCC) structure would be implemented in new investigations, reviews of exporters generally, or continuations for cases initiated after this date.¹⁴

The table below outlines the Commission’s proposed MCC structure for this inquiry.

Item	Category	Sub-category	Identifier	Sales data	Costs data
1	Prime	Prime	P	Mandatory	N/A
		Non-prime	N		
2	Alloy ¹⁵	Alloy	A	Mandatory	Mandatory
		Non-alloy	N		

¹³ Section 269ZHF(1)(a).

¹⁴ Full guidance regarding the Commission’s MCC structure is provided in [Anti-Dumping Notice No. 2018/128](#) on the Commission’s website.

¹⁵ For the purpose of the description of this category of the MCC, ‘alloy’ here means steel containing a chemical composition that at least meets or exceeds the minimum chemical element proportions specified in Note (f) “Other alloy steel” to Chapter 72 [under Schedule 3 of the Customs Tariff Act 1995](#). For the avoidance of doubt this definition has been reproduced at Appendix 1.

Proposals to modify the proposed MCC structure outlined above should be raised as soon as is practicable, but no later than **2 September 2020**, the day submissions concerning the continuation of the measures are due.

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

10. Public record

I must maintain a public record for this inquiry. The public record must contain, among other things, a copy of all submissions from interested parties.

Documents included in the public record may be examined at:

www.adcommission.gov.au

11. Submissions

Interested parties, as defined in section 269T(1) of the Act, are invited to lodge written submissions concerning the continuation of the measures, no later than the close of business on **2 September 2020**, being 37 days after the initiation of this inquiry. The Commission's preference is to receive submissions by email to:

investigations2@adcommission.gov.au.

Submissions may also be addressed to:

The Director, Investigations 2
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

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

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

- (i) provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests, or
- (ii) satisfy me that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked "FOR OFFICIAL USE ONLY". Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked "PUBLIC RECORD").

12. Statement of essential facts

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Minister for Industry, Science and Technology (the Minister) within the legislative timeframe. I will place the SEF on the public record on or before **14 November 2020**. That is, within 110 days after the publication of this notice, or by such later date as I may allow in accordance with section 269ZHI(3). The SEF will set out the essential facts on which I propose to base a recommendation to the Minister concerning the continuation of the anti-dumping measures.

Interested parties are invited to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record. Submissions received in response to the SEF within 20 days of the SEF being placed on the public record will be taken into account in completing my report and recommendation to the Minister.

13. Report to the Minister and Minister's declaration

I will make a recommendation to the Minister in a report on or before **29 December 2020**. That is, within 155 days after the date of publication of this notice, or such later date as I may allow in accordance with section 269ZHI(3).

The Minister must make a declaration within 30 days after receiving the report, or if the Minister considers there are special circumstances, such longer period, ending before the specified expiry day, as the Minister considers appropriate. If the Minister receives the report less than 30 days before the specified expiry day, the Minister must make the declaration before that day.

14. The Commission Contact

Enquiries about this notice may be directed to the Case Manager on telephone number +61 3 8539 2462 or via: Investigations2@adcommission.gov.au

Dale Seymour
Commissioner
Anti-Dumping Commission

27 July 2020

Appendix 1

f. Other alloy steel

“Steels not complying with the definition of stainless steel and containing by weight one or more of the following elements in the proportion shown:

- 0.3% or more of aluminium
- 0.0008% or more of boron
- 0.3% or more of chromium
- 0.3% or more of cobalt
- 0.4% or more of copper
- 0.4% or more of lead
- 1.65% or more of manganese
- 0.08% or more of molybdenum
- 0.3% or more of nickel
- 0.06% or more of niobium
- 0.6% or more of silicon
- 0.05% or more of titanium
- 0.3% or more of tungsten (wolfram)
- 0.1% or more of vanadium
- 0.05% or more of zirconium
- 0.1% or more of other elements (except sulphur, phosphorus, carbon and nitrogen), taken separately.”