

16 December 2020

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

**Email:** [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au)

Dear Director,

**Continuation Inquiry No. 560 concerning steel reinforcing bar exported from China**  
**Continuation Inquiry No. 562 concerning rod in coil exported from China**

**SUBMISSION OF THE AUSTRALIAN INDUSTRY**

InfraBuild (Newcastle) Pty Ltd (**InfraBuild Steel**), a member of the Australian industry producing like goods to the goods the subject of these continuation inquiries, refers to its recent submission dated 20 November 2020, in which it pointed to research indicating China's growing steel capacity and inventory position and downward export price pressure.<sup>1</sup> Further to that research, InfraBuild Steel now provides additional research and data demonstrating that the growing Chinese steel capacity and inventory has caused the spread between the Turkish and Chinese steel rebar export price to narrow to the point of inversion, that is, that for the first time since 29 April 2020, the Chinese rebar export price began to again trade at a discount to the Turkish rebar export price.<sup>2</sup>

This indicates that with falling domestic steel demand, Chinese producers continue to look to export markets to displace surplus inventories. The pressure on Chinese producers is now so significant, that they are increasingly selling into regional export markets at lower prices, such that Turkish exporters will lose their market share in the region.

The decline in domestic steel demand in China, and growing steel inventories is reported to have potential to become sharp and protracted:

*The slowdown in sales is also suggesting the impending turning point, as [REDACTED] survey among the [REDACTED] trading houses across China showed that their daily trading volume of construction steel including rebar, wire rod and bar-in-coil, averaged [REDACTED] t/d over November 19-25. An 18% decline on week, and the trading volume in the northern part of China fell more substantially by 20% on week, as the freezing weather has chilled the regional demand.*

*China's steel traders, thus, are with growing cautiousness in holding onto high stocks, and it does not help the sentiment either when China's national price of the HRB 400 20mm dia rebar eased Yuan*

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<sup>1</sup> EPR Folio Nos. 560/006 and 562/006.

<sup>2</sup> CONFIDENTIAL ATTACHMENT 1.



█/tonne (\$█/t) from the recent high on November 23 to Yuan █/t including the 13% VAT as of November 30.<sup>3</sup>

This further evidence continues to support the finding 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 under subsection 269ZFF(2) of the *Customs Act 1901*.

Please do not hesitate to contact your InfraBuild Steel representative with any questions.

FOR AND ON BEHALF OF

**THE AUSTRALIAN INDUSTRY PRODUCER**

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<sup>3</sup> CONFIDENTIAL ATTACHMENT 2.