



ANTI-DUMPING NOTICE NO. 2020/137

Customs Act 1901 – Part XVB

Chrome-plated steel bar exported from Romania

Initiation of a Continuation Inquiry No. 568 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 chrome-plated steel bar (chrome bars, or “the goods”) exported to Australia from Romania, is justified. The anti-dumping measures are due to expire on 7 September 2021 (the specified expiry day).¹

1. The goods

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

Chromium plated circular solid steel bars (chrome bars) that have all of the following characteristics:

- *circular cross section;*
- *made from alloy or non-alloy steel bar;*
- *chrome plating of any thickness;*
- *lengths not greater than 8 metres; and*
- *diameters in the range 18 mm to 170 mm.*

The applicant provided further details as follows:

Minimal prior or subsequent processing such as cutting, drilling or painting does not exclude chrome bars in the dimensions described above from coverage of the application.

The goods include:

- chrome bars manufactured using steel bars that are quenched and tempered, otherwise heat treated or induction hardened; and
- chrome bars manufactured using the following grades of steel bars (and any equivalent or materially similar international grades):
 - SAE/AISI 1045; and
 - SAE/AISI 4140.

¹ On and from 8 September 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

Tariff Subheading	Statistical Code	Description
7215		OTHER BARS AND RODS OF IRON OR NON-ALLOY STEEL:
7215.50		- Other, not further worked than cold-formed or cold-finished:
7215.50.90	54	--- Other
7215.90.00	55	- Other
7228		OTHER BARS AND RODS OF OTHER ALLOY STEEL; ANGLES, SHAPES AND SECTIONS, OF OTHER ALLOY STEEL; HOLLOW DRILL BARS AND RODS, OF ALLOY OR NON-ALLOY STEEL:
7228.30		- Other bars and rods, not further worked than hot-rolled, hot-drawn or extruded:
7228.30.10	70	--- Goods, as follows: a. of high alloy steel; b. "flattened circles" and "modified rectangles" as defined in Note 1(m) to Chapter 72
7228.50.00	54	- Other bars and rods, not further worked than cold-formed or cold-finished
7228.60		- Other bars and rods:
7228.60.10	72	--- Goods, as follows: a. of high alloy steel; b. "flattened circles" and "modified rectangles" as defined in Note 1(m) to Chapter 72
7228.60.90	55	--- Other

Table 1: Tariff classification

The goods subject to the anti-dumping measures do not include chromium plated steel bars with oval or flattened circle cross sections, and hollow or tubular chrome plated bars.

2. Background to the anti-dumping measures

The anti-dumping measures were initially imposed by public notice on 7 September 2016 by the then Assistant Minister for Industry, Innovation and Science and Parliamentary Secretary to the Minister for Industry, Innovation and Science.³ This followed his consideration of the Commissioner's recommendation in *Anti-Dumping Commission Report No. 319* (REP 319), prepared as a result of his investigation (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*⁴ by Milltech Pty Ltd (Milltech) representing the Australian industry producing like goods to the goods subject to the 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 Anti-Dumping Notice No. 2016/79 refers.

⁴ All legislative references in this notice are to the *Customs Act 1901*, unless otherwise stated.

Further details on the goods and existing measures is 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 in dealing with an application for the continuation of anti-dumping measures.

In accordance with section 269ZHB(1), I published a notice on the Commission's website on 31 August 2020.⁵ 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)); 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 30 October 2020, an application for the continuation of the anti-dumping measures was received from Milltech. A non-confidential version of the application is available on the Commission's public record.

Having regard to the application, the original investigation and the public record for the original investigation, I am satisfied that Milltech is the person under section 269ZHB(1)(b)(i) because Milltech's application under section 269TB resulted in the existing anti-dumping measures.

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 are:

- whether the application complies with section 269ZHC (see section 269ZHD(2)(a)); and
- whether there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures to which the application relates 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 (see section 269ZHD(2)(b)).

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.⁶

⁵ Anti-Dumping Notice No. 2020/99 refers.

⁶ A copy of the instrument can be found on the Commission's website at www.adcommission.gov.au.

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

Applicant's claims

In its application, Milltech claims, among other things, that:

- it is the sole Australian industry member producing like goods;
- the market for the goods remains highly price sensitive, with import price offers impacting on Milltech's prices;
- the exportation of chrome bars from Romania has continued since the measures were imposed, possibly through third countries;
- these goods have been exported at dumped prices;
- the imported chrome bars have been sold at prices which undercut the Australian industry's prices;
- the Australian market size has increased since the measures were imposed;
- imports of the goods displace sales by Milltech, thereby reducing its market share;
- this has contributed to a decline in Milltech's production and sales volume in the 2020 financial year, which has resulted in a reduced profit outcome; and
- in the absence of the measures, exporters from Romania would reduce their export prices in order to achieve greater export volumes, leading to a continuation of the material injury being experienced by Milltech and the potential for its exit from the market.

As part of its application, Milltech referred to the data reported for the goods in the Commission's *Trade Remedy Index* (TRINDEX) to demonstrate that exporters from Romania continue to export the goods to Australia.⁷

The Commission's consideration

The Commission has examined Milltech's approach to estimating the dumping margin. Given the limited amount of relevant information which is publicly available, the Commission considers that Milltech's approach to establishing an export price (having regard to a price in the Australian market and making deductions to Free on Board (FOB) terms) and a normal value (constructed, having regard to its own costs of production, selling, general and administrative costs and an amount for profit) for the goods exported from Romania appears reasonable.

The export price estimated by Milltech is *lower* than the average Free on Board export price reported in the Australian Border Force (ABF) import database for the goods exported during the 12 months to 30 September 2020, but is similar. The Commission's analysis of the ABF import database indicates that the volume of goods exported from Romania has declined since the imposition of the measures. The Commission's analysis of the ABF import database is in **Confidential Attachment 1**.

The normal value estimated by Milltech is *higher* than the weighted average normal values established in the original investigation for the cooperating exporters (ASO Cromsteel and Nimet S.R.L), indexed by reference to movements in Milltech's own weighted average prices. When adjusted in this way the Commission also finds dumping, but by smaller margins than estimated by Milltech. The Commission's analysis of the dumping margin calculations is in **Confidential Attachment 2**. On this basis, the Commission considers that there appear to be reasonable grounds for asserting that dumping has continued, and might continue (or recur) if the measures were to expire.

⁷ The TRINDEX is available on the Commission [website](#).

With respect to injury, the Commission notes the findings in REP 319 that the market for chrome bars is price sensitive, and that price is the major (but not only) factor influencing purchasing decisions. REP 319 also found that the Australian industry had experienced material injury in a range of forms, and that this was caused by the dumped goods from Romania. Relying on the information in **Confidential Attachment 1**, the below figure shows the quantity of chrome bars imported to Australia since 2012.

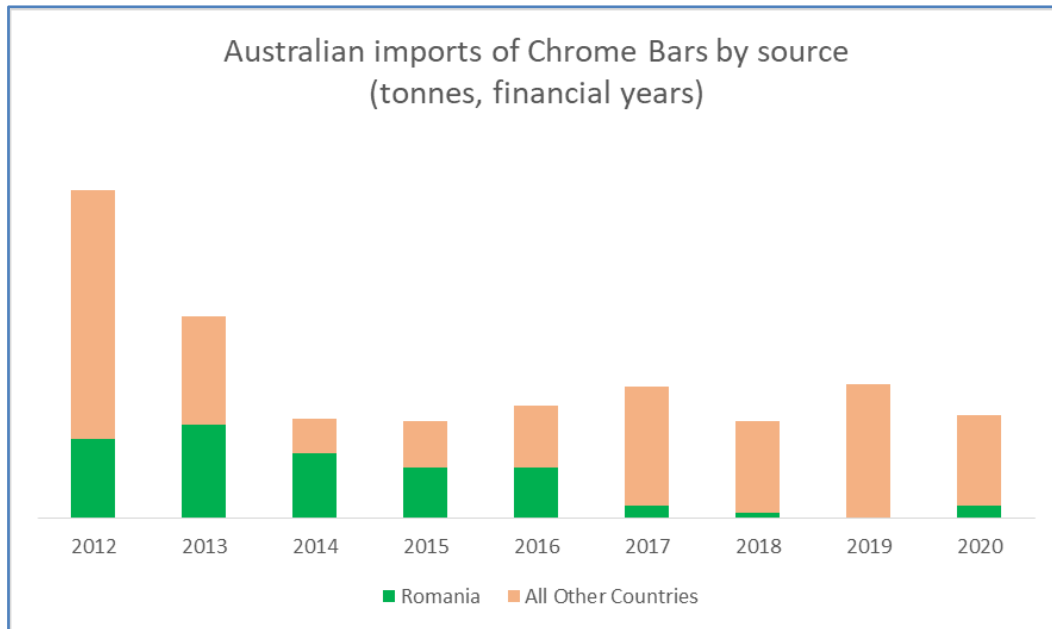


Figure 1: Volume of imports

The Commission notes that evidence submitted by Milltech with its application indicates that imported chrome bars continue to undercut Milltech's prices in the Australian market, and that its total revenue for the financial year 2020 has declined at the same time as imports of chrome bars have increased.

Conclusion

Having regard to Milltech's claims within the application and the Commission's consideration set out above, I am satisfied that, in accordance with section 269ZHD(2)(b), 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.

Based on the above findings, I have therefore decided to not reject the application.

7. This continuation inquiry

For the purposes of this inquiry, I will examine the period from 1 October 2019 to 30 September 2020 (the inquiry period) to determine whether the anti-dumping measures should:

- (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.

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 continuation inquiries for cases initiated after this date.⁸ As noted in that notice, in developing the MCC structure the Commission will have regard to differences in physical characteristics that give rise to distinguishable and material differences in price.

The Commission has **proposed** a MCC structure taking into account the data reported by interested parties in the original investigation, as reported in REP 319.

Item	Category	Subcategory	Identifier	Sales data	Cost data
1	Steel Grade	Carbon steel	C	Mandatory	Mandatory
		Alloy steel	A		
2	Chrome thickness	Expressed in microns (e.g. "25")	#	Mandatory	Mandatory
3	Hardening	None	N	Mandatory	Mandatory
		Induction	I		
4	Corrosion resistance	Expressed in hours (e.g. "200")	#	Mandatory	Mandatory
5	Diameter	Expressed in millimetres (e.g. "50")	#	Mandatory	Mandatory

Table 2: Proposed MCC structure

Stakeholders are asked to note that the exporter questionnaire requests additional information from exporters with respect to additional categories (e.g. length, weight).

Proposals to modify the MCC structure should be raised as soon as is practicable, but no later than **8 January 2021**, the day submissions concerning the continuation of the measures are due. Interested parties are encouraged to also make submissions on whether proposed modifications to the MCC structure should be accepted by the Commission. Any submission relevant to the MCC structure should be supported by evidence that shows distinguishable and material differences in price. Any changes to the MCC structure will be considered by the Commission and reported in verification reports, or in the statement of essential facts (SEF).

8. 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 or at the Commission's office by contacting the case manager on the details provided below.

9. Submissions

Interested parties, as defined in section 269T(1), are invited to lodge written submissions concerning the continuation of the measures, no later than the close of business on **8 January 2021**, being 37 days from publication of this notice. The Commission's preference is to receive submissions by email to investigations1@adcommission.gov.au.

⁸ Full guidance regarding the Commission's application of an MCC structure is provided in Anti-Dumping Notice No. 2018/128.

Submissions may also be addressed to:

The Director, Investigations Unit 1
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 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 "OFFICIAL: Sensitive". Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked "PUBLIC RECORD").

10. 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 (Minister) within the legislative timeframe. I will place the SEF on the public record on or before **22 March 2021**, 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.

11. Report to the Minister

I will make a recommendation to the Minister in a report on or before **6 May 2021**, that is, within 155 days from 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.

12. The Commission contact

Enquiries about this notice may be directed to the case manager on telephone number +61 3 8539 2438 or investigations1@adcommission.gov.au.

Dale Seymour
Commissioner
Anti-Dumping Commission

2 December 2020