



Australian Government
Department of Industry,
Innovation and Science

Anti-Dumping
Commission

Received

Anti-Dumping Commission 19/04/2021

Application for the publication of
dumping and/or
countervailing duty notices

in relation to
merchant bar
exported to Australia from Taiwan

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APPLICATION UNDER SECTION 269TB OF THE *CUSTOMS ACT 1901* FOR THE PUBLICATION OF DUMPING AND/OR COUNTERVAILING DUTY NOTICES

DECLARATION

I request, in accordance with section 269TB of the *Customs Act 1901* (the Act), that the Minister publish in respect of goods the subject of this application:

- ☒ a dumping duty notice, or
- ☐ a countervailing duty notice, or
- ☐ a dumping and a countervailing duty notice.

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Please note that giving false or misleading information is a serious offence.

Signature: **[sgd]**

Name: [REDACTED]

Position: Agent acting with authority

Company: InfraBuild NSW Pty Limited

ABN: 59 003 312 892

Date: 19 April 2021

IMPORTANT INFORMATION

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 following guidelines for additional information on completing this application:

- *Instructions and Guidelines for applicants on the application for the publication of dumping and/or countervailing duty notices*
- *Instructions and Guidelines for applicants on the examination of a formally lodged application*

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

Email: clientsupport@adcommission.gov.au

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 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.

Important information

To initiate an investigation into dumping and/or subsidisation, the Commission must comply with Australia's international obligations and statutory standards. This form provides an applicant industry with a framework to present its case and will be used by the Commission to establish whether there appear to be reasonable grounds for the publication of a dumping duty or countervailing duty notice and initiate an investigation. To assist consideration of the application it is therefore important that:

- all relevant questions are answered; and

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- information that is reasonably available be supplied.

The Commission does not require conclusive evidence to initiate an investigation, but any claims made should be reasonably based. An application will be improved by including supporting evidence and where the sources of evidence are identified. Simple assertion is inadequate to substantiate an application.

To facilitate compilation and analysis, the application form is structured in 3 parts:

1. **Part A** seeks information about the Australian industry. This data is used to evaluate industry trends and assess claims of material injury due to dumping/subsidisation. Where an Australian industry comprises more than one company, each should separately prepare a response to Part A to protect commercial confidentiality.
2. **Part B** relates to evidence of dumping.
3. **Part C** is for supplementary information that may not be appropriate to all applications. However some questions in Part C may be essential for an application, for example, if action is sought against subsidisation.

All questions in Parts A and B must be answered, even if the answer is 'Not applicable' or 'None'. Where appropriate, applicants should provide a short explanation about why the requested data is not applicable. This will avoid the need for follow up questions by the Commission.

The application form does not specifically address all the information required when making a claim that the establishment of an Australian industry producing like goods has been or may be materially hindered. If you are considering making such a claim, please contact the Commission to discuss information requirements.

The application form requests data over several periods (P^1, P^2, \dots, P^n) to evaluate industry trends and to correlate injury with dumped or subsidised imports. The labels $P^1 \dots P^n$ are used for convenience in this application form. Lodged applications should identify the period relevant to the data. This form does not specify a minimum period for data provision. However, sufficient data must be provided to substantiate the claims made. If yearly data is provided, this would typically comprise a period of at least four years (for example the current financial year in addition to three prior years). Where information is supplied for a shorter period, applicants may consider the use of quarterly data. Data must also be sufficiently recent to demonstrate that the claims made are current.

When an investigation is initiated, the Commission will verify the claims made in the application. A verification visit to the Australian industry usually takes several days.

Applicants should be prepared to substantiate all Australian industry financial and commercial information submitted in the application. Any worksheets used in preparing the application should therefore be retained to facilitate verification.

During verification, the Commission will examine company records and obtain copies of documents relating to the manufacture and sale of the goods.

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Appendices	<p>Some questions require attachments to be provided. The attachment numbering sequence should refer to the question answered. For example, question A2.2 requests a copy of an organisation chart. To facilitate reference, the chart should be labelled <u>Attachment A2.2</u>. If a second organisation chart is provided in response to the same question, it should be labelled <u>Attachment A2.2.2</u> (the first would be labelled <u>Attachment A2.2.1</u>).</p>
Provision of data	<p>Industry financial data must, wherever possible, be submitted in an electronic format.</p> <ul style="list-style-type: none">• 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	<p>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:</p> <ul style="list-style-type: none">• 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	<p>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.</p> <p>At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application <u>must</u> 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, clearly showing the reasons for seeking the publication of a dumping duty or countervailing duty notice, or, if those reasons cannot be summarised, a statement of reasons why a summary is not possible.</p>

PART A

INJURY

TO AN AUSTRALIAN INDUSTRY

IMPORTANT

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

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A-1 Identity and communication

Please nominate a person in your company for contact about the application:

Contact Name:	██████████
Company and position:	InfraBuild Steel, General Manager Innovation and Trade
Address:	██████████
Telephone:	██████████
Facsimile:	
E-mail address:	██████████
ABN:	59 003 312 892

Alternative contact

Name:	██████████
Position in company:	Market Manager - Structural and MeBar
Address:	██████████
Telephone:	██████████
Facsimile:	
E-mail address:	██████████

If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).

Name:	██████████
Business name:	InfraBuild Steel
Address:	██████████
Telephone:	██████████
Facsimile:	
E-mail address:	██████████
ABN:	██████████

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A-2 Company information

1. State the legal name of your business and its type (e.g. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.

The applicant, INFRABUILD NSW PTY LIMITED, ABN 59 003 312 892 (the applicant), is an Australian proprietary company limited by shares and manufactures and sells like goods to the goods the subject of this application.

The application is supported by a related producer in Australia of like goods to the goods that are the subject of this application, namely, THE AUSTRALIAN STEEL COMPANY (OPERATIONS) PTY LTD, ABN 89 069 426 955 (**TASCO**). Collectively, the applicant and its related other producer of the like goods in Australia are known by the trading name '**InfraBuild Steel**'.

A signed letter of support forms CONFIDENTIAL ATTACHMENT A-2.1.

2. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

The InfraBuild Steel business division is responsible for the production and sale of the like goods. The division comprises the following entities:

- InfraBuild NSW Pty Limited;
- The Australian Steel Company (Operations) Pty Ltd;
- InfraBuild (Newcastle) Pty Ltd;
- SSX Services Pty Limited; and
- InfraBuild (Manufacturing) Pty Ltd.

InfraBuild NSW Pty Limited

This entity operates the Sydney (Rooty Hill) Bar mill in the production of the like goods and other goods. It transfers production of like goods to the applicant for sale to related and unrelated customers at market value.

The Australian Steel Company (Operations) Pty Ltd

This entity operates the Melbourne (Laverton North) Rod & Bar mill in the production of the like goods and other goods. It is also the vendor and supplier of the like goods to related and unrelated customers.

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InfraBuild (Newcastle) Pty Ltd

This entity operates the Newcastle rod mill in the production of other goods. It is also the vendor and supplier of the like goods to related and unrelated customers [REDACTED]

[REDACTED]
[REDACTED]. [accounting policies]

SSX Services Pty Limited

This entity is the labour hire company supplying labour to [REDACTED]
[REDACTED] [entity] to produce the like goods and other goods and steelmaking facilities.

InfraBuild (Manufacturing) Pty Ltd

This entity is the parent company of the aforementioned entities and supplies management and administrative support resources to its subsidiaries.

The internal organisation chart for InfraBuild Steel forms CONFIDENTIAL ATTACHMENT A-2.2.1.

3. List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.

INFRABUILD NSW PTY LTD is a wholly owned subsidiary of [REDACTED]
[REDACTED] [company A].

4. If your company is a subsidiary of another company list the major shareholders of that company.

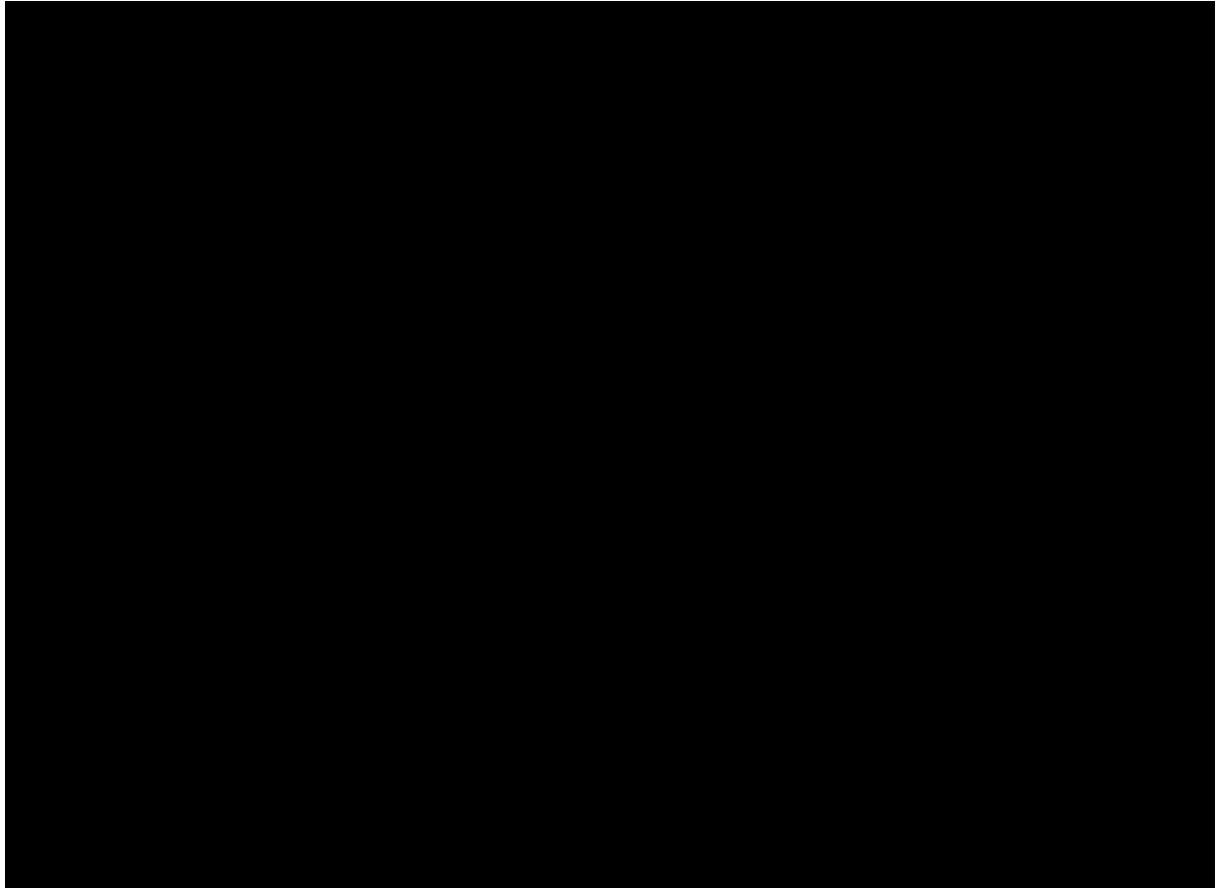
[REDACTED] [company A] is a wholly owned subsidiary of [REDACTED] [company B].

5. If your parent company is a subsidiary of another company, list the major shareholders of that company.

[REDACTED] [company B] is a wholly owned subsidiary of [REDACTED] [company C].

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6. Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).



CONFIDENTIAL DIAGRAM A-2.6: Corporate structure chart: InfraBuild Group

7. Are any management fees/corporate allocations charged to your company by your parent or related company?

Management fees/corporate allocations, if any, are charged to the InfraBuild Steel division by its parent or related company, have been included in confidential appendices A6.1 and A6.2 under item H, Cost to Make and Sell, selling, distribution and administration costs.

8. Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.

InfraBuild Steel has no relationship with an exporter to Australia or Australian importer of the goods the subject of this application.

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9. Provide a copy of all annual reports applicable to the data supplied in appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.

Annual Reports

Financial Report for the financial year ended 30 June 2018 for [REDACTED]
[REDACTED] [company D] forms CONFIDENTIAL ATTACHMENT A-2.9.1.

Consolidated Financial Statements for the year ended 30 June 2019 for [REDACTED]
[REDACTED] [company C] forms CONFIDENTIAL ATTACHMENT A-2.9.2.

Consolidated Financial Statements for the year ended 30 June 2020 for [REDACTED]
[REDACTED] [company C] forms CONFIDENTIAL ATTACHMENT A-2.9.3.

Profit and loss statements for the period January 2017 to December 2020 form CONFIDENTIAL ATTACHMENT A-2.9.4.

Relevant brochures or pamphlets

- Pricing and Availability Guide: merchant bar Products (August 2016 effective date) forms CONFIDENTIAL ATTACHMENT A-2.9.5.
- Product and Availability Guide: merchant bar Products (December 2020) forms CONFIDENTIAL ATTACHMENT A-2.9.6.
- Merchant Bar Products Delivery Programme (February 2021) forms CONFIDENTIAL ATTACHMENT A-2.9.7.

10. Provide details of any relevant industry association.

The applicant is a member of the *Australian Industry Group*, the *Australian Steel Institute*, the *Bureau of Steel Manufacturers of Australia* and the *South East Asian Iron & Steel Institute*.

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A-3 The imported and locally produced goods

1. Fully describe the imported product(s) the subject of your application:
 - Include physical, technical or other properties.
 - Where the application covers a range of products, list this information for each make and model in the range.
 - Supply technical documentation where appropriate.

The goods are steel bars and sections in the following shapes and sizes, whether or not containing alloys:

- “Flat bars” (Rectangular sections) that have a thickness of 4.75 mm or greater and have a width greater than 17 mm and less than 165 mm;
- “Channels” (U sections and C sections) that have a web thickness greater than 3 mm and are of a height greater than 70 mm and less than or equal to 130 mm; and
- “Equal angles” and “unequal angles” (L sections), that have a thickness greater than 2.5 mm with a combined leg length greater than 40 mm and less than or equal to 200 mm.

“Flat bars” include “modified rectangles”, of which two opposite sides are convex or concave arcs, the other two sides being straight, of equal length and parallel.

“Channels” include both parallel and tapered flanges.

Steel sections in the dimensions described above, that have minimal processing, such as cutting, drilling or coating (other than coating or plating with zinc or a zinc alloy) do not exclude the goods from the subject of this application.

Goods excluded from this application are:

- Goods that are formed by welding or are cold-formed or slit from flat-rolled products*;
- Goods that are galvanised;
- Goods that are of stainless steel; and
- Goods that are in coiled form.

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Note:

* References to “flat-rolled products” are as defined in Note 1(m) to Chapter 72 in Schedule 3 to the *Customs Tariff Act 1995*.

Comments:

Goods that meet the above description are commonly, but not exclusively, referred to as “merchant bar”.

2. List the tariff classification(s) and statistical code(s) of the imported goods.

The goods are generally, but not exclusively¹, classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

Tariff sub-heading	Statistical codes
7214.91.00	49
7214.99.00	50
7216.10.00	27
7216.21.00	28
7216.31.00	30
7216.40.00	33
7228.30.10	70
7228.30.90	41
7228.70.00	10, 11, 12

3. Fully describe your product(s) that are ‘like’ to the imported product:
- Include physical, technical or other properties.
 - Where the application covers a range of products, list this information for each make and model in the range.
 - Supply technical documentation where appropriate.

InfraBuild Steel manufactures equivalent goods to the imported goods at their facilities in Laverton North (Victoria), and Sydney (New South Wales) (**like goods**), as follows:

¹ The goods are defined by the goods description, not the tariff classifications

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Product	Size (mm)	Section
Equal Angles	25x25x3 to 100x100x12*	
Unequal Angles	65x50x5 to 125x75x12*	
Parallel Flange Channels	75x40 to 150x75*	
Flat Bar (SEF)	20x10 to 150x25	

FIGURE A-3.3.1: Summary of merchant bar products by size and sectional shape produced by InfraBuild Steel (Note: Parallel flange channels of 150 mm are not included in the applicant's description of the goods).

Merchant bar is typically produced to the standard *AS/NZS 3679.1 Structural Steel Part 1: Hot rolled bars and sections* and generally applied in the construction and manufacturing industries.

300PLUS® Steel is the standard grade manufactured by InfraBuild Steel for merchant bar. This exceeds the minimum requirements of AS/NZS 3679.1 grade 300. Other grades, including grade 350, are available per customer request. A small amount of flat bar with rounded ends is also produced per customer request.

The range of shapes and sections produced by each manufacturing facility is shown in **TABLE A-3.3.2**, below:

Shape	Flat Bars		Equal Angles		Unequal Angles		Channels (parallel flange)
Mill	[mill]		[mill]		[mill]		[mill]
Section (mm)	20 x 10	75 x 5	25 x 25 x 3		65 x 50 x 5		75 x 40
	25 x 5	75 x 6	25 x 25 x 5		65 x 50 x 6		100 x 50

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	25 x 6	75 x 8	25 x 25 x 6		65 x 50 x 8		125 x 65
	25 x 8	75 x 10	30 x 30 x 3		75 x 50 x 5		
	25 x 10	75 x 12	30 x 30 x 5		75 x 50 x 6		
	25 x 12	75 x 16	30 x 30 x 6		75 x 50 x 8		
	32 x 5	75 x 20	40 x 40 x 3			100 x 75 x 6	
	32 x 6	75 x 25	40 x 40 x 5			100 x 75 x 8	
	32 x 8	90 x 6	40 x 40 x 6			100 x 75 x 10	
	32 x 10	90 x 8	50 x 50 x 3			125 x 75 x 6	
	32 x 12	90 x 10	50 x 50 x 5			125 x 75 x 8	
	40 x 5	90 x 12	50 x 50 x 6			125 x 75 x 10	
	40 x 6	100 x 5	50 x 50 x 8			125 x 75 x 12	
	40 x 8	100 x 6	55 x 55 x 5				
	40 x 10	100 x 8	55 x 55 x 6				
	40 x 12	100 x 10	65 x 65 x 5				
	40 x 16	100 x 12	65 x 65 x 6				
	40 x 20	100 x 16	65 x 65 x 8				
	50 x 5	100 x 20	65 x 65 x 10				
	50 x 6	100 x 25	75 x 75 x 5				
	50 x 8	110 x 10	75 x 75 x 6				
	50 x 10	130 x 8	75 x 75 x 8				
	50 x 12	130 x 10	75 x 75 x 10				
	50 x 16	130 x 12		90 x 90 x 6			
	50 x 20	130 x 16		90 x 90 x 8			
	50 x 25	130 x 20		90 x 90 x 10			
	65 x 5	130 x 25		100 x 100 x 6			
	65 x 6	150 x 8		100 x 100 x 8			
	65 x 8	150 x 10		100 x 100 x 10			
	65 x 10	150 x 12		100 x 100 x 12			
	65 x 12	150 x 16					
	65 x 16	150 x 20					
	65 x 20	150 x 25					

TABLE A-3.3.2: Summary of shape and dimensions produced by InfraBuild Steel by mill (Source: [CONFIDENTIAL ATTACHMENT A-3.3.1](#))

- Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.

[TABLE A-3.3.3](#), below, indicates those shapes and sections produced by InfraBuild Steel and understood to be produced and exported to Australia by the Taiwanese exporter, Feng Hsin.

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Shape	Flat Bars		Equal Angles		Unequal Angles		Channels (parallel flange)
Mill	[mill]		[mill]		[mill]		[mill]
Section (mm)	20 x 10	75 x 5	25 x 25 x 3		65 x 50 x 5		75 x 40
	25 x 5	75 x 6	25 x 25 x 5		65 x 50 x 6		100 x 50
	25 x 6	75 x 8	25 x 25 x 6		65 x 50 x 8		125 x 65
	25 x 8	75 x 10	30 x 30 x 3		75 x 50 x 5		
	25 x 10	75 x 12	30 x 30 x 5		75 x 50 x 6		
	25 x 12	75 x 16	30 x 30 x 6		75 x 50 x 8		
	32 x 5	75 x 20	40 x 40 x 3			100 x 75 x 6	
	32 x 6	75 x 25	40 x 40 x 5			100 x 75 x 8	
	32 x 8	90 x 6	40 x 40 x 6			100 x 75 x 10	
	32 x 10	90 x 8	50 x 50 x 3			125 x 75 x 6	
	32 x 12	90 x 10	50 x 50 x 5			125 x 75 x 8	
	40 x 5	90 x 12	50 x 50 x 6			125 x 75 x 10	
	40 x 6	100 x 5	50 x 50 x 8			125 x 75 x 12	
	40 x 8	100 x 6	55 x 55 x 5				
	40 x 10	100 x 8	55 x 55 x 6				
	40 x 12	100 x 10	65 x 65 x 5				
	40 x 16	100 x 12	65 x 65 x 6				
	40 x 20	100 x 16	65 x 65 x 8				
	50 x 5	100 x 20	65 x 65 x 10				
	50 x 6	100 x 25	75 x 75 x 5				
	50 x 8	110 x 10	75 x 75 x 6				
	50 x 10	130 x 8	75 x 75 x 8				
	50 x 12	130 x 10	75 x 75 x 10				
	50 x 16	130 x 12		90 x 90 x 6			
	50 x 20	130 x 16		90 x 90 x 8			
	50 x 25	130 x 20		90 x 90 x 10			
	65 x 5	130 x 25		100 x 100 x 6			
	65 x 6	150 x 8		100 x 100 x 8			
	65 x 8	150 x 10		100 x 100 x 10			
	65 x 10	150 x 12		100 x 100 x 12			
	65 x 12	150 x 16					
	65 x 16	150 x 20					
	65 x 20	150 x 25					

TABLE A-3.3.3: Those shapes and dimensions produced by InfraBuild Steel **and** produced and exported to Australia by the Taiwanese exporter are highlighted 'green' (Source: [TABLE A-3-3.2](#) and http://www.fenghsin.com.tw/e_product.htm (accessed 20/03/2021))

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The Taiwanese exporter's website shows production of merchant bar in available sizes as follows:

- Angles: Width 25mm to 100mm, thickness 2.3mm to 13mm;
- Channels: Height 75mm to 150mm, width 40mm to 75mm; and
- Flat Bar: Width 12mm to 205mm, thickness 3mm to 28mm.

These shapes and dimensions overlap with those manufactured by InfraBuild Steel in Australia.

In February 2020, Feng Hsin acquired accreditation from the Australasian Certification Authority for Reinforcing and Structural Steels (**ACRS**) for goods produced to AS/NZS 3679.1. Their *Certificate of Product Performance*² confirms the range of shapes and sections produced and also confirms the grade of merchant bar likely to be exported to Australia is Grade 300; an extract in relevant part forms **FIGURE A-3.3.4**, below:

Hot-Rolled Sections to AS/NZS 3679.1

Structural Sections	Range	300	300LO	350	350LO
Flats	3 to 25 mm thickness 12 to 200mm wide	✓			
Parallel Flange Channels	75mm to 150mm	✓			
Tapered Flange Channels	75mm to 150mm	✓			
Equal Angles	2.5 to 13 mm thickness 25 to 100 mm leg length	✓			
Unequal Angles	2.5 to 13 mm thickness 25 to 100 mm leg length	✓			

FIGURE A-3.3.4: Extract of ACRS 'Certificate of Product Performance' for Feng Hsin (Source: [CONFIDENTIAL ATTACHMENT A-3.3.3](#))

² [CONFIDENTIAL ATTACHMENT A-3.3.2](#)

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4. Describe the ways in which the essential characteristics of the imported goods are like to the goods produced by the Australian industry.

InfraBuild Steel considers that the essential characteristics of imported merchant bar are the same or similar to locally produced merchant bar. The essential characteristics include:

i. Physical likeness:

InfraBuild Steel manufactures a range of merchant bar in multiple shapes, sizes, grades and lengths that are alike in physical appearance to the imported goods.

ii. Commercial likeness:

The locally produced merchant bar that InfraBuild Steel manufactures competes directly with imported merchant bar in the Australian market.

iii. Functional likeness:

The imported and Australian-produced merchant bar are used interchangeably in the same or comparable end-uses.

iv. Production likeness:

The merchant bar produced in Australia is manufactured in a similar manner to the imported goods. Liquid steel is cast into billets that are then rolled to produce the required shape/section.

5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

The ANZSIC code applicable to merchant bar is category 2110 for Iron Smelting and Steel Manufacturing.

6. Provide a summary and a diagram of your production process.

FIGURE A-3.6.1 provides a summary and diagram of the merchant bar production process:

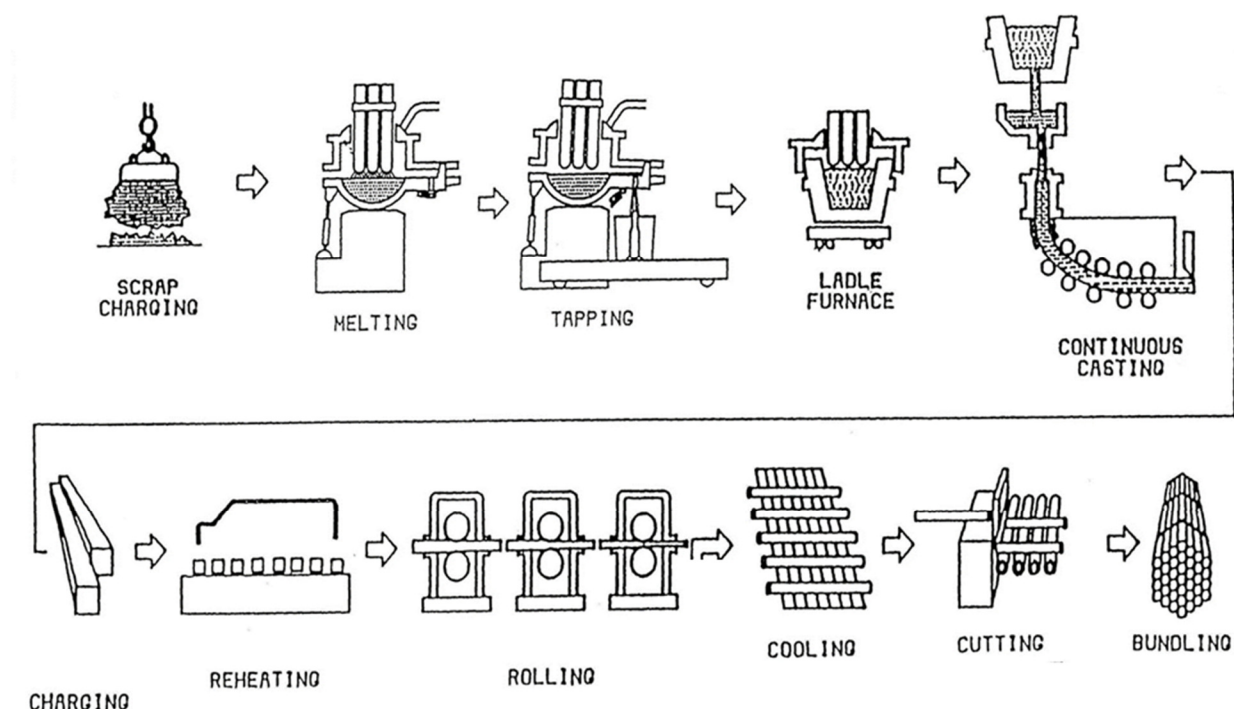


FIGURE A-3.6.1: Summary of merchant bar production process

Merchant bar is predominantly manufactured from billets produced through the electric arc furnace process using scrap to produce liquid steel. After the liquid steel is tapped into a ladle, the ladle furnace is used to correct temperature and chemistry (through alloy additions) in preparation for casting. The liquid steel is cast in a continuous casting process to produce billets that are cut to required length and marked.

Billets are charged into a reheat furnace to ensure they are at the right temperature to enable rolling. In the bar mill the billet is reduced in size and the section being produced starts to take shape as it passes through a series of roll stands. The 'finishing rolls' towards the end of the rolling mill provide the final section shape and dimensional tolerances required. The cooling bed allows the rolled lengths to cool down before being cut to customer length, bundled and tied, ready for tagging and despatch to customers.

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7. If your product is manufactured from both Australian and imported inputs:
- describe the use of the imported inputs; and

InfraBuild Steel produces billets at Laverton North and Rooty Hill (Sydney) from purchases of steel scrap. A small amount of billet is sourced from OneSteel Manufacturing Pty Limited (trading as, 'Liberty Primary Steel') that purchases iron ore to produce billets manufactured at its Whyalla Steelworks. The iron ore, coking coal and steel scrap are sourced locally and account for the significant proportion of total raw material goods used in the merchant bar manufacturing process.

- identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

The applicant produces merchant bar at its facility in Rooty Hill, NSW. The Australian Steel Company (Operations) Pty Ltd produces merchant bar at its facility in Laverton North in Victoria. Most of the steel billets required to produce Merchant bar are also produced by these manufacturing facilities with a small amount of billet sourced from the Whyalla Steelworks and transported to the Rooty Hill facility. At the manufacturing facility, these steel billets are reheated and passed through a series of rolling stands that reduce the size, while changing the shape. This heating and rolling process produces merchant bar and is considered a substantial process of manufacture of the like goods which occurs at InfraBuild Steel facilities in Australia.

8. If your product is a processed agricultural good, you may need to complete Part C-3 (close processed agricultural goods).

Not applicable.

9. Supply a list of the names and contact details of all other Australian producers of the product.

InfraBuild Steel is the sole producer of merchant bar in Australia. Therefore, the Australian industry for merchant bar is represented by the applicant and its related party.

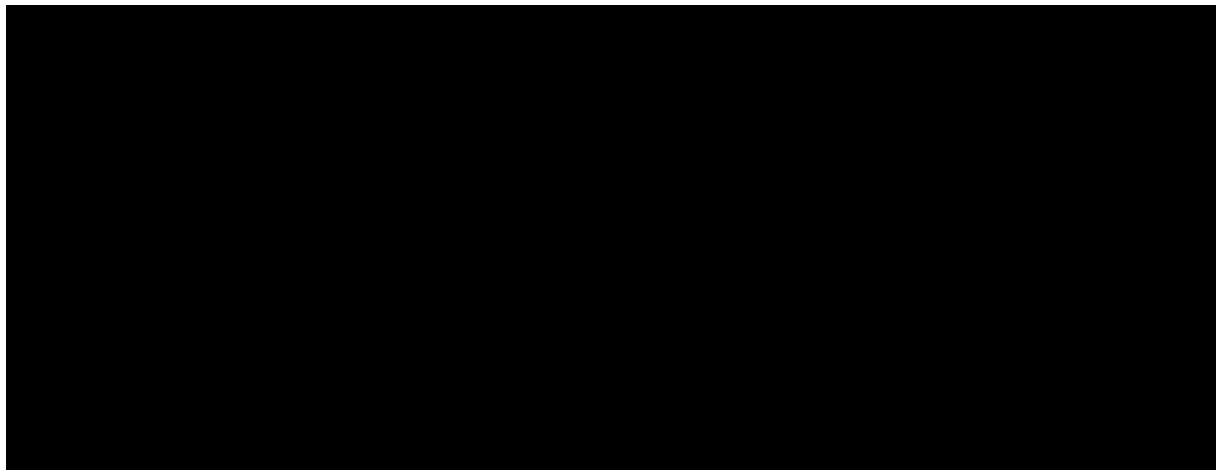
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10. If different models can be established for the goods subject to the application:
- What are the differences in physical characteristics that give rise to distinguishable and material differences in price?

The shape of the merchant bar is the physical characteristic that most often provides a material difference in price. While different grades may affect pricing, the majority of domestically produced and imported merchant bar is sold as Grade 300PLUS.

- Provide supporting documentation or analysis supporting the differences in physical characteristics that affects price comparability. Unit costs may also be used to demonstrate differences in physical characteristics where it affects price comparability.

A comparison of recent merchant bar pricing to a related and non-related distribution customer indicates a similar trend in pricing dependent on shape (with grade consistent). [REDACTED] tends to constitute the base price with premiums achieved for [REDACTED]. **CONFIDENTIAL** **TABLE A-3.10.1**, below, demonstrates this relationship between price and shape.



CONFIDENTIAL TABLE A-3.10.1: Demonstration of price differences based on shape (Source: [appendix A4](#))

- In providing the list of physical differences, identify the characteristics in order of significance.

InfraBuild Steel does not consider that a physical characteristic other than shape has a significant influence on price comparability.

- Identify key characteristics where the physical differences are significantly different and it is not meaningful to compare models with different physical characteristics.

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None that InfraBuild Steel is able to identify.

- Identify the physical characteristics that can be reported in relation to sales and cost data respectively. This should be reflected in the sales data provided in appendices A4 and A6.

The physical characteristic of shape can and has been reported in relation to sales data (refer [appendix A4](#)). It is not possible to report the cost data by reference to shape or other physical characteristics.

- Complete the table below having regard to the information provided above. The Commission will consider this information in establishing a model control code structure for the investigation.

Category	Sub-category	Sales Data	Cost data	Key category
Prime/Non-prime	<u>P</u> Prime <u>N</u> Non-prime	Mandatory	Optional	Yes
Shape	<u>F</u> lats <u>E</u> qual Angles <u>U</u> nequal Angles <u>P</u> arallel flange channels <u>T</u> apered flange channels	Mandatory	Optional	Yes

A-4 The Australian market

1. Describe the end uses of both your product and the imported goods.

The key product groups are flat bar, angles and channels. These products are used in construction and manufacturing. Angles and channels are generally used horizontally or diagonally for bracing applications. Flat bar is typically put into base plates or joiner bars, or can be welded into T-sections. All products are used in the manufacturing of a wide variety of products such as racking, conveyors, trailers, earthing rods and gate hinges.

These products will often undergo some form of fabrication such as cutting, drilling, welding, painting or galvanizing, but can also be used in non-fabricated applications.

2. Describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:
 - sources of product demand;

Key market segments for merchant bar sections include: commercial and residential construction, mining and resource construction, engineering fabrication, manufacturing and transport.

The relative strengths and weaknesses of these market segments drive the overall market size.

- marketing and distribution arrangements;

Steel distributors purchase Australian made merchant bar sections in bundles from Infrabuild Steel or purchase imported merchant bar sections in bundles either via a trading house or directly from an overseas mill. Steel distributors generally purchase and supply a wider range of merchant bar as well as other steel products.

InfraBuild Steel sells its merchant bar products to a national steel distributor network of related and non-related entities that provides for an expansive national coverage. Approximately [REDACTED]% of the volume sold is [REDACTED] by InfraBuild Steel and is available to the distributors on [REDACTED] lead-time from placement of order, this product is part of the [REDACTED] group of sections. The other [REDACTED]% of the volume sold is referred to as [REDACTED] and customers order based on published production cycles that are typically [REDACTED] [timeframe].

Imported products are generally offered to distributors once a month, either directly

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from a mill or more commonly via traders. The lead-time for imports to Australia is generally [REDACTED] weeks but can be longer.

National Distributors of InfraBuild Steel merchant bar products include, [REDACTED] [customers]. Regional distributors of InfraBuild Steel merchant bar products are [REDACTED] [customers].

All distributors, including those that are part of the InfraBuild Group, also distribute imported product.

Distributors use the price of imported merchant bar to negotiate lower prices from InfraBuild Steel. Dumped prices therefore lower the base upon which InfraBuild Steel is able to sell its merchant bar manufactured in Australia.

- typical customers/users/consumers of the product;

The Australian merchant bar market comprises the local manufacturers (InfraBuild Steel), overseas manufacturers/exporters, importers, wholesalers, distributors, resellers, and end-users. The following **FIGURE A-4.2.1** depicts the supply arrangements within the Australian market:

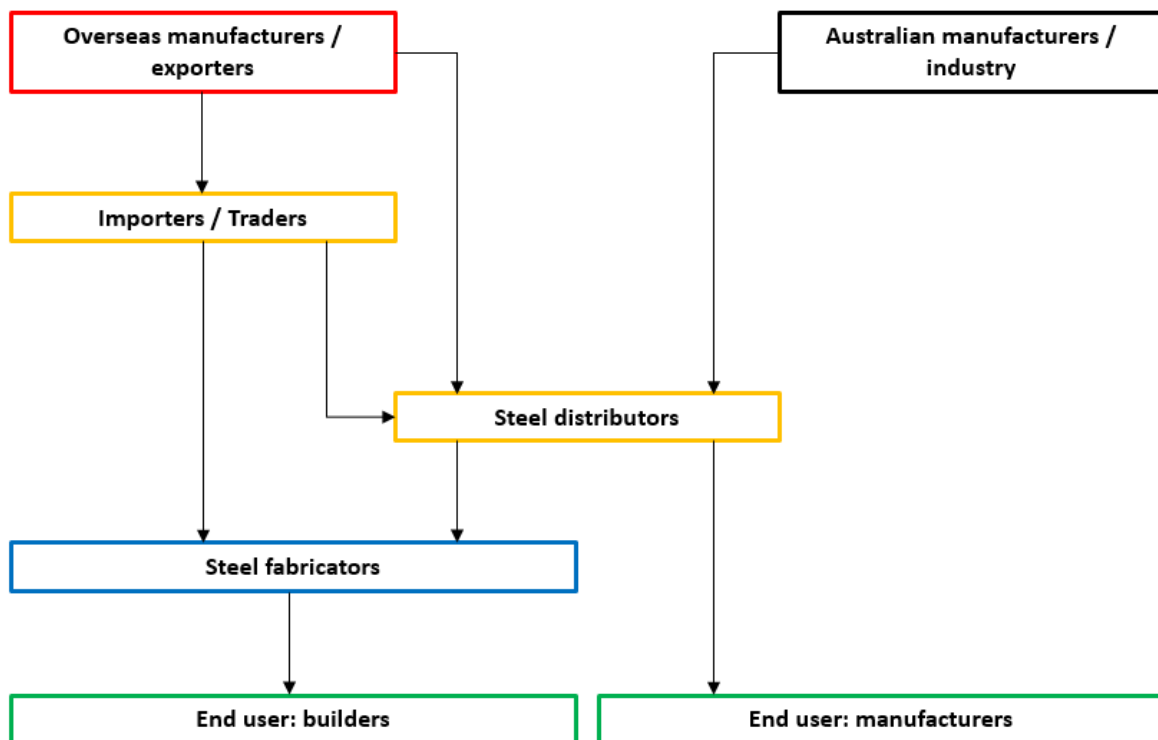


FIGURE A-4.2.1: Channels to the Australian merchant bar market

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- the presence of market segmentation, such as geographic or product segmentation;

The goods under consideration are supplied to a range of market sectors as identified in **FIGURE A-4.2.1**, above.

In terms of geographic segmentation InfraBuild Steel sells and distributes merchant bar across Australia. Similarly, imported merchant bar is sold and distributed across Australia.

The Australian market for sales of merchant bar is concentrated in the state capital cities or large regional centres such as Newcastle and Wollongong as this is where the larger fabricators and manufacturers are generally based.

- causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;

There are a number of causes of demand variability for merchant bar in the Australian market.

The underlying cause of demand variability is driven by the relative investment in the key market segments of non-residential and residential construction, engineering construction, mining and resources infrastructure, manufacturing and transport.

Other causes of demand variability include seasonal fluctuations in relation to the construction sectors traditional holiday period in December and January of each year. There is widespread opinion in the industry that [REDACTED]
[REDACTED]
[REDACTED] *[market intelligence]*.

The price cycle can also impact demand. An increasing price cycle can lead to a demand surge as users look to build stock before prices rise further, and the opposite occurs when prices are falling.

- the way in which the imported and Australian product compete; and

Imported merchant bar sections are sold extensively to the same end users as domestically produced merchant bar via similar competing supply chains. InfraBuild Steel determines its prices [REDACTED]
[REDACTED] *[pricing strategy]*. Prices generally fluctuate on a monthly basis.

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Distributors use the lower dumped import prices to leverage lower price outcomes from InfraBuild Steel. InfraBuild Steel can either choose to lower its prices closer to those of landed dumped imports or risk losing substantial sales volumes.

- any other factors influencing the market.

Broader macroeconomic conditions and business confidence in key market segments

3. Identify if there are any commercially significant market substitutes for the Australian and imported product.

Merchant bar products can sometimes be interchanged with cold formed products.

4. Complete appendix A1 (Australian production). This data is used to support your declaration at the beginning of this application.

The applicant has completed appendix A1 for the like goods produced in Australia during the proposed investigation period, 1 January to 31 December 2020. Please refer to appendix A1.

5. Complete appendix A2 (Australian market).

Please refer to appendix A2. The sales data includes sales to related and unrelated/third-party customers and domestic sales of own production.

6. Use the data from appendix A2 (Australian market) to complete this table:

Indexed table of sales quantities

Period	(a) Your Sales	(b) Other Aust ⁿ Sales	(c) Total Aust ⁿ Sales (a+b)	(d) Dumped Imports	(e) Other Imports	(f) Total Imports (d+e)	Total Market (c+f)
CY 2017	100	0	100	100	100	100	100
CY 2018	107	0	107	131	39	107	107
CY 2019	93	0	93	94	29	77	86
CY 2020	107	0	107	87	24	71	91

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A-5 Applicant's sales

1. Complete appendix A3 (sales turnover).

The applicant has completed appendix A3 for all sales of merchant bar by InfraBuild Steel to both related and third-party (unrelated) customers.

Please refer to appendix A3.

2. Use the data from appendix A3 (sales turnover) to complete these tables.

Indexed table of Applicant's sales quantities

Quantity	CY 2017	CY 2018	CY 2019	CY 2020
All products				
Australian market	100	105	104	101
Export market	100	272	142	110
Total	100	107	105	101
Like goods				
Australian market	100	107	93	107
Export market	100	127	136	152
Total	100	109	97	111

Indexed table of Applicant's sales values

Value	CY 2017	CY 2018	CY 2019	CY 2020
All products				
Australian market	100	123	121	114
Export market	100	321	165	125
Total	100	126	122	114
Like goods				
Australian market	100	125	109	119
Export market	100	146	152	165
Total	100	127	114	124

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3. Complete appendix A5 (sales of other production) if you have made any:

- internal transfers; or

InfraBuild Steel has completed appendix A5 for its sales of local production to related parties.

- domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.

Not applicable.

4. Complete appendix A4 (domestic sales).

InfraBuild Steel has completed appendix A4, as an electronic attachment to this application and contains all domestic sales of Australian production of like goods.

5. If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.

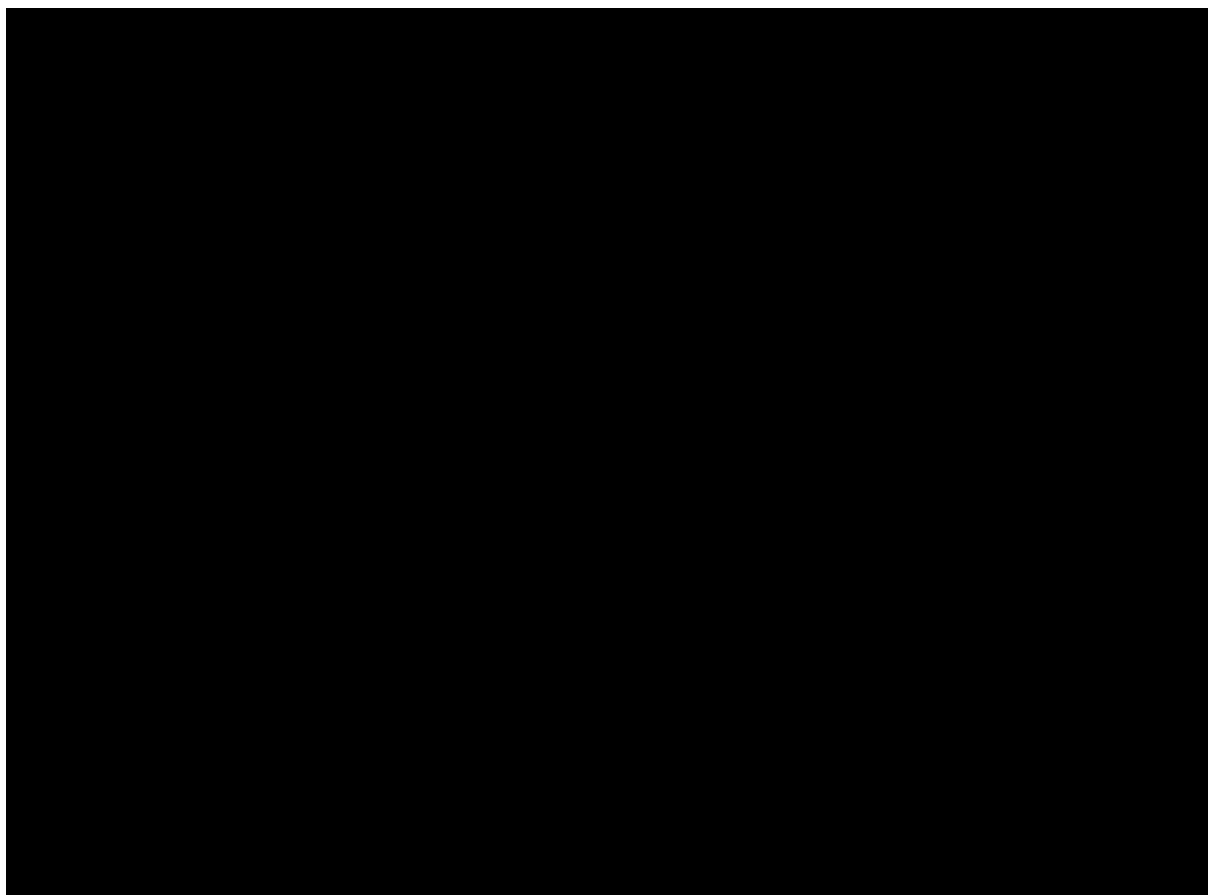
The following customers listed at appendix A4 are associated with InfraBuild Steel, as follows:

- [REDACTED], also known as [REDACTED], trading as [REDACTED], and in Western Australia, [REDACTED], are distributors related to InfraBuild Steel by common ownership;
- [REDACTED], also known as [REDACTED], trading as [REDACTED] is an end user related to InfraBuild Steel by common ownership;
- [REDACTED], also known as [REDACTED], trading as [REDACTED] is a distributor related to InfraBuild Steel by common ownership; and
- [REDACTED], also known as [REDACTED], trading as [REDACTED] is a distributor related to InfraBuild Steel by common ownership.

InfraBuild Steel maintains a market based pricing policy for unrelated and related customers. Therefore, there is no price effect of the association between InfraBuild Steel and its related customers. This conclusion is supported by analysis of a comparison between the weighted average prices across the proposed investigation

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period between related and unrelated customers by shape category. The result of this analysis is contained in **CONFIDENTIAL CHART A-5.5.1**, below.



CONFIDENTIAL CHART A-5.5.1: Comparison of weighted average net prices paid by related and unrelated customers for merchant bar (own production) by shape across the proposed investigation period (CY 2020) (Source: [appendix A4](#))

CONFIDENTIAL CHART A-5.5.1, above, indicates that the actual realised weighted average prices to unrelated customers follows a comparable average weighted pricing trend to the applicant's related customers over the proposed investigation period.

Therefore, InfraBuild Steel submits that sales to its related entities are arm's length sales and it is appropriate to include those sales in its injury analysis as the Australian industry producing like goods.

6. Attach a copy of distributor or agency agreements/contracts.

InfraBuild Steel does not currently have written distributor or agency agreements/contracts with its customers for the sale of merchant bar.

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7. Provide copies of any price lists.

Copies of price lists to the following customers are attached:

- [REDACTED]: [CONFIDENTIAL ATTACHMENT A-5.7.1](#);
- [REDACTED]: [CONFIDENTIAL ATTACHMENT A-5.7.2](#);
- [REDACTED]: [CONFIDENTIAL ATTACHMENT A-5.7.3](#);
- [REDACTED]: [CONFIDENTIAL ATTACHMENT A-5.7.4](#);
- [REDACTED]: [CONFIDENTIAL ATTACHMENT A-5.7.5](#);
- [REDACTED]: [CONFIDENTIAL ATTACHMENT A-5.7.6](#);
- [REDACTED]: [CONFIDENTIAL ATTACHMENT A-5.7.7](#);
- [REDACTED]: [CONFIDENTIAL ATTACHMENT A-5.7.8](#);
- [REDACTED]: [CONFIDENTIAL ATTACHMENT A-5.7.9](#);
- [REDACTED]: [CONFIDENTIAL ATTACHMENT A-5.7.10](#); and
- [REDACTED]: [CONFIDENTIAL ATTACHMENT A-5.7.11](#).

8. If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.

InfraBuild Steel [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] *[pricing policies]*

The other potential form of adjustment occurs to correct an issue such as quality, pricing or despatch errors. These types of adjustments are entered into the system once the issue has been identified and validated.

- Where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in [appendix A4](#) (domestic sales).
- If you have issued credit notes (directly or indirectly) provide details if the credited amount has **not** been reported [appendix A4](#) (domestic sales) as a discount or rebate.

Any adjustments have been included in [appendix A4](#).

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9. Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank documentation showing proof of payment.

Complete sets of commercial documentation for two sales in each quarter across the period, 12-months ending 31 December 2020 have been included with this application.

Please refer to CONFIDENTIAL ATTACHMENT A-5.9.

10. Provide a list of model control codes from appendix A4.

Category	Sub-category	Sales Data	Cost data	Key category
Prime/Non-prime	<u>P</u> Prime <u>N</u> Non-prime	Mandatory	Optional	Yes
Shape	<u>F</u> Flats <u>E</u> Equal Angles <u>U</u> nequal Angles <u>P</u> arallel flange channels <u>T</u> apered flange channels	Mandatory	Optional	Yes

A-6 General accounting/administration information

1. Specify your accounting period.

The applicant's financial year is 1 July to 30 June.

2. Provide details of the address(es) where your financial records are held.

Level 28, 88 Phillip Street, SYDNEY NSW, Australia

3. To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any

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subsequent statements:

- chart of accounts;

Refer [CONFIDENTIAL ATTACHMENT A-6.3.1](#).

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);

Audited consolidated financial statements for the two most recently completed financial years form [CONFIDENTIAL ATTACHMENT A-2.9.2](#) (FY 2019) and [CONFIDENTIAL ATTACHMENT A-2.9.3](#) (FY 2020).

Consolidated financial statements for the half-year ended 31 December 2020 forms [CONFIDENTIAL ATTACHMENT A-6.3.2](#).

- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.

These documents should relate to:

1. the division or section/s of your business responsible for the production and sale of the goods covered by the application, and

Income statements (profit and loss reports) for InfraBuild Steel for 1 July 2018 to 30 December 2020 form [CONFIDENTIAL ATTACHMENT A-6.3.3](#).

2. the company overall.

Income statements (profit and loss reports) for InfraBuild Group form [CONFIDENTIAL ATTACHMENT A-6.3.4](#) (FY 2019) and [CONFIDENTIAL ATTACHMENT A-6.3.5](#) (FY 2020).

4. If your accounts are **not** audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Not applicable – InfraBuild Steel's accounts are audited.

5. If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.

InfraBuild Steel's accounting practices are maintained in accordance with Australia's generally accepted accounting practices.

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6. Describe your accounting methodology, where applicable, for:

- the recognition/timing of income, and the impact of discounts, rebates, sales returns warranty claims and intercompany transfers;

Income from the sale of goods is recognised when the consolidated entity has passed control of the goods to the buyer.

- provisions for bad or doubtful debts;

Trade debtors are reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

- the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;

Cost is comprised of materials, labour and an appropriate proportion of fixed and variable overheads, on an absorption cost basis.

- costing methods (eg by tonnes, units, revenue, activity, direct costs etc) and allocation of costs shared with other goods or processes;

Costing methodology is by production/sales tonnes.

- the method of valuation for inventories of raw material, work-in-process, and finished goods (eg FIFO, weighted average cost);

Raw materials, stores, work in progress and manufactured stocks are valued at weighted average cost. However, a review of the net realisable value is conducted during hard close (November, December, May and June) to ensure stocks are captured at the lower of cost. The methods used to assign costs to inventories are weighted average actual invoiced cost.

- valuation methods for scrap, by-products, or joint products;

Lower of cost or net realisable value. There are no values attached to the scrap off the mills, scrap steel is fed back into the EAFs and forms part of the yield variances.

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

Lower of cost or net realisable value. Damaged goods are scrapped and reused as scrap in the EAF.

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- valuation and revaluation of fixed assets;

Subsequent to initial recognition, assets are valued at fair value. Revaluations are made with sufficient regularity to ensure carrying amounts do not differ dramatically from fair value.

- average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;

Property, Plant and Equipment are depreciated based on a straight-line method over the useful life of the assets.

The useful life of the assets is grouped as follows:

Buildings:	10 - 40 years
Plant and Equipment:	3 - 20 years
Equipment under finance lease:	3 - 5 years

Property, Plant and Equipment are capitalised where possible, directly to the profit centres and cost centre lines for the production mills. This is captured in the SAP Fixed Asset Register, "FAR".

- treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and

Foreign exchange gains and losses are brought to account using the rate of exchange applicable at the date of the transaction.

- restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.

Provisions for restructuring represents best estimate of the costs directly and necessarily incurred for the restructuring and not associated with ongoing activities.

7. If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.

Although there has been a change in the names of the legal entities producing the like goods in Australia, the accounting methods have not altered over the periods for which financial data has been prepared for this application, unless required to by the relevant accounting standard.

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A-7 Cost information

1. Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.

InfraBuild Steel has completed appendices A6.1 and A6.2 for domestic and export sales, respectively for the proposed injury analysis period (1 January to 31 December 2020).

2. Provide a list of model control codes from appendix A6.1 and A6.2.

Category	Sub-category	Sales Data	Cost data	Key category
Prime/Non-prime	<u>P</u> Prime <u>N</u> Non-prime	Mandatory	Optional	Yes
Shape	<u>F</u> lats <u>E</u> qual Angles <u>U</u> nequal Angles <u>P</u> arallel flange channels <u>T</u> apered flange channels	Mandatory	Optional	Yes

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A-8 Injury

The principal indicators of injury are price, volume and profit effects – although not all of these must be evident. For this application, profit refers to amounts earned. Profitability is the ratio of profit to sales revenue. Where the application includes a claim of threat of material injury you must also complete question C.2.

1. Estimate the date when the material injury from dumped and/or subsidised imports commenced.

The Australian industry alleges that the material injury arising from the *volume* and *price* effects of the dumped goods exported from Taiwan commenced in or about November 2020.

More specifically, the Australian industry claims and will establish in the subsequent parts of this application, that it has experienced material injury during the proposed investigation period in the form of:

- lost sales volume;
 - lost market share;
 - price depression;
 - price suppression;
 - loss of profits;
 - reduced profitability;
 - reduced capital investment;
 - reduced research and development expenditure;
 - loss of employment (headcount) allocated to production of the like goods;
 - reduced cash flow in the industry; and
 - lost revenue.
2. Using the data from appendix A6 (cost to make and sell), complete the following tables for each model control code of your production. Pⁿ is the most recent period.

Index of production variations (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
production qty*	100	121	106	110

Period	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021
production qty*	100	67	140	117	138	55	128	46

*Use data from label A of appendix A6.1

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Index of cost variations (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
unit CTMS*	100	119	116	111

Period	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021
unit CTMS*	100	95	99	99	102	116	119	121

*use data from label J of appendix A6.1

Index of price variations (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
unit sales revenue*	100	117	118	111

Period	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021
unit sales revenue*	100	98	97	95	96	97	99	102

*data from label L of appendix A6.1

Index of profit variations (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
unit gain or loss*	100	108	128	116

Period	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021
unit gain or loss*	100	110	90	82	73	25	22	32

* data from label N of appendix 6.1

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Index of profitability variations (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
profitability*	100	92	109	104

Period	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021
profitability*	100	112	93	86	76	26	22	31

*data from label O of appendix A6.1

3. Complete appendix A7 (other injury factors).

Where applicable to injury claims, prepare an indexed table for other injury factor(s) in the format above.

Index of capital investment (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
capital investment*	100	119	164	74

*data from appendix A7

Index of asset value allocation (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
asset value allocation*	100	112	110	108

*data from appendix A7

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Index of research and development expenditure (merchant bar)

Period#	FY 2017	FY 2018	FY 2019	FY 2020
R&D*		100	64	25

*data from appendix A7

#research and development expenditure is recorded by financial years only and commence in FY 2018, due to the business being in voluntary administration across FY 2017

Index of revenue (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
revenue*	100	125	109	119

*data from appendix A7

Index of return on investment (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
return on income*	100	103	108	115

*data from appendix A7

Index of capacity (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
output max. capacity*	100	104	102	101

*data from appendix A7

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Index of capacity utilisation (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
capacity utilisation*	100	116	103	109

*data from appendix A7

Index of employment (headcount) allocation (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
employment*	100	115	109	98

*data from appendix A7

Index of productivity (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
tonnes per shift*	100	104	102	99

*data from appendix A7

Index of stock holding (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
closing stock*	100	163	188	118

*data from appendix A7

Index of wages expense (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
wages*	100	128	116	124

*data from appendix A7

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Index of cashflow measures (merchant bar)

Period	CY 2017	CY 2018	CY 2019	CY 2020
receivables turnover*	100	101	96	99
Inventory turnover*	100	118	77	97

*data from appendix A7

A-9 Link between injury and dumped or subsidised imports

To establish grounds to initiate an investigation there must be evidence of a causal relationship between the injury and the alleged dumping or subsidisation. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped and/or subsidised imports on your quarterly sales volume and market share.

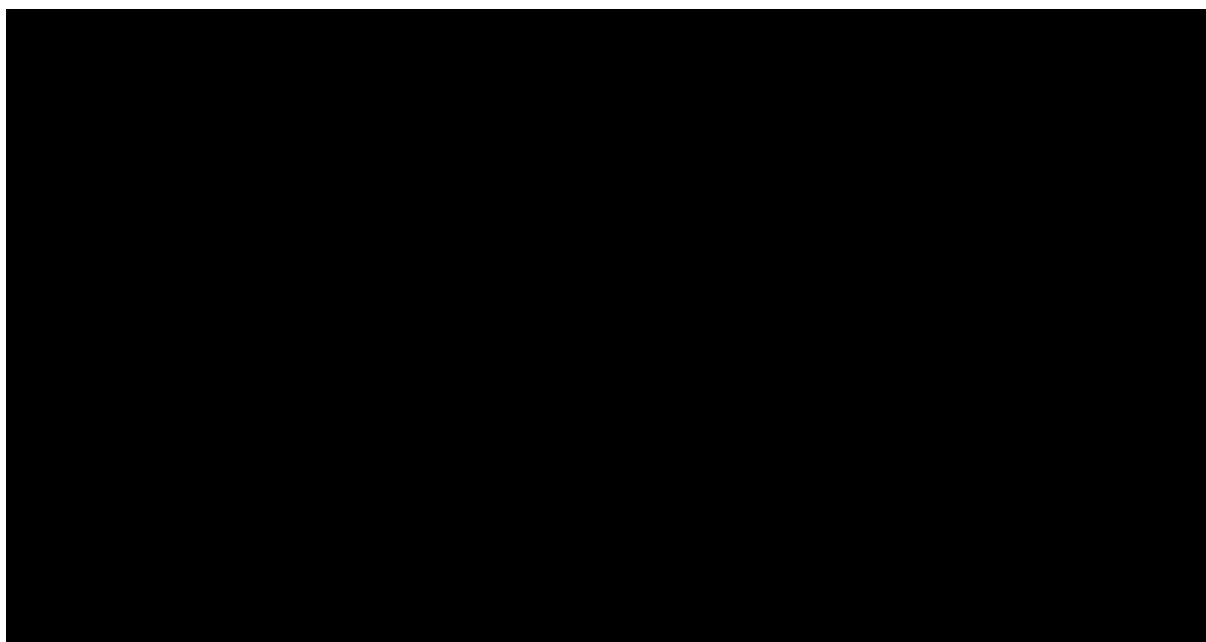
There is a direct correlation between the increase in volumes of merchant bar imported from Taiwan and the Australian industry's quarterly sales volume and market share for the like goods. The quarterly sales volume and market share movements of merchant bar have been considered.

1.1 Influence on quarterly sales volume

CONFIDENTIAL CHART A-9.1.1 and **TABLE A-9.1.1**, below, indicate the influence of the volume of the dumped imports on the Australian industry's quarterly sales volume.

During quarters of rising volumes of dumped imports, there is a corresponding decline in quarterly sales volumes for the Australian industry. For example, reference is made to the June 2017, June 2018, December 2018 and December 2020 quarters. On the other hand, during quarters of falling volumes of dumped imports, there is a corresponding increase in quarterly sales volumes for the Australian industry, for examples, reference is made to the September 2017, September 2018 and September 2020 quarters.

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CONFIDENTIAL CHART A-9.1.1: Australian industry's quarterly sales volume of merchant bar and quarterly imports of merchant bar from Taiwan since 1 January 2017 (Source: [appendix A2](#))

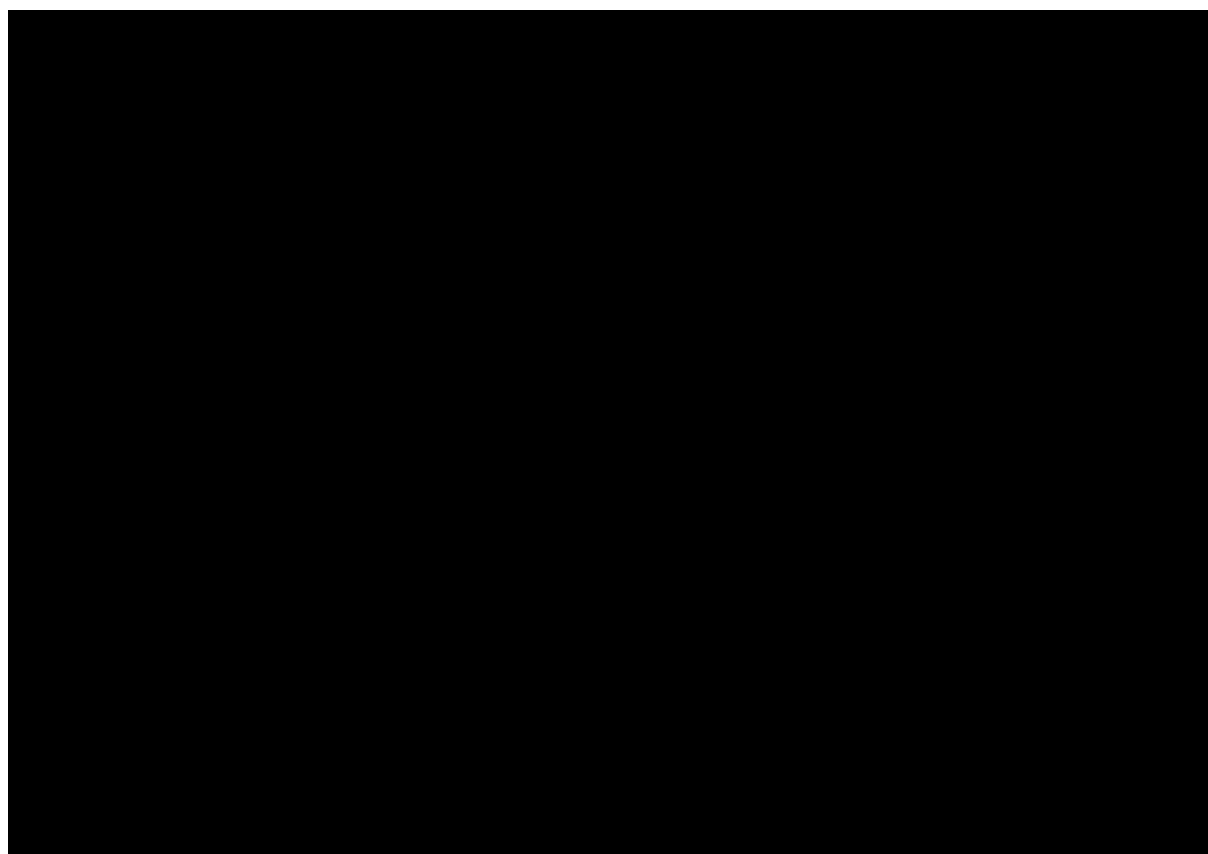
Period	Jan - Mar 2017	Apr – Jun 2017	Jul - Sep 2017	Oct - Dec 2017
<i>Aust. industry</i>	100	99	108	94
<i>Dumped imports</i>	100	122	78	72
Period	Jan - Mar 2018	Apr - Jun 2018	Jul - Sep 2018	Oct - Dec 2018
<i>Aust. industry</i>	110	108	116	94
<i>Dumped imports</i>	117	157	81	135
Period	Jan – Mar 2019	Apr - Jun 2019	Jul – Sep 2019	Oct – Dec 2019
<i>Aust. industry</i>	88	86	99	99
<i>Dumped imports</i>	95	84	92	81
Period	Jan – Mar 2020	Apr – Jun 2020	Jul – Sep 2020	Oct – Dec 2020
<i>Aust. industry</i>	105	103	112	109
<i>Dumped imports</i>	85	70	72	99

TABLE A-9.1.1: Index of Australian industry's quarterly sales volume of merchant bar and quarterly imports of merchant bar from Taiwan, since 1 January 2017 (Source: [appendix A2](#))

1.2 Influence on quarterly market share

CONFIDENTIAL CHART A-9.1.2 and **TABLE A-9.1.2**, below, indicate the influence of the market share of the dumped imports on the Australian industry's quarterly market share.

During quarters of rising market share for the dumped imports, there is a corresponding decline in quarterly market share for the Australian industry, for example, reference is made to the June 2017, June 2018, December 2018 and December 2020 quarters. On the other hand, during quarters of falling market share for the dumped imports, there is a corresponding increase in quarterly market share for the Australian industry, for examples, reference is made to the September 2017, September 2018, December 2019, June 2020 and September 2020 quarters.



CONFIDENTIAL CHART A-9.1.2: Australian industry's quarterly market share of merchant bar and quarterly market share for imports of merchant bar from Taiwan since 1 January 2017 (Source: [appendix A2](#))

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Period	Jan - Mar 2017	Apr – Jun 2017	Jul - Sep 2017	Oct - Dec 2017
<i>Aust. industry</i>	100	101	125	101
<i>Dumped imports</i>	100	125	92	98
Period	Jan - Mar 2018	Apr - Jun 2018	Jul - Sep 2018	Oct - Dec 2018
<i>Aust. industry</i>	91	87	131	75
<i>Dumped imports</i>	124	148	93	145
Period	Jan – Mar 2019	Apr - Jun 2019	Jul – Sep 2019	Oct – Dec 2019
<i>Aust. industry</i>	114	101	108	104
<i>Dumped imports</i>	123	113	117	108
Period	Jan – Mar 2020	Apr – Jun 2020	Jul – Sep 2020	Oct – Dec 2020
<i>Aust. industry</i>	100	105	102	89
<i>Dumped imports</i>	105	93	91	113

TABLE A-9.1.2: Index of Australian industry's quarterly market share of merchant bar and quarterly market share for imports of merchant bar from Taiwan, since 1 January 2017 (Source: [appendix A2](#))

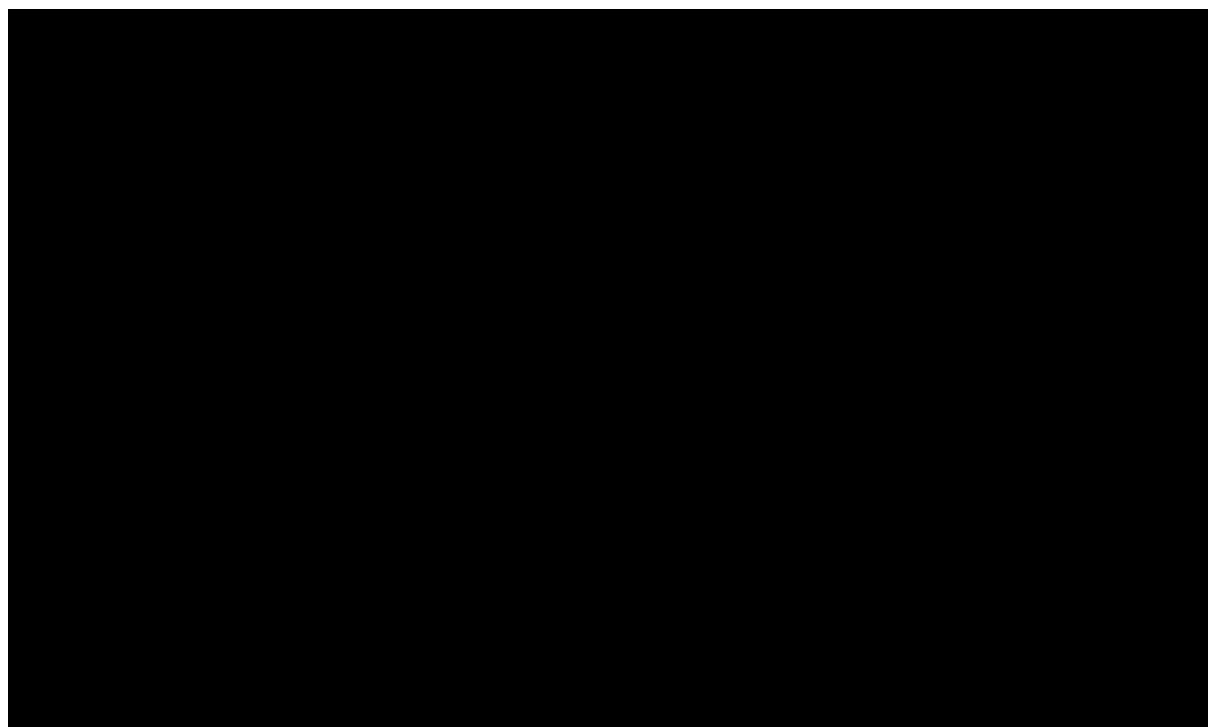
- Use the data at [appendix A2](#) (Australian market) to show the influence of the price of dumped and/or subsidised imports on your quarterly prices, profits and profitability provided at [appendix A6.1](#) (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

There is a direct correlation between the decrease in export prices for merchant bar imported from Taiwan and the Australian industry's quarterly prices, profits and profitability for the like goods.

2.1 Influence on quarterly prices

The Australian industry applicant considers that the prices of the dumped imports from Taiwan have applied downwards pressure on its prices so that it was unable to raise them sufficiently to maintain its profits and profitability. This influence is demonstrated in **CONFIDENTIAL CHART A-9.2.1** and **TABLE A-9.2.1**, below, which illustrates the strong correlation between the Australian industry's quarterly free-into-store (**FIS**) sales prices for the like goods and the quarterly free-on-board (**FOB**) export prices of the dumped imports from Taiwan across the injury analysis period.

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CONFIDENTIAL CHART A-9.2.1: Australian industry's quarterly weighted average FIS price for merchant bar and quarterly weighted average FOB export price for imports of merchant bar from Taiwan, since 1 January 2017 (Source: appendix A2)

Quarter	Jan - Mar 2017	Apr – Jun 2017	Jul - Sep 2017	Oct - Dec 2017
Aust. industry	100	102	103	108
Taiwan	100	107	105	112
Quarter	Jan - Mar 2018	Apr - Jun 2018	Jul - Sep 2018	Oct - Dec 2018
Aust. industry	116	122	121	126
Taiwan	113	119	129	132
Quarter	Jan – Mar 2019	Apr - Jun 2019	Jul – Sep 2019	Oct – Dec 2019
Aust. industry	128	135	111	116
Taiwan	136	135	131	126
Quarter	Jan – Mar 2020	Apr – Jun 2020	Jul – Sep 2020	Oct – Dec 2020
Aust. industry	113	117	116	113
Taiwan	123	130	114	116

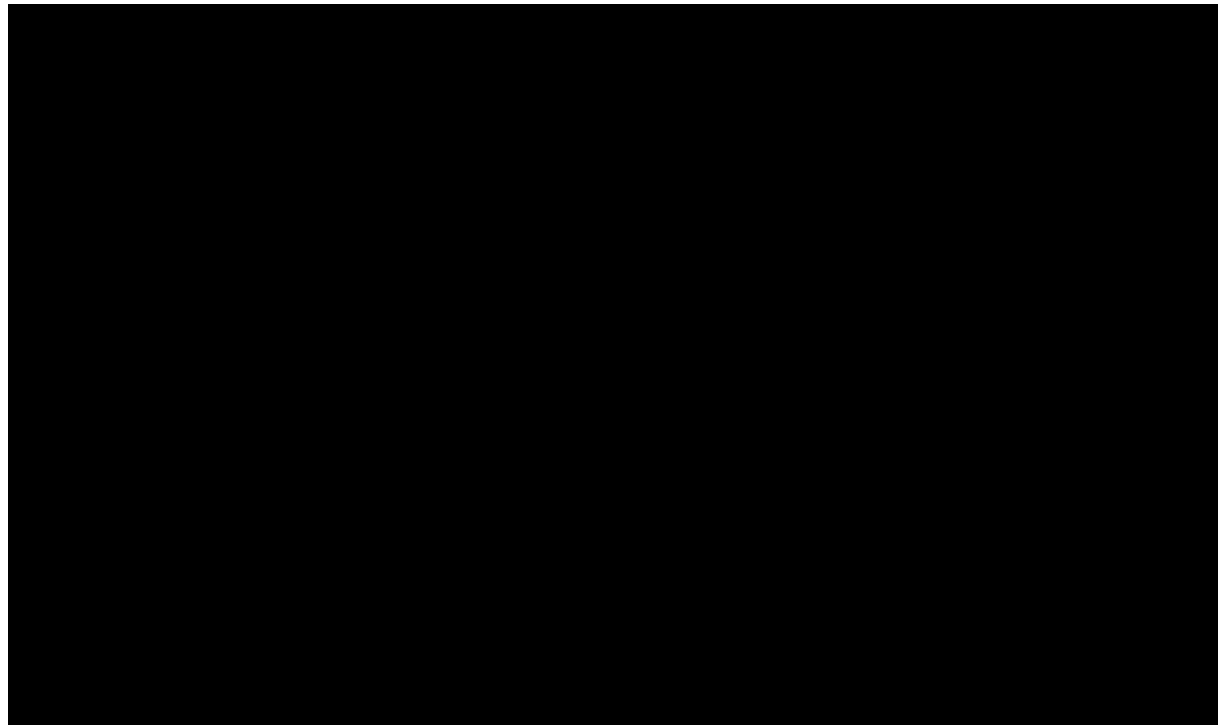
TABLE A-9.2.1: Index of Australian industry's quarterly weighted average FIS price for merchant bar and quarterly weighted average FOB export price for imports of merchant bar from Taiwan, since 1 January 2017 (Source: [appendix A2](#))

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The correlation between the Australian industry's quarterly sales prices for the like goods and the quarterly FOB export prices for the dumped imports across the injury analysis period exists because the Australian industry's prices were heavily influenced by the prices of the dumped imports. This occurs because InfraBuild Steel maintains a market based pricing policy for unrelated and related customers. Specifically, the industry applicant has responded to price undercutting (by importers of the dumped goods) by reducing its prices for like goods to its customers based on its market intelligence regarding import offers that were being received by these customers.

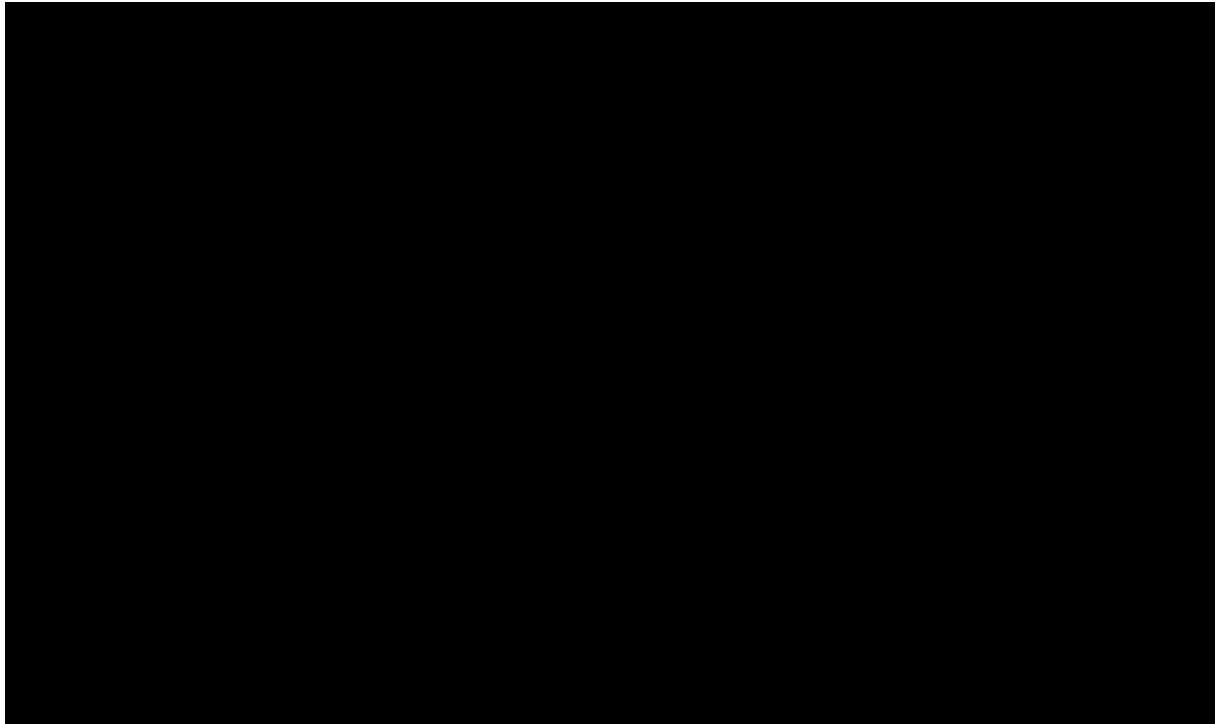
InfraBuild Steel's market intelligence relied upon by the applicant includes [REDACTED] and supporting evidence used to negotiate prices during the proposed investigation period for sales both within and beyond the proposed investigation period (CONFIDENTIAL ATTACHMENT A-9.2.1).

To demonstrate the impact of price undercutting by importers of the dumped goods on the Australian industry's prices, the applicant has performed analysis of [REDACTED] to its customer, and its own offer, both at the FIS level of trade. **CONFIDENTIAL CHARTS A-9.2.2.1 to A-9.2.2.11**, below.

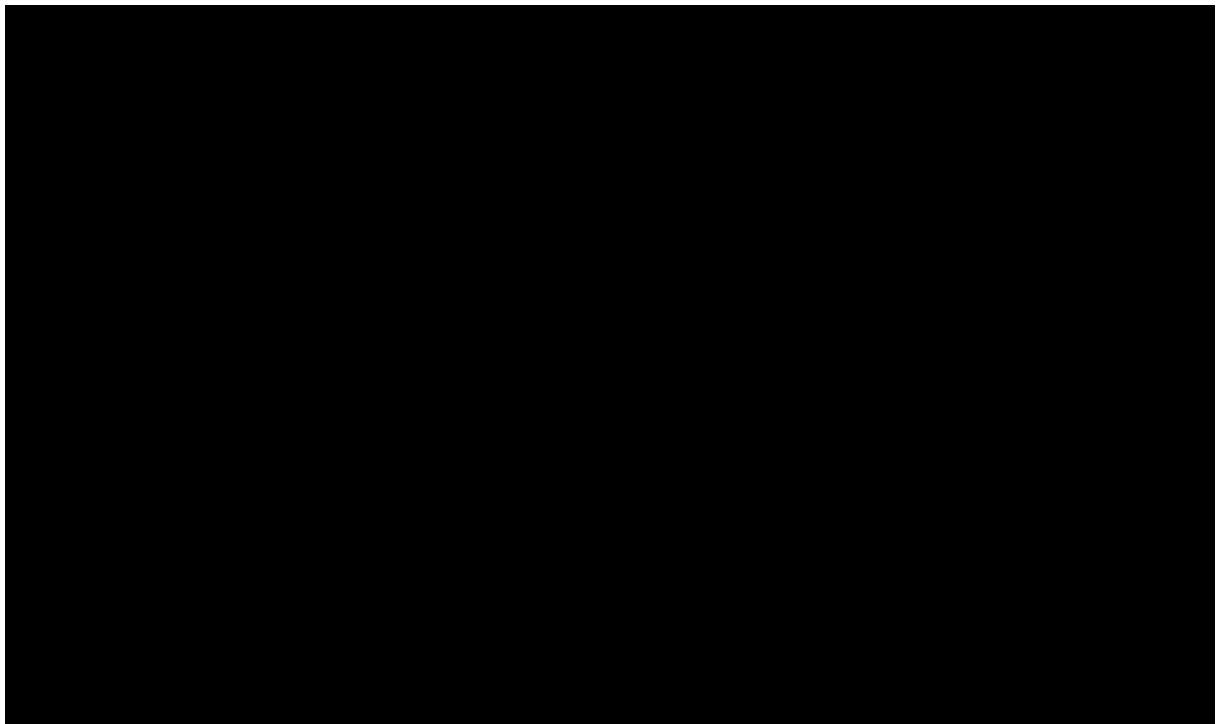


CONFIDENTIAL CHART A-9.2.2.1: Analysis of importer and InfraBuild Steel price offers for merchant bar to a named customer (FIS, delivery date) (Source: CONFIDENTIAL ATTACHMENT A-9.2.2)

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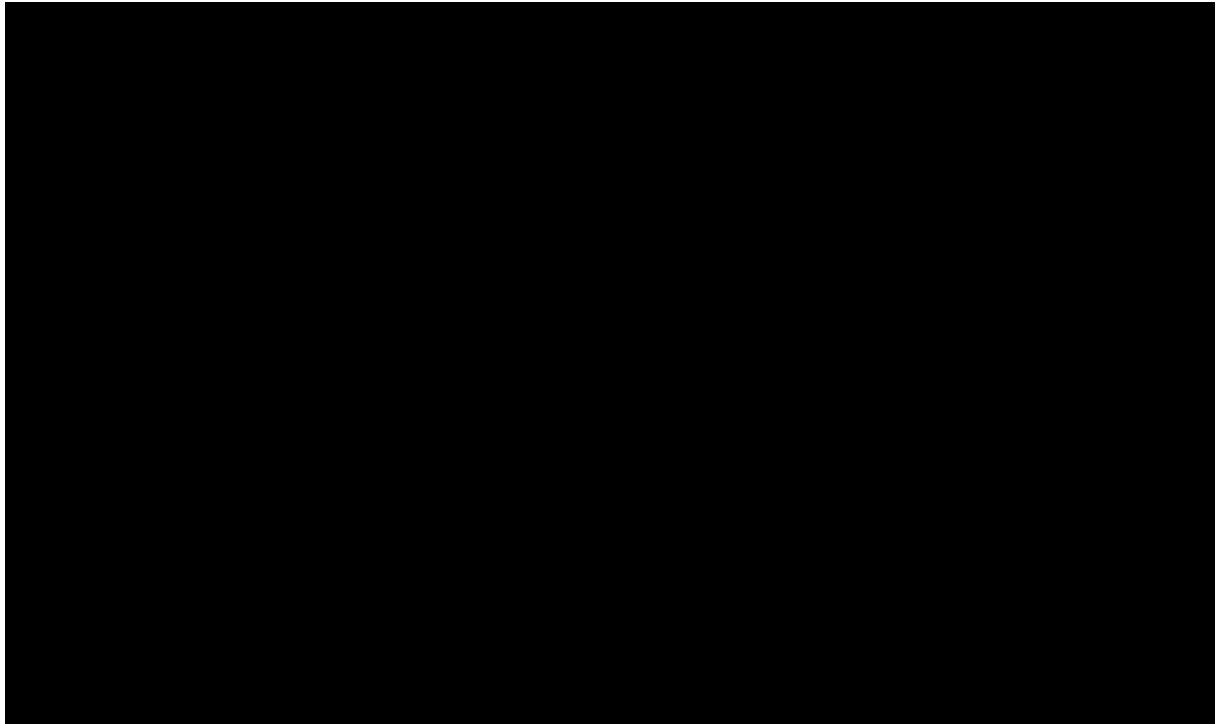


CONFIDENTIAL CHART A-9.2.2.2: Analysis of importer and InfraBuild Steel price offers for merchant bar to a named customer (FIS, delivery date) (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))

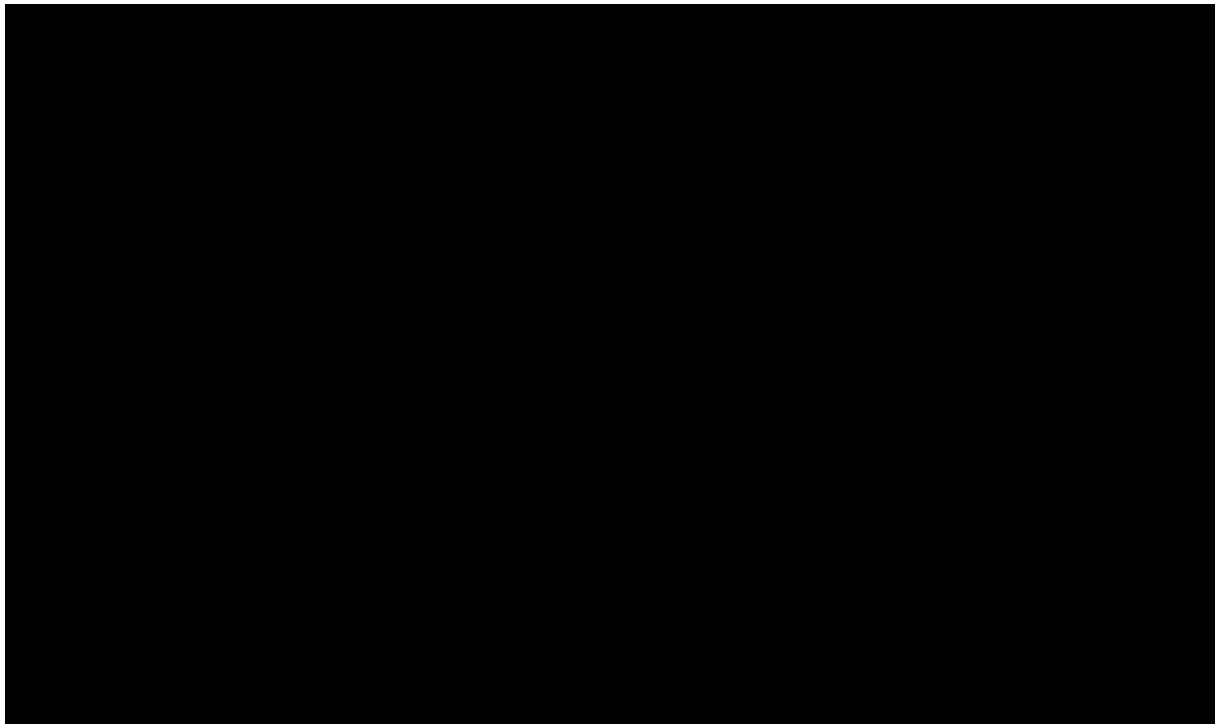


CONFIDENTIAL CHART A-9.2.2.3: Analysis of importer and InfraBuild Steel price offers for merchant bar to a named customer (FIS, delivery date) (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))

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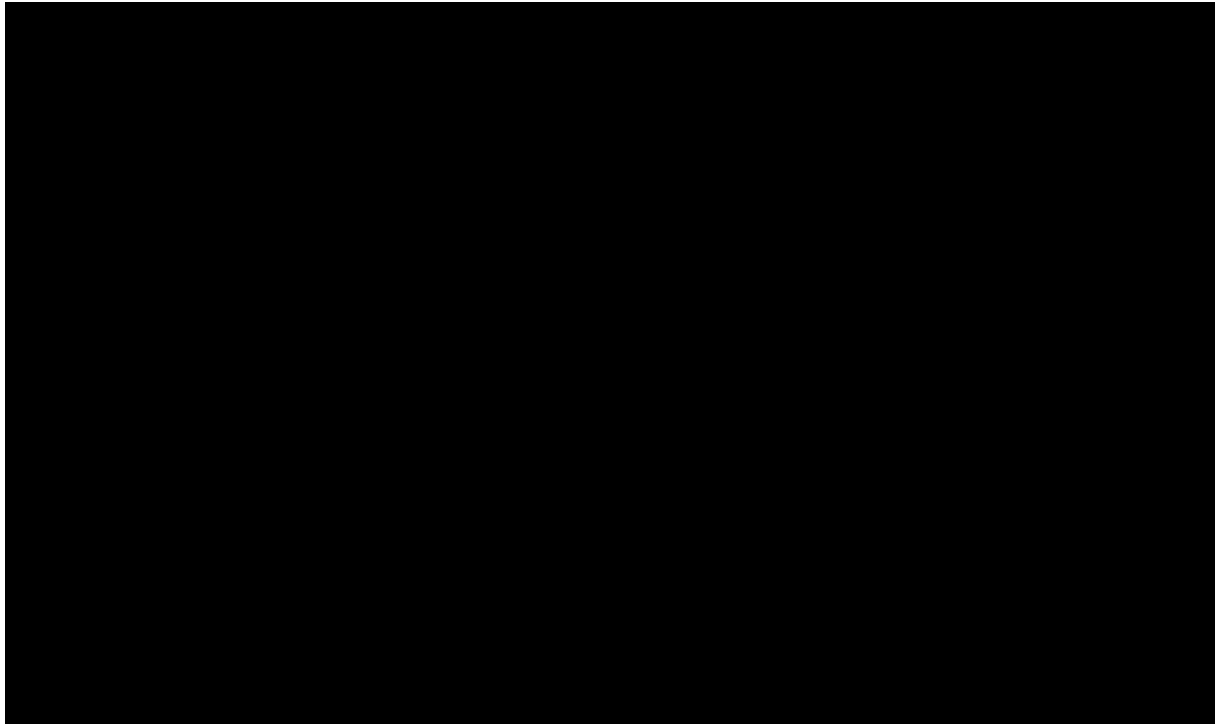


CONFIDENTIAL CHART A-9.2.2.4: Analysis of importer and InfraBuild Steel price offers for merchant bar to a named customer (FIS, delivery date) (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))

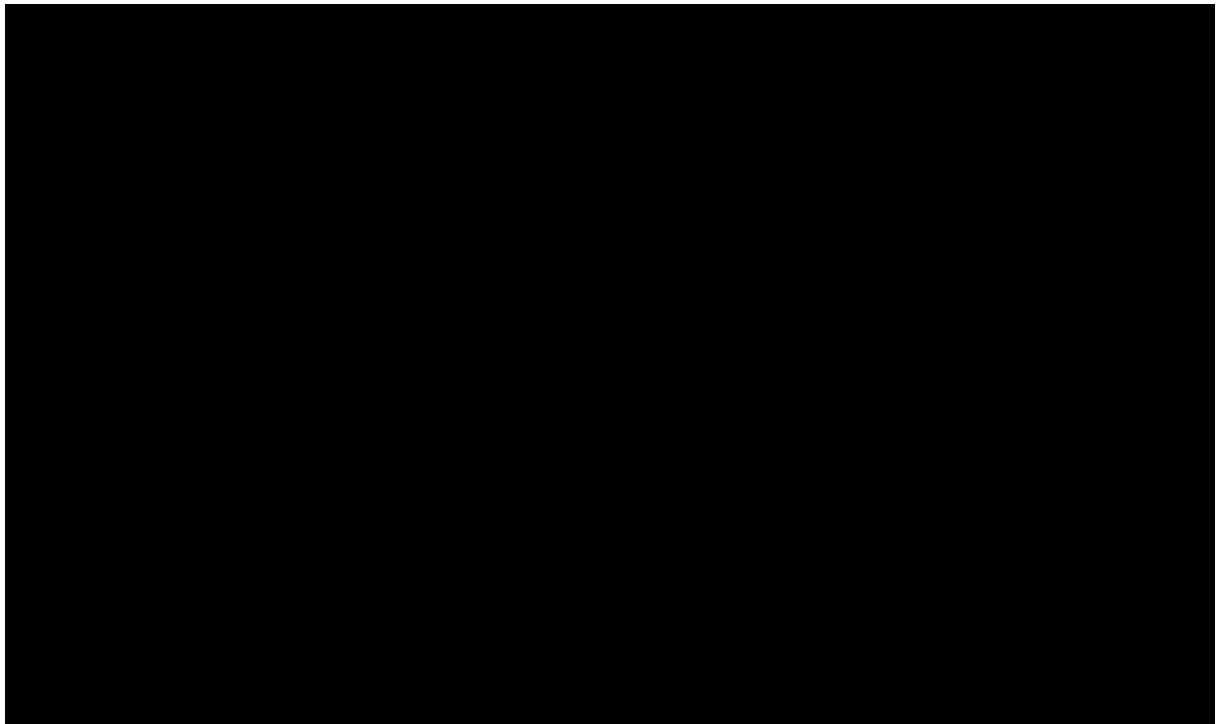


CONFIDENTIAL CHART A-9.2.2.5: Analysis of importer and InfraBuild Steel price offers for merchant bar to a named customer (FIS, delivery date) (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))

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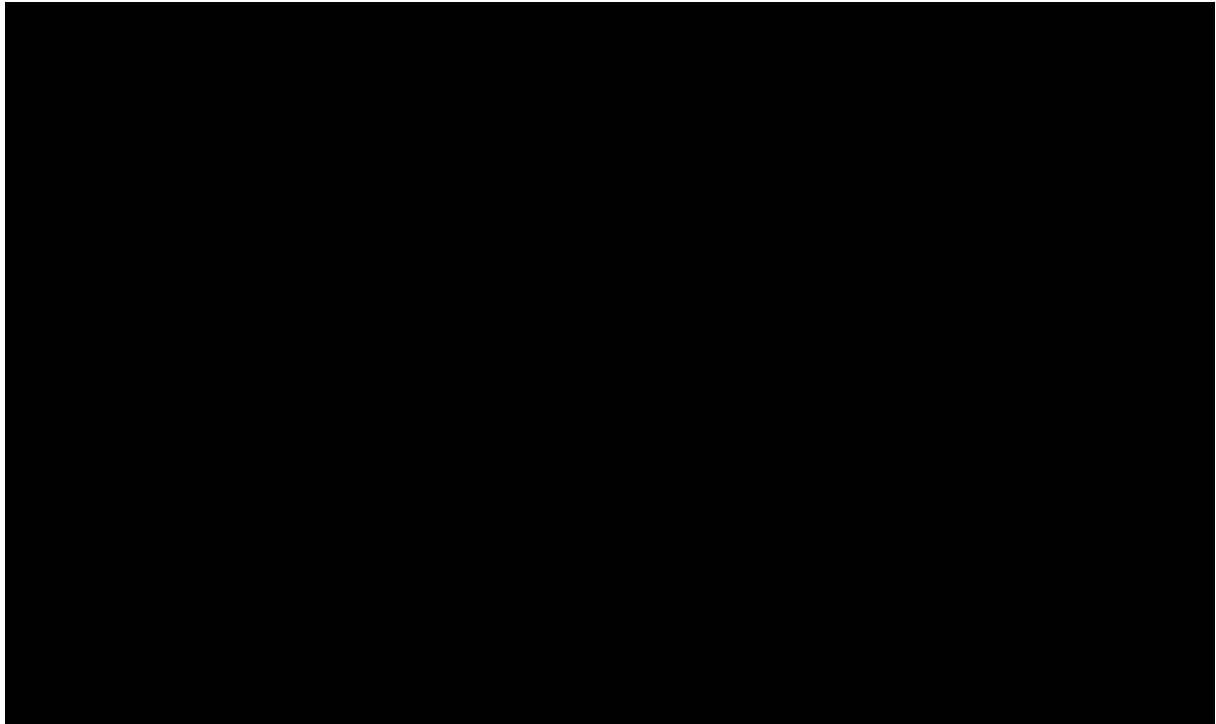


CONFIDENTIAL CHART A-9.2.2.6: Analysis of importer and InfraBuild Steel price offers for merchant bar to a named customer (FIS, delivery date) (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))

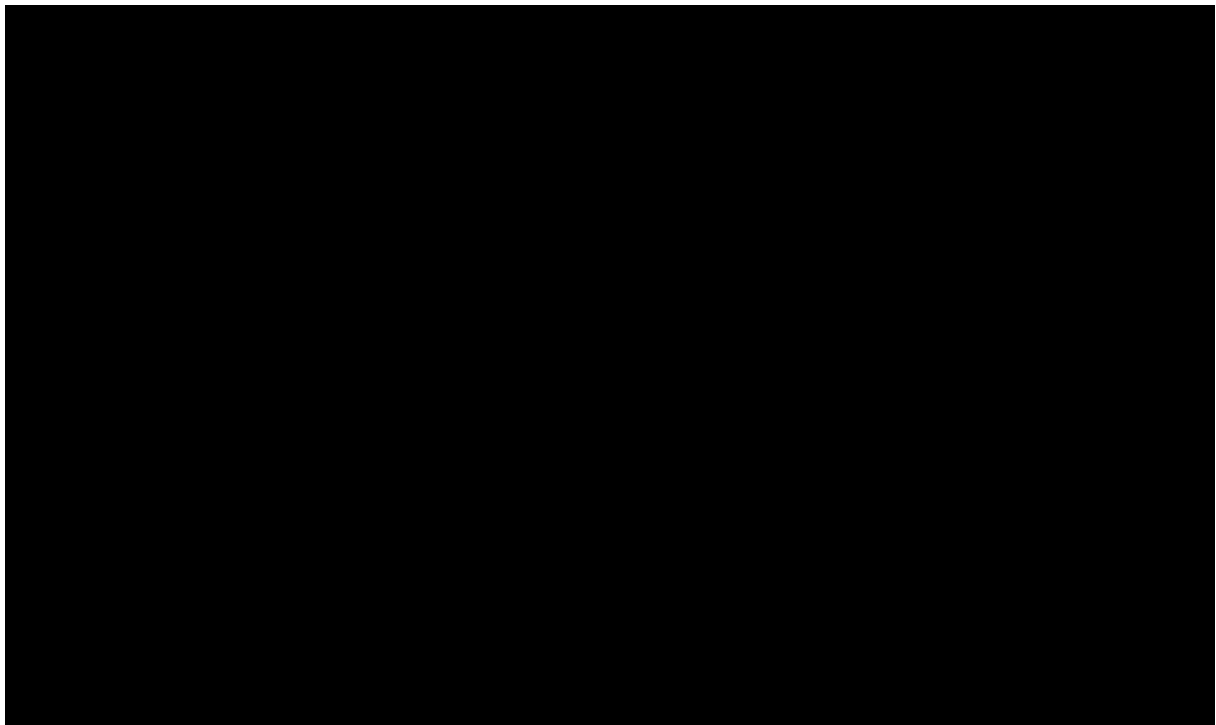


CONFIDENTIAL CHART A-9.2.2.7: Analysis of importer and InfraBuild Steel price offers for merchant bar to a named customer (FIS, delivery date) (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))

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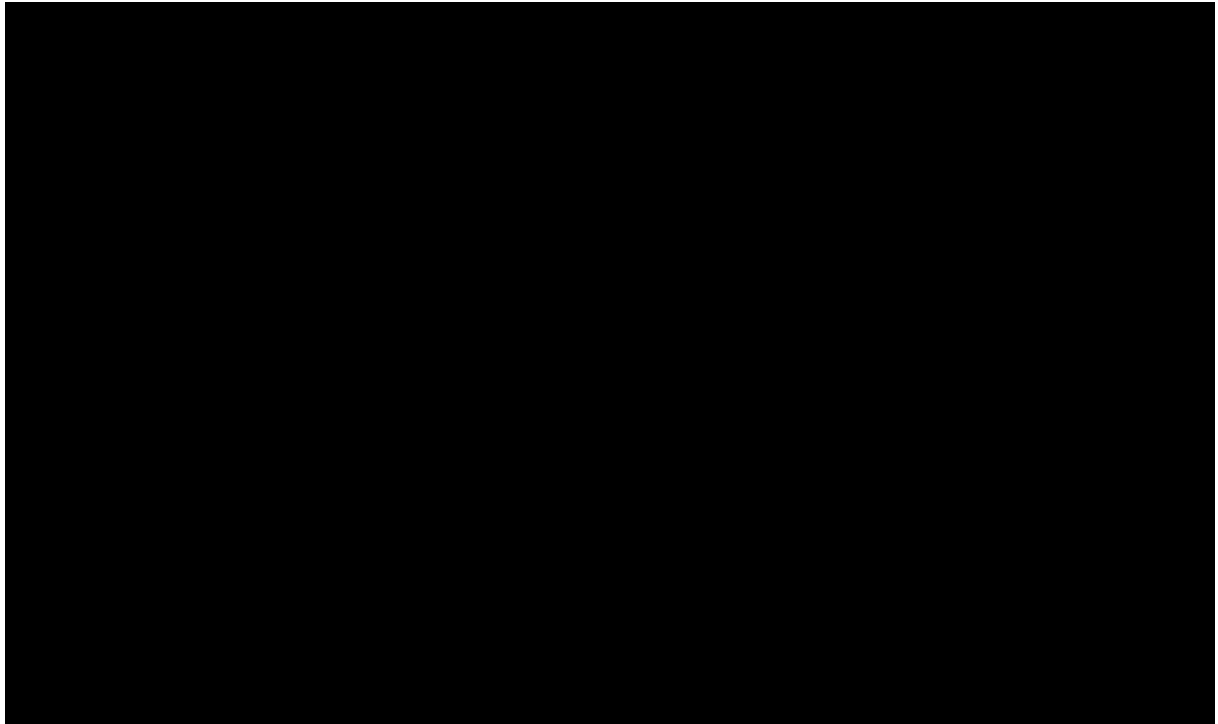


CONFIDENTIAL CHART A-9.2.2.8: Analysis of importer and InfraBuild Steel price offers for merchant bar to a named customer (FIS, delivery date) (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))

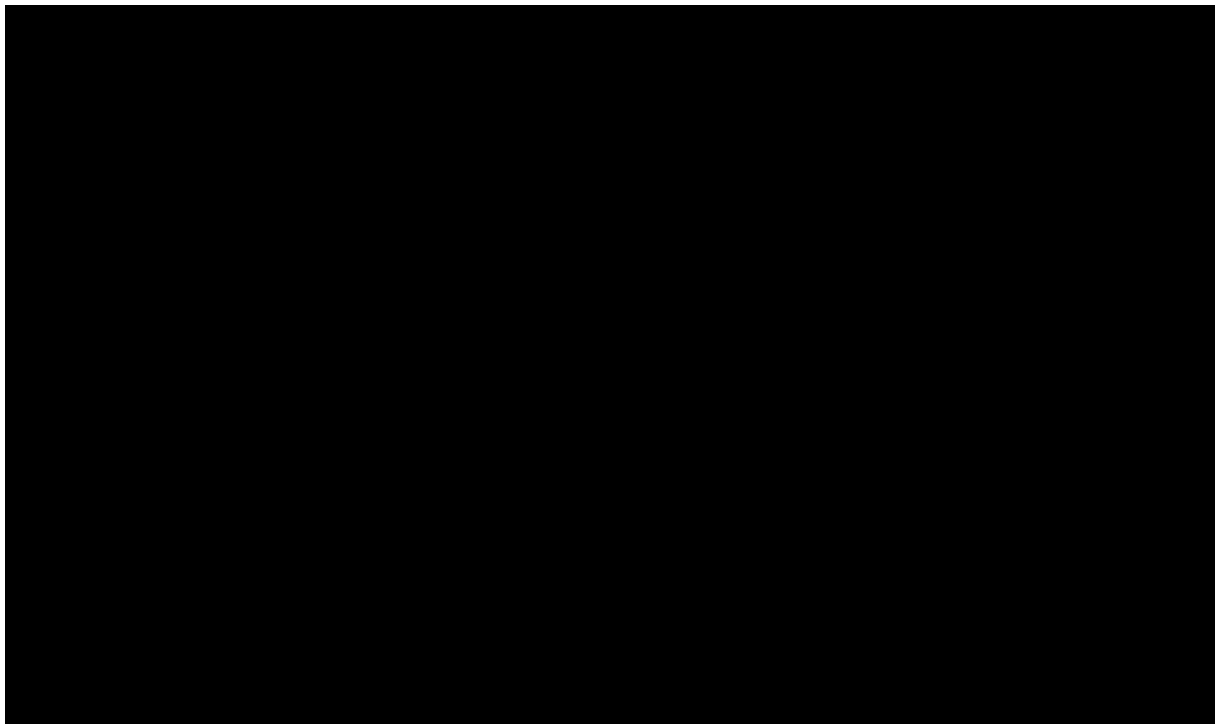


CONFIDENTIAL CHART A-9.2.2.9: Analysis of importer and InfraBuild Steel price offers for merchant bar to a named customer (FIS, delivery date) (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))

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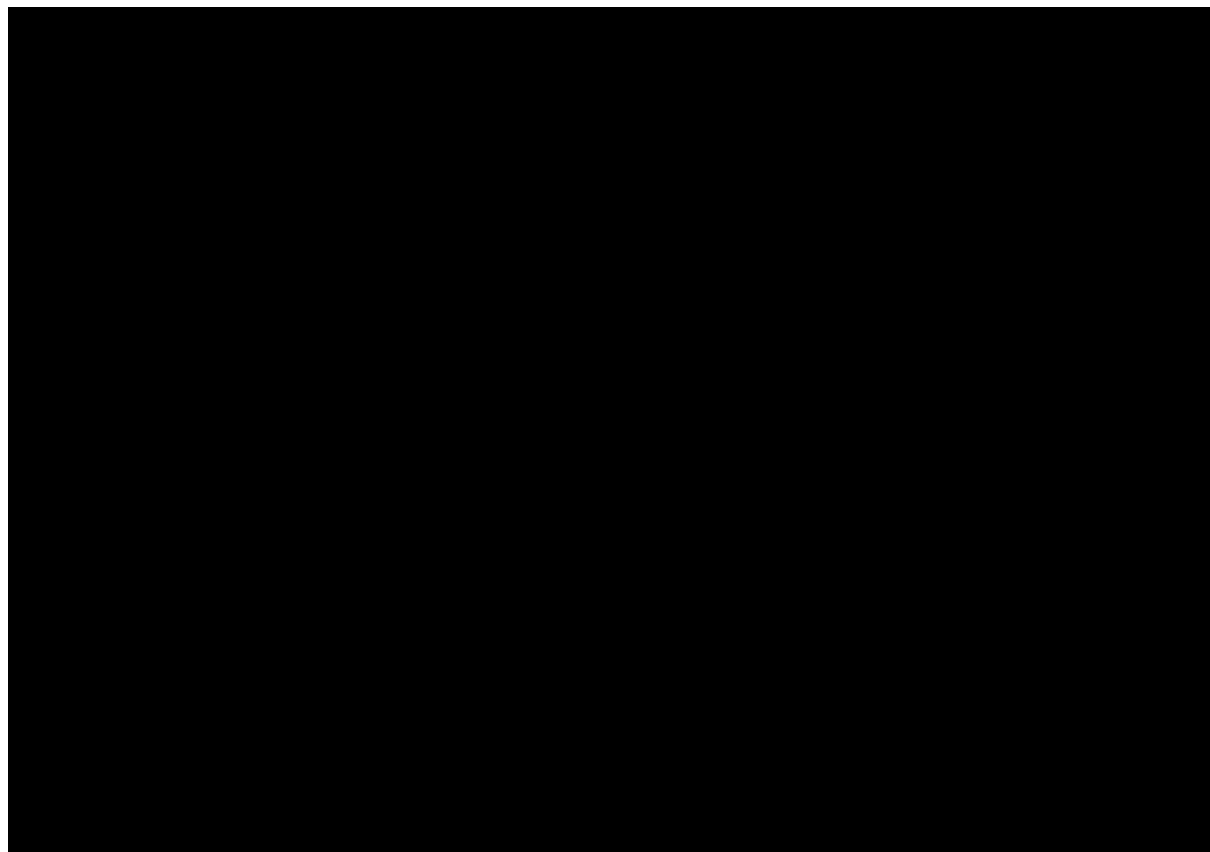
CONFIDENTIAL CHART A-9.2.2.10: Analysis of importer and InfraBuild Steel price offers for merchant bar to a named customer (FIS, delivery date) (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))



CONFIDENTIAL CHART A-9.2.2.11: Analysis of importer and InfraBuild Steel price offers for merchant bar to a named customer (FIS, delivery date) (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))

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In summary, importer offers of dumped goods to customers in the Australian market undercut InfraBuild Steel's offers by a minimum of -[REDACTED] per cent (i.e. not undercut), and a maximum of [REDACTED] per cent (i.e. undercut). The magnitude of price undercutting increased for goods delivered and sold in November 2020 and reach their maximum rates in March 2021. Although the rate of price undercutting recedes for goods to be delivered between April and June 2021, those rates continue to materially undercut the Australian industry's price offers to customers for sale, i.e. between [REDACTED] and [REDACTED] per cent. **CONFIDENTIAL CHART A-9.2.3**, below, illustrates the rates and distribution of price undercutting.

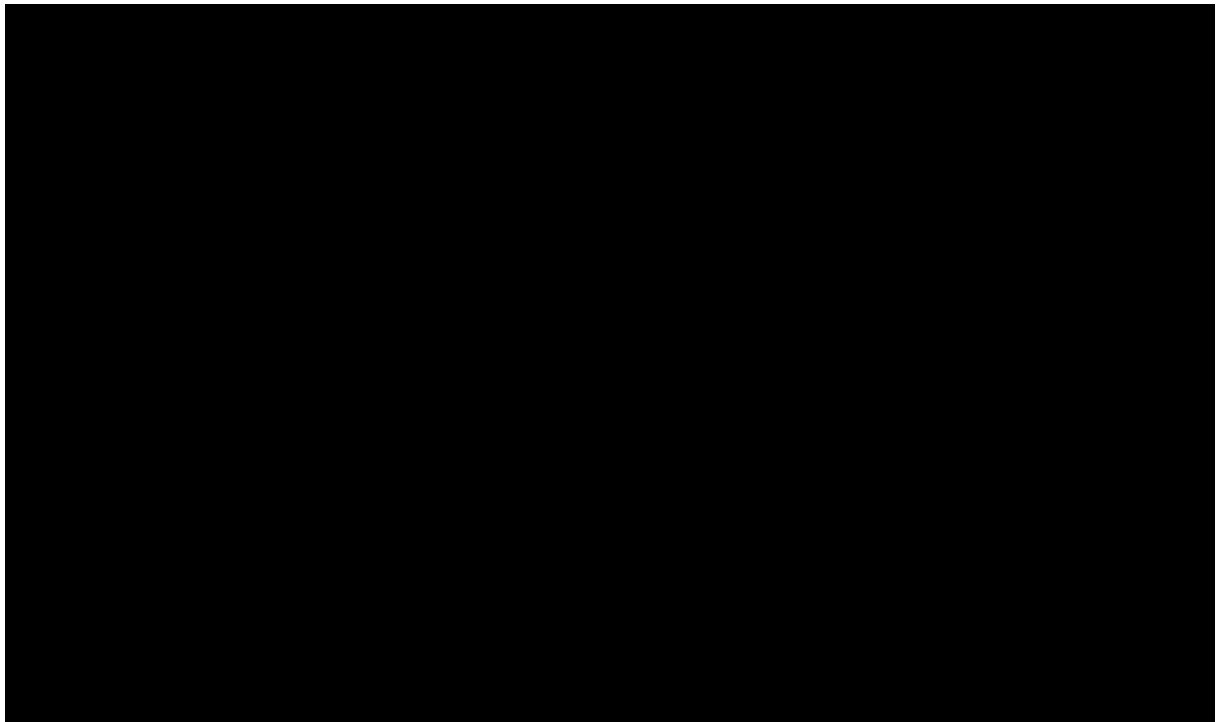


CONFIDENTIAL CHART A-9.2.3: Summary of price undercutting of InfraBuild Steel price offers for merchant bar by importers of dumped goods (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))

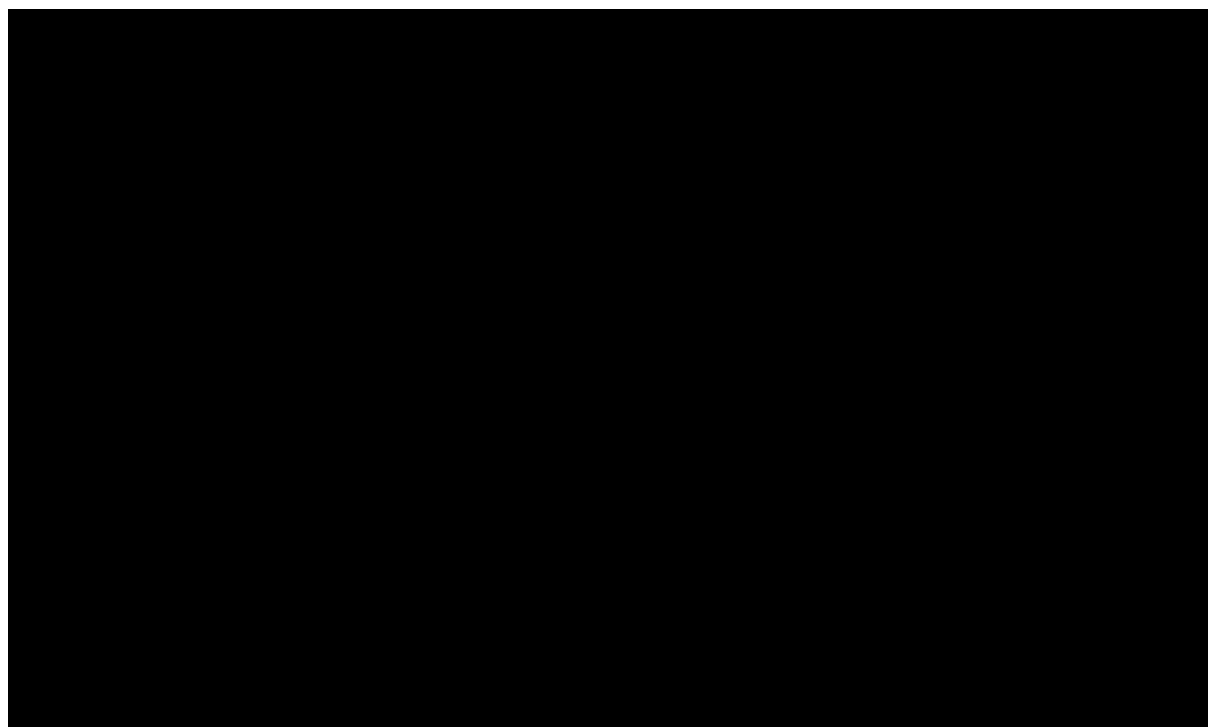
This analysis indicates that Australian industry's prices were undercut and that it would have achieved higher prices in the absence of offers for sales of merchant bar exported from Taiwan at dumped prices, in other words, the price undercutting caused the Australian industry to experience price depression that it would not have otherwise experienced if not for the offers for sale of dumped goods.

2.2 Influence on quarterly profits and profitability

InfraBuild Steel competes on price in order to maintain production volume. Therefore, the Australian industry's profits (expressed as net gains or loss) and profitability are affected by factors impacting its ability to raise prices. **CONFIDENTIAL CHARTS A-9.2.4** and **A-9.2.5**, below, show the influence of the price of dumped imports on the Australian industry's quarterly profits and profitability. Broadly, during the period of export price inflation (from Jan 2017 to June 2019) the Australian industry's profits and profitability grew, compared to the period of export price deflation (from July 2019 to December 2020).



CONFIDENTIAL CHART A-9.2.4: Quarterly export prices of dumped goods and Australian industry net gain or loss across the proposed investigation period (Source: [appendices A2](#) and [A6.1](#))

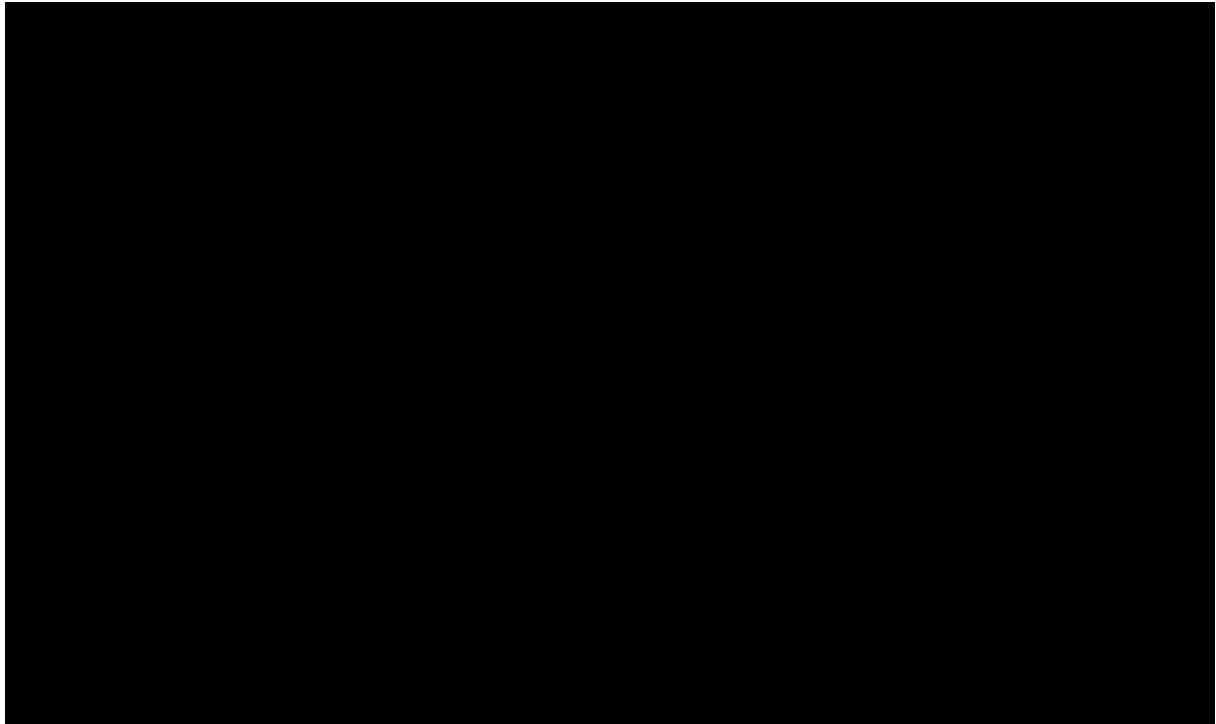


CONFIDENTIAL CHART A-9.2.5: Quarterly export prices of dumped goods and Australian industry profitability across the proposed investigation period (Source: [appendices A2](#) and [A6.1](#))

3. Compare the data at [appendix A2](#) (Australian market) to identify the influence of dumped and/or subsidised imports on your quarterly costs to make and sell at [appendix A6.1](#) (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).

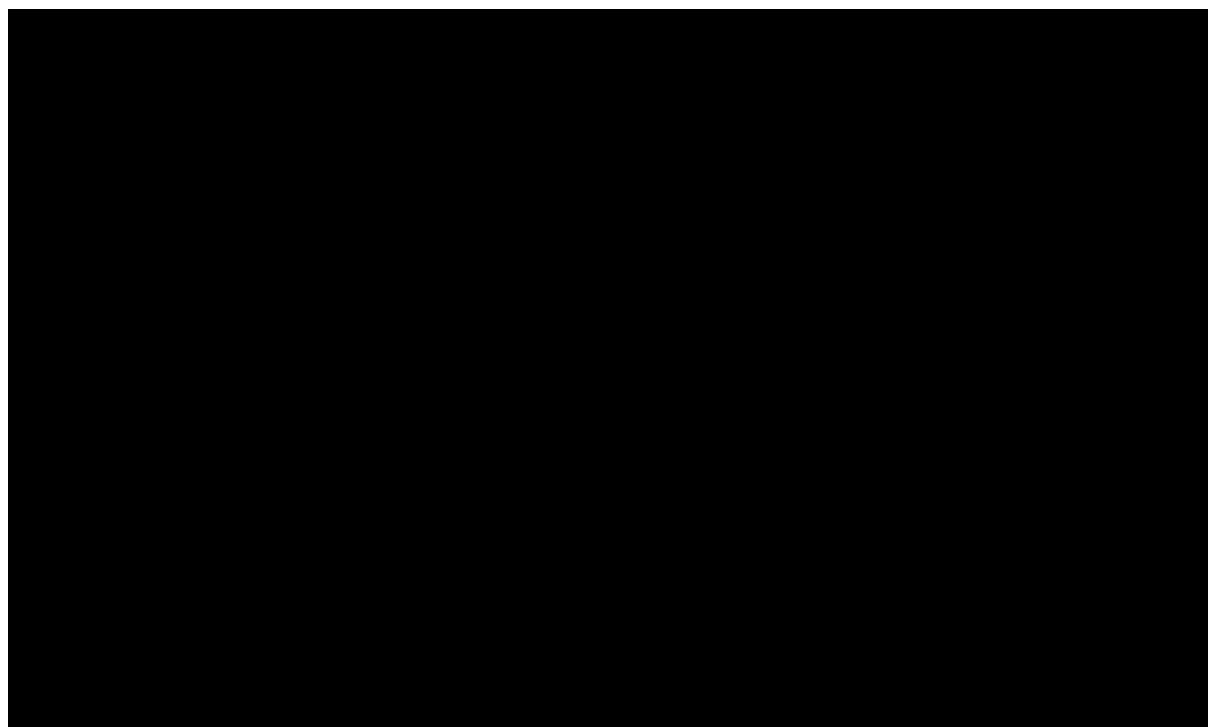
Sections A-9.2, above, and A-9.4, below, demonstrate the occurrence of price suppression. **CONFIDENTIAL CHART A-9.3.1** (below) indicates that since the September 2019 quarter, periods of decline in the Taiwanese export price have been accompanied by instances of price suppression experienced by the Australian industry, that is to say, periods of falling Australian industry prices in spite of rising quarterly unit cost to make and sell (**CTMS**). These were observed in the September 2019, March 2020 and December 2020 quarters. In other words, during these periods, the lower Taiwanese export prices meant that the Australian industry was unable to raise prices in response to material cost increases.

Prior to the September 2019 quarter, the Australian industry experienced instances of price suppression, during periods of rising volumes of the goods exported from Taiwan, not necessarily also accompanied by falling prices. These instances of price suppression may be observed during the June 2017, March 2018 and December 2018 quarters.



CONFIDENTIAL CHART A-9.3.1: Influence of the volume and export prices of imports from Taiwan on quarterly net prices of Australian industry own production of merchant bar, together with unit CTMS of Australian industry own production (Sources: [appendix A2](#) and [appendix A6.1](#))

CONFIDENTIAL CHART A-9.3.2, below, illustrates the effect of monthly export prices and volumes of imports of merchant bar from Taiwan on the Australian industry's ability to raise prices in response to rising cost to make and sell increases. In November and December 2020 and February 2021, the Australian industry experienced marked price suppression in response to falling export prices and increased arrivals of export volume.



CONFIDENTIAL CHART A-9.3.2: Influence of the volume and export prices of imports from Taiwan on monthly net prices of Australian industry own production of merchant bar, together with unit CTMS of Australian industry own production (Sources: CONFIDENTIAL ATTACHMENT B-2.4 and appendix A6.1)

There is a high degree of substitutability between domestically produced like goods and the imported goods and price is a major determinant of customers' purchasing decisions. Due to these factors, the Australian industry is generally unable to raise its prices independent of the market price without suffering lost sales, and lost revenue. The applicant's analysis in CONFIDENTIAL CHARTS A-9.3.1 and A-9.3.2, above, indicates that its inability to raise its prices in response to rising cost to make and sell during the proposed investigation period coincided with increased volume of dumped imports from Taiwan, at lower export prices, in the market.

Section A-9.2, above, demonstrates that the import offers in the market that were influencing the Australian industry's prices, by suppressing the prices that it might otherwise have reasonably realised.

4. The quantity and prices of dumped and/or subsidised imported goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped and/or subsidised imports on these factors and where applicable use references to the data you have provided at appendix A7 (other economic factors). If factors other than those listed at appendix A7 (other economic factors) are relevant, include discussion of those in response to this question.

4.1 Volume effects of dumped imports on other economic factors

The applicant considers that the link between the dumped imports from Taiwan and the injury suffered by it in the form of reduced market share and lost sales volume have caused it injury in the form of:

- increased stock-on-hand;
- increased inventory holding costs;
- reduced available working capital; and
- reduced cashflow.

4.1.1 Estimate of lost sales volume

The applicant estimates that based on the decline (-█████ per cent) in the Australian industry's market share in the December 2020 quarter from █████ per cent (in the September 2020 quarter) to █████ per cent, it has lost █████ tonnes of sales volume for merchant bar in that quarter alone.

4.1.2 Impact of lost sales volume on other economic factors

The applicant industry's reduced market share has resulted in its closing stock-on-hand position increasing by █████ per cent during the proposed investigation period when compared to the previous 12-month period.

In turn, the increased stock-on-hand position of the like goods, has resulted in a reduction in the industry applicant's working capital and cashflow.

4.2 Price effects of dumped imports on other economic factors

The industry applicant considers that the link between the dumped imports from Taiwan and the injury suffered by it in the form of price suppression, reduced profits and profitability have caused it injury in the form of:

- reduced return on investment;

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- reduced revenue; and
- reduced cashflow.

In **TABLE A-9.4.2**, below, the applicant calculated its loss of profit and reduced profitability caused by the price suppression experienced since August 2020. In summary, it found that its profitability was reduced by [REDACTED] per cent, and that it lost \$[REDACTED] in total profit for its sales of the like goods.

	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	TOTAL
Profitability (actual)	[REDACTED]					
Net sales revenue (actual)						
Net gain or loss (actual)						
Profit (Aug-20 profitability rate)						
Reduced profit						
					Reduced profitability	

TABLE A-9.4.2: Calculation of reduced profitability and lost profits since August 2020 (Source: [appendix A6.1](#))

If the Australian industry's lost sales volume ([REDACTED] tonnes and \$[REDACTED] in net revenue assuming December 2020 quarter unit sales revenue of \$[REDACTED]) is added to the calculation of lost profit and margin, then the Australian industry's loss of profit since August 2020 increases to \$[REDACTED], and its profitability was reduced by [REDACTED] per cent (refer **TABLE A-9.4.3**, below).

	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	TOTAL
Profitability (actual)	[REDACTED]					
Net sales revenue (actual)						
Net gain or loss (actual)						
Profit (Aug-20 profitability rate)						
Reduced profit						
					Reduced profitability	

TABLE A-9.4.3: Calculation of reduced profitability and lost profits since August 2020 including the effect of lost sales (Source: [appendix A6.1](#))

The reduction in profitability and lost profit impacts the Australian industry's other economic factors.

Firstly, it directly impacts the industry's return on investment, with the inclusion of the lost profit otherwise improving its financial position.

In the case of the industry's total cash flow, the inclusion of the lost sales and loss profit improves its financial position by at least \$[REDACTED].

In the case of the industry's total revenue, the inclusion of the lost sales and profit improves its financial position.

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5. Describe how the injury factors caused by dumping and/or subsidisation and suffered by the Australian industry are considered to be 'material'.

The Australian industry considered that it has experienced material injury during the proposed investigation period in the form of:

- lost sales volume;
- lost market share;
- price depression;
- price suppression;
- loss of profits;
- reduced profitability;
- reduced capital investment;
- reduced research and development expenditure;
- loss of employment (headcount) allocated to production of the like goods;
- reduced cash flow in the industry; and
- lost revenue.

5.1 Volume effects

While the Australian industry has been able to maintain sales volumes across the investigation period in trend terms, it has since November 2020 begun to lose sales volume on a monthly basis. This is reflected in its material loss of market share to imports from Taiwan in the December 2020 quarter.

5.1.1 Sales volume

TABLE A-9.5.1, below, shows the Australian industry's total domestic sales volume for merchant bar in the Australian market since CY 2017 has increased by approximately 7 per cent.

	CY 2017	CY 2018	CY 2019	CY 2020
Aust. Industry	100	107	93	107

TABLE A-9.5.1: Index of Australian industry's sales of merchant bar since CY 2017 base year (Source: [appendix A6.1](#))

However, monthly analysis of sales volumes indicates that since November 2020, the Australian industry has begun to experience material injury in the form of lost sales volume, **TABLE A-9.5.2**, below refers:

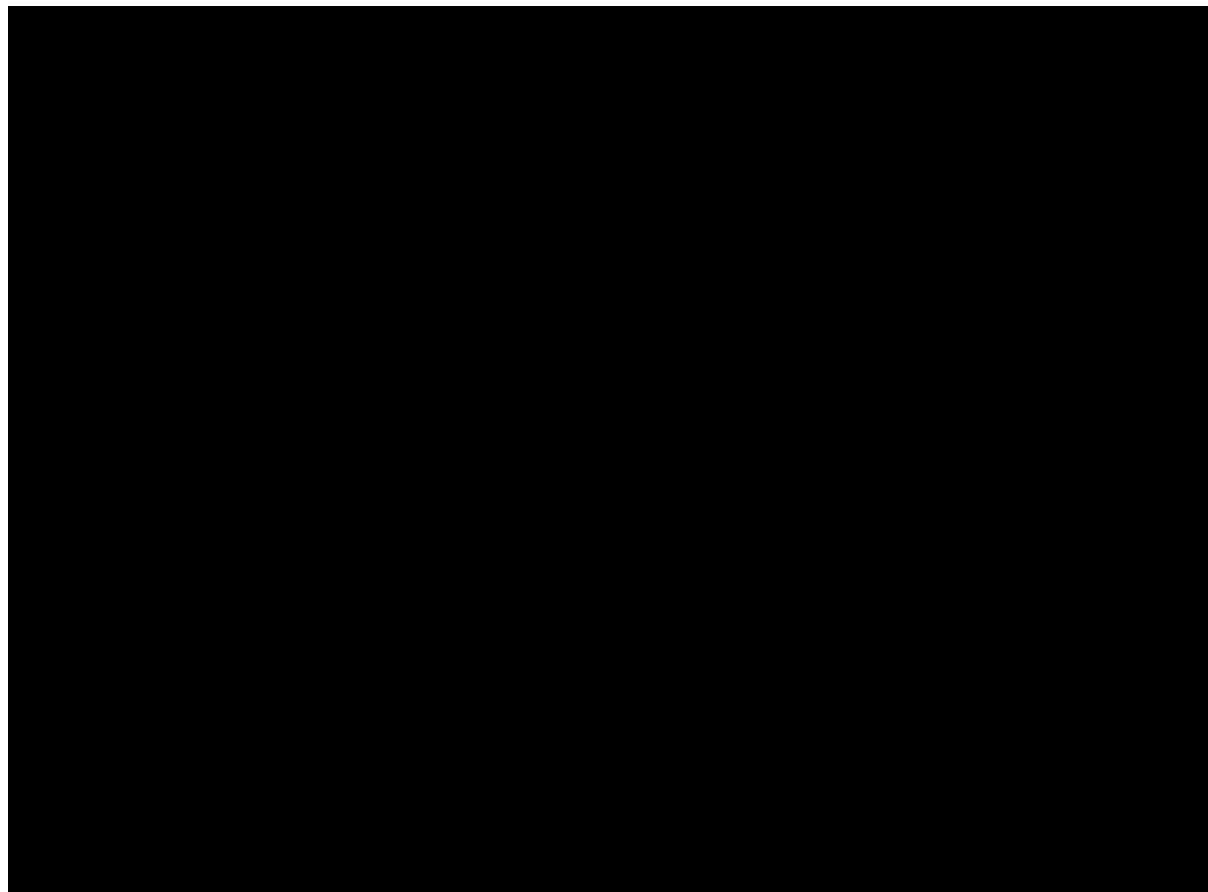
	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Sales qty	100	90	93	110	93	71	66	106

TABLE A-9.5.2: Index of Australian industry's sales of merchant bar since July 2020 base year (Source: [appendix A6.1](#))

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5.1.2 Market share

CONFIDENTIAL CHART A-9.5.3, below, shows the Australian industry's share of the Australian market for merchant bar has increased across the injury analysis period. However, as **TABLE A-9.1.2**, above (reproduced below), indicates there was a significant decline (-11.4%) in the Australian industry's market share for merchant bar in the December 2020 quarter when compared to the previous quarter. During the same period, the market share for imports of merchant bar from Taiwan, increased by +24.9%.



CONFIDENTIAL CHART A-9.5.3: Share of Australian market for merchant bar (Source: [appendix A2](#))

Market share	CY 2017	CY 2018	CY 2019	CY 2020
Aust. Industry	100	100	108	118
Dumped imports	100	123	110	97
Other imports	100	36	34	27

TABLE A-9.5.4: Index of share of Australian market for merchant bar (Source: [appendix A2](#))

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Quarter	Jan - Mar 2017	Apr – Jun 2017	Jul - Sep 2017	Oct - Dec 2017
Aust. industry	100	101	125	101
Taiwan	100	125	92	98
Quarter	Jan - Mar 2018	Apr - Jun 2018	Jul - Sep 2018	Oct - Dec 2018
Aust. industry	91	87	131	75
Taiwan	124	148	93	145
Quarter	Jan – Mar 2019	Apr - Jun 2019	Jul – Sep 2019	Oct – Dec 2019
Aust. industry	114	101	108	104
Taiwan	123	113	117	108
Quarter	Jan – Mar 2020	Apr – Jun 2020	Jul – Sep 2020	Oct – Dec 2020
Aust. industry	100	105	102	89
Taiwan	105	93	91	113

TABLE A-9.1.2 (reproduced): Index of Australian industry's quarterly market share of merchant bar and quarterly market share for imports of merchant bar from Taiwan, since 1 January 2017 (Source: [appendix A2](#))

TABLE A-9.1.2, above, supports the Australian industry's contention that material injury arising from the *volume* effects of the dumped goods exported from Taiwan commenced in or about November 2020, as reflected in its material loss of market share in the December 2020 quarter.

5.1.3 Volume effects - summary

The Australian industry considers that although its overall sales volume may have increased across the injury analysis period, it has suffered material injury in the form of lost sales volume since November 2020, which continued to decline month on month until February 2021.

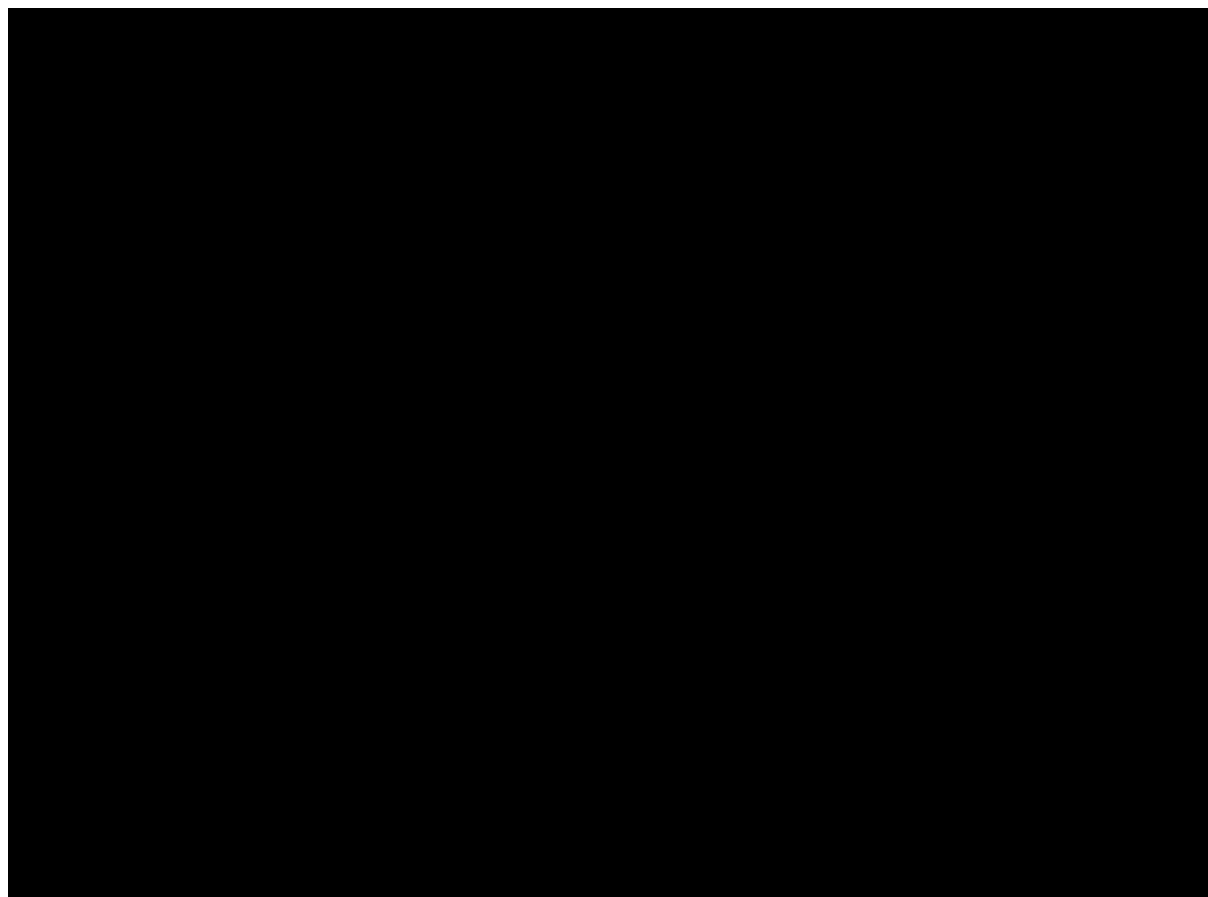
Furthermore, the Australian industry considers that although it has gained market share overall across the injury analysis period, it has suffered material injury in the form of lost market share since November 2020, as reflected in the results in the December 2020 quarter.

5.2 Price effects

5.2.1 Price suppression

Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. One indicator of price suppression is the margin between revenues and costs. This approach is proposed by the Australian industry in its analysis, as it contends that a normal business unaffected by dumping would look to increase prices to, at a minimum, cover its cost to make and attempt to maximise profits.

CONFIDENTIAL FIGURE A-9.5.2.1.1, below, demonstrates movements in the Australian industry's combined domestic weighted average unit costs and prices for merchant bar during the proposed injury analysis period.



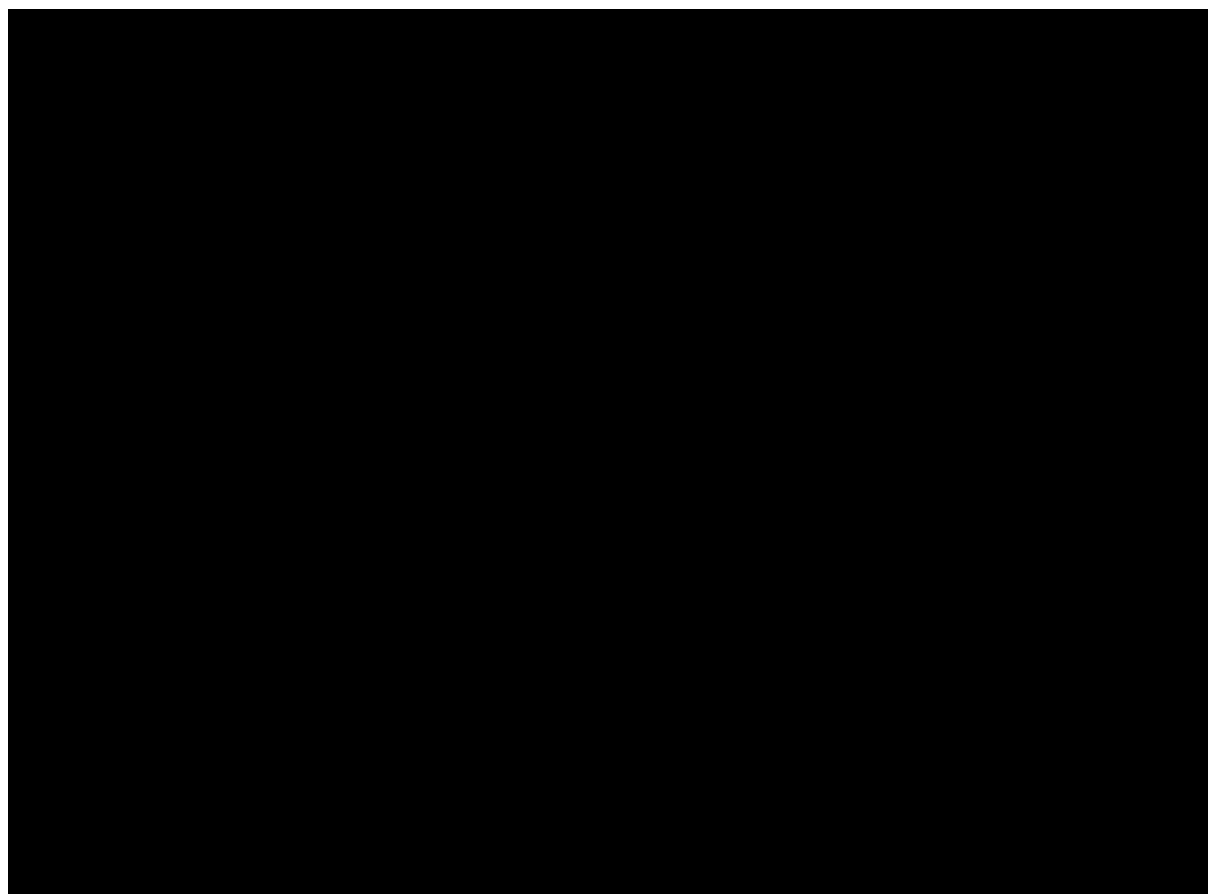
CONFIDENTIAL FIGURE A-9.5.2.1.1: Australian industry's annual CTMS and unit sales revenue over the proposed injury period (Source: [appendix A6.1](#))

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Period	CY 2017	CY 2018	CY 2019	CY 2020
unit CTMS	100	119	116	111
unit sales revenue	100	117	118	111

TABLE A-9.5.2.1.1: Index of changes to Australian industry's annual unit CTMS and unit sales revenue over the proposed injury period (Source: [appendix A6.1](#))

CONFIDENTIAL FIGURE A-9.5.2.1.1, above, indicates that the Australian industry's weighted average unit prices exceeded its weighted average unit costs across the proposed injury analysis period. However, when the Australian industry's quarterly weighted average unit prices and unit costs are considered across the proposed investigation period, then although weighted average unit prices continue to exceed the weighted average unit costs, they do so to a declining degree. **CONFIDENTIAL FIGURE A-9.5.2.1.2**, below, demonstrates this trend.



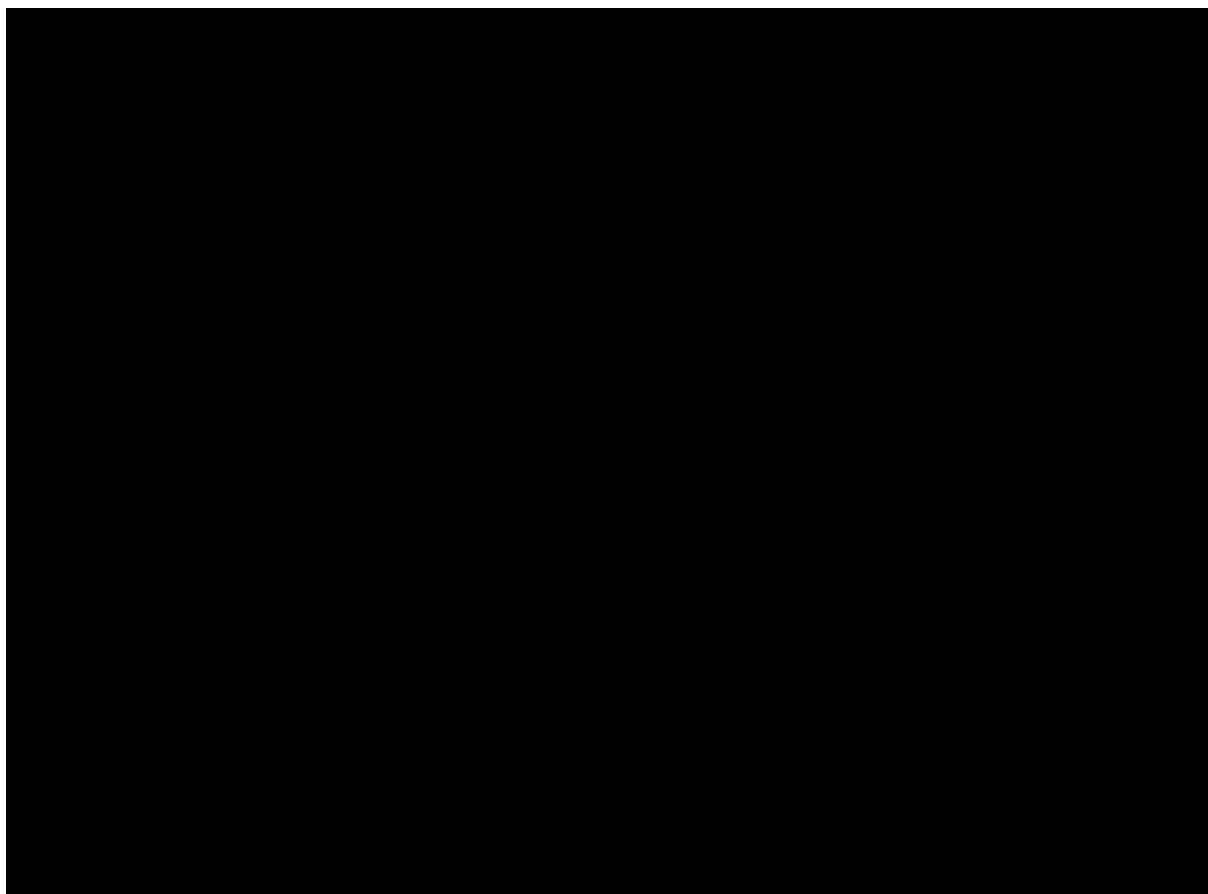
CONFIDENTIAL FIGURE A-9.5.2.1.2: Australian industry's quarterly CTMS and unit sales revenue over the proposed investigation period (Source: [appendix A6.1](#))

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Period, 2020	JAN – MAR	APR - JUN	JUL - SEP	OCT - DEC
unit CTMS	100	95	91	98
unit sales revenue	100	104	103	100

TABLE A-9.5.2.1.2: Index of changes to Australian industry's quarterly unit CTMS and unit sales revenue over the proposed investigation period (Source: [appendix A6.1](#))

Further, when the Australian industry's monthly weighted average unit prices and unit costs are considered since July 2020, the degree to which weighted average unit prices exceed weighted average unit costs, declines further month by month, indicating the onset of injury, especially since November 2020. **CONFIDENTIAL FIGURE A-9.5.2.1.3**, below, demonstrates this trend.



CONFIDENTIAL FIGURE A-9.5.2.1.3: Australian industry's monthly CTMS and unit sales revenue since July 2020 (Source: [appendix A6.1](#))

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Period	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021
unit CTMS	100	95	99	99	102	116	119	121
unit sales revenue	100	98	97	95	96	97	99	102

TABLE A-9.5.2.1.3: Index of changes to Australian industry's monthly CTMS and unit sales revenue since a base of July 2020 (Source: [appendix A6.1](#))

CONFIDENTIAL FIGURES A-9.5.2.1.1 and **A-9.5.2.1.2** indicate that during the proposed investigation period (CY 2020), the Australian industry experienced price suppression in so far as its unit sales revenue declined by a greater degree than its unit cost to make and sell (CTMS), when compared to the previous period (CY 2019). Specifically, **CONFIDENTIAL FIGURES A-9.5.2.1.2** and **A-9.5.2.1.3** indicate that this occurred in the December 2020 quarter when unit CTMS increased by +7.5%, while unit sales revenue declined by -2.5% when compared to the previous period (September 2020 quarter). By month, the trend in price suppression commenced in October 2020, and then intensified month-on-month.

5.2.2 Price depression

Although **CONFIDENTIAL FIGURE A-9.5.2.1.1**, above, indicates that unit sales revenue increased overall across the proposed injury analysis period, **CONFIDENTIAL FIGURES A-9.5.2.1.2** and **A-9.5.2.1.3**, above, indicate that since September 2020, the Australian industry's unit sales revenue has fallen month-on-month until February 2021.

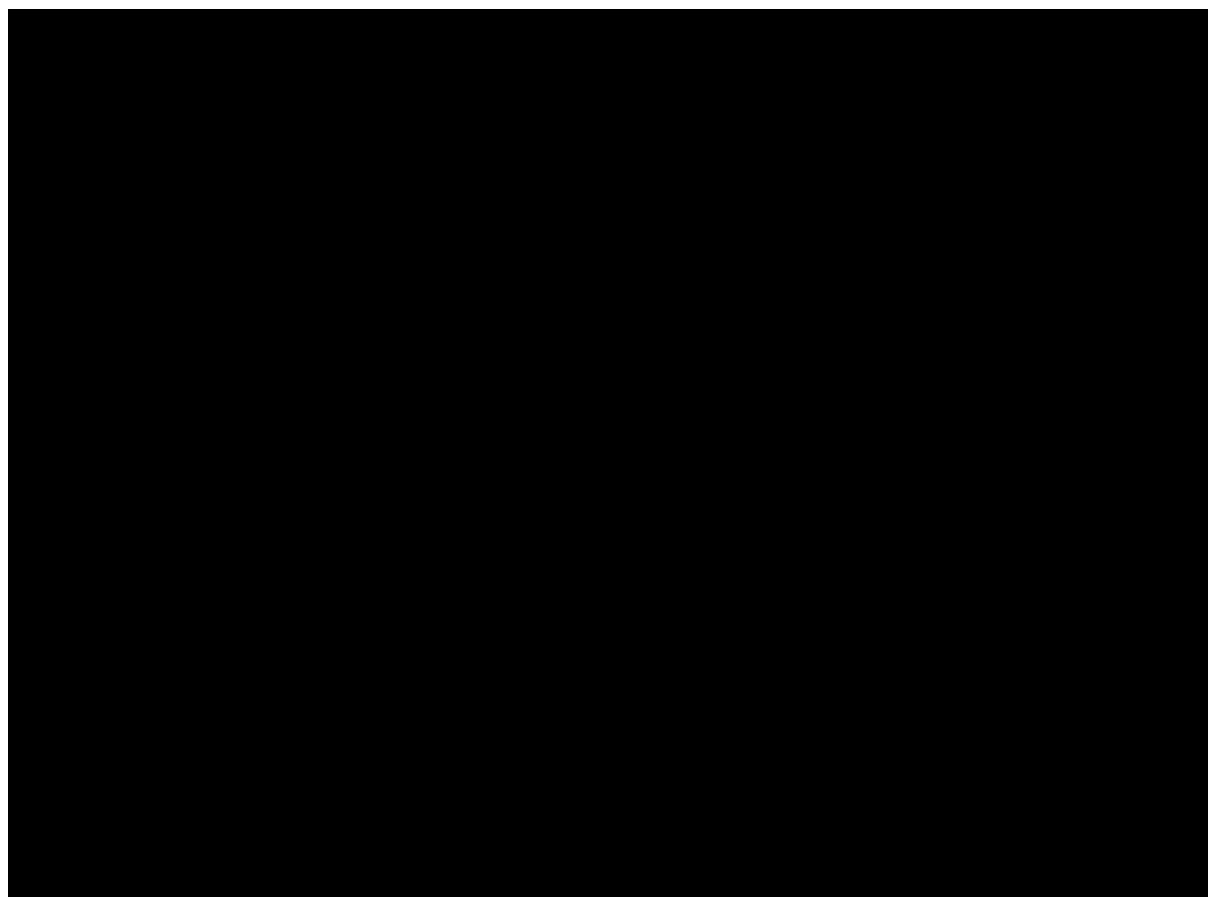
5.2.3 Price effects – Summary

The Australian industry considers that it is suffering injury in the forms of price suppression and price depression. This is demonstrated by the inability of the Australian industry to increase price sufficiently to cover increases in the fully absorbed CTMS of the goods over the second half of the proposed investigation period, specifically, since October 2020. In fact, monthly average prices have fallen since September 2020.

5.3 Profits and profitability

As explained in section A-9.5.2, above, the Australian industry considers that it has suffered injury in the forms of price depression and price suppression and that injury was caused by sales of merchant bar exported from Taiwan at dumped prices.

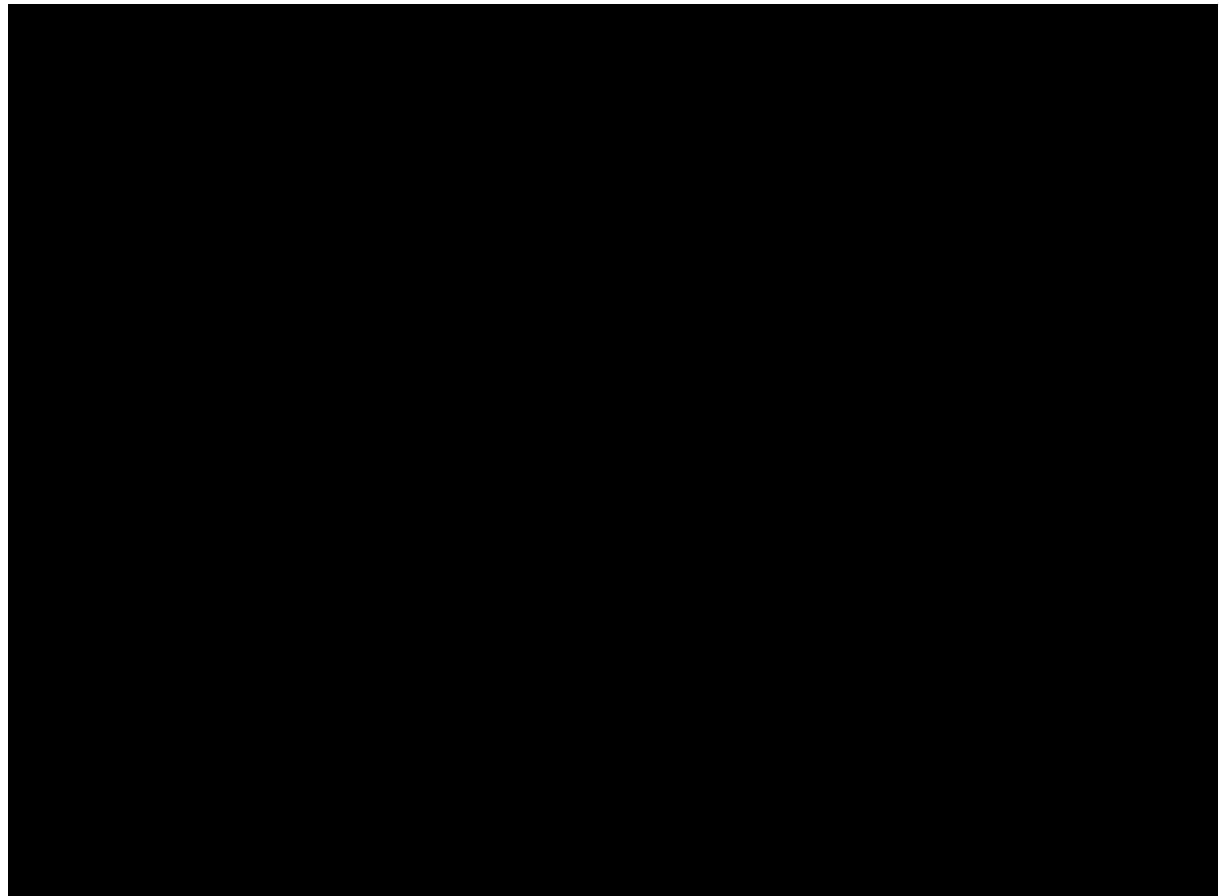
CONFIDENTIAL FIGURES A-9.5.3.1 and **A-9.5.3.2**, below, indicate that the Australian industry experienced reduced profits and profitability over the proposed investigation period on a weighted average basis, specifically commencing in the December 2020 quarter.



CONFIDENTIAL FIGURES A-9.5.3.1: Australian industry's profits and profitability across the proposed injury analysis period (Source: [appendix A6.1](#))

Period	CY 2017	CY 2018	CY 2019	CY 2020
unit gain or loss	100	108	128	116
profitability	100	92	109	104

TABLE A-9.5.3.1: Index of changes in the Australian industry's profits and profitability across the proposed injury analysis period (Source: [appendix A6.1](#))

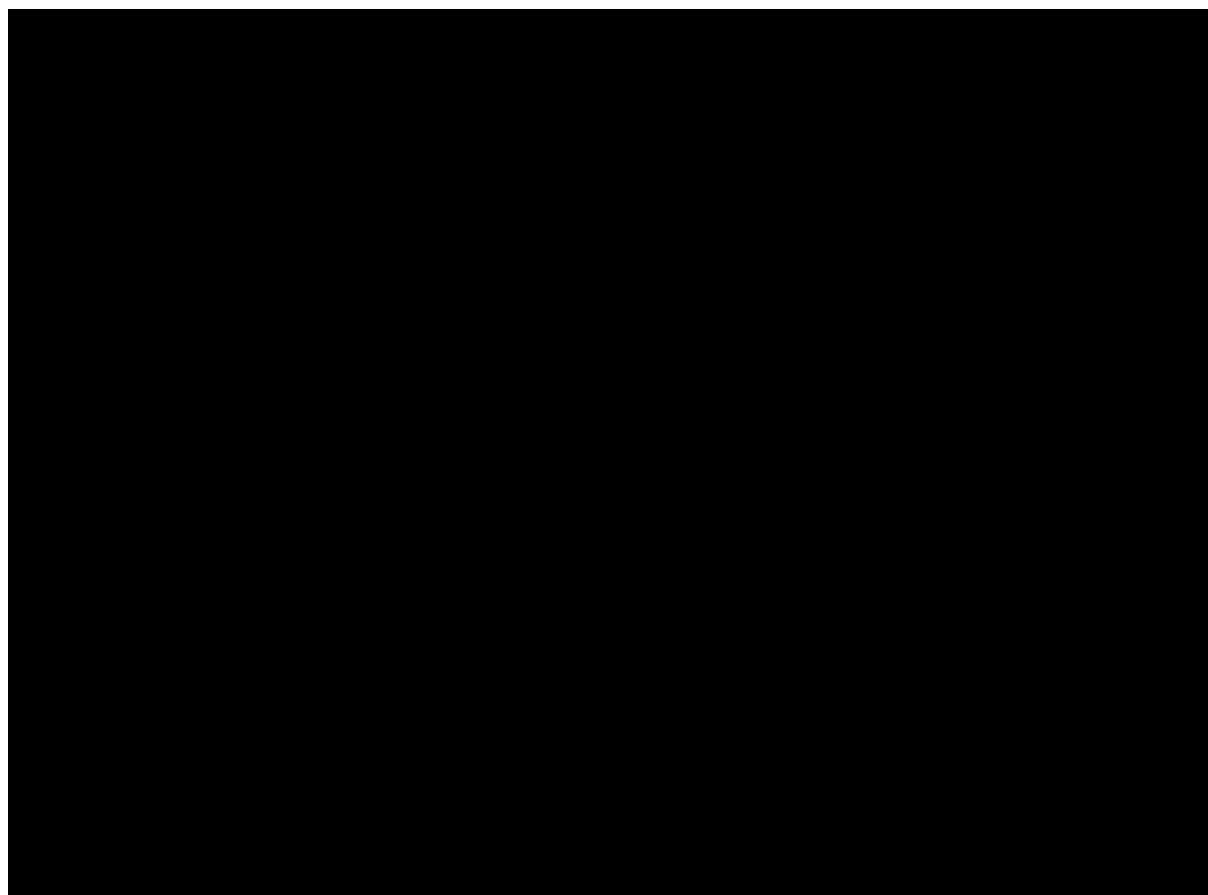


CONFIDENTIAL FIGURES A-9.5.3.2: Australian industry's profits and profitability across the proposed investigation period (Source: [appendix A6.1](#))

Period, 2020	JAN – MAR	APR - JUN	JUL - SEP	OCT - DEC
unit gain or loss	100	169	196	120
profitability	100	163	191	120

TABLE A-9.5.3.2: Index of changes in the Australian industry's profits and profitability across the proposed investigation period (Source: [appendix A6.1](#))

Specifically, a detailed monthly analysis of unit profit and profitability reveals that material injury in the forms of reduced profit and profitability commenced in September 2020, commensurate with the commencement of price depression (observed in Section A-9.5.2.2, above). **CONFIDENTIAL FIGURE A-9.5.3.3**, below, demonstrates the commencement of the injury claimed.



CONFIDENTIAL FIGURE A-9.5.3.3: Australian industry's profits and profitability since July 2020
(Source: [appendix A6.1](#))

Period	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021
unit gain or loss	100	110	90	82	73	25	22	32
Profitability	100	112	93	86	76	26	22	31

TABLE A-9.5.3.3: Index of changes to the Australian industry's profits and profitability since July 2020
(Source: [appendix A6.1](#))

5.3.1 Profits and profitability – materiality of injury

The injury experienced by the Australian industry during the proposed investigation period in the form of reduced profits and profitability was material. If the profit and profitability achieved by the industry applicant during August 2020, immediately prior to the onset of price depression in September 2020 was applied to each following month of the proposed investigation period, then the Australian industry has experienced the following loss of profits and reduced profitability (refer **TABLE A-9.5.3.4**, below).

PUBLIC RECORD

	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	TOTAL
Profitability (actual)								
Net sales revenue (actual)								
Net gain or loss (actual)								
Profit (Aug-20 profitability rate)								
Reduced profit								
							Reduced profitability	

TABLE A-9.5.3.4: Summary of reduced profits and profitability based on August 2020 performance
(Source: [appendix A6.1](#))

5.3.2 Profits and profitability - summary

The price depression and price suppression observed since September and October 2020, respectively, has impacted negatively on the Australian industry's profits and profitability over the investigation period, as the applicant considers that the Australian industry's unit revenue would have improved if the price suppression and depression were not occurring. Therefore, the applicant considers that the Australian industry has suffered injury in the forms of reduced profits and profitability and that injury was caused by sales of merchant bar exported from Taiwan at dumped prices, and that the injury was material, specifically a reduction in \$[REDACTED] (equivalent to [REDACTED]% of net revenues) since August 2020, and reduced profitability by a margin of [REDACTED]%.

Furthermore, due to the relative high fixed costs required to produce steel products such as merchant bar, the loss of sales volume results in fixed costs being higher than they otherwise would be resulting in reduced profitability.

5.4 Other economic factors

The applicant completed appendix A7 for the injury analysis period to support its claims in terms of certain other injury factors.

5.4.1 Capital investment

The applicant has provided its capital investment expenditure over the injury analysis period, allocating the total amount to the like goods based on the percentage of like goods production. As indicated in **TABLE A-9.5.4.1**, below, that there was a decline in capital investment in the proposed investigation period.

Period	CY 2017	CY 2018	CY 2019	CY 2020
capital investment	100	119	164	74

TABLE A-9.5.4.1: Index of changes to capital investment in the Australian industry for like goods (Source: [appendix A7](#))

5.4.2 Research and development expenditure

The Australian industry's changes to its research and development expenditure across the proposed injury analysis period is provided in **TABLE A-9.5.4.2**, below. There was a significant decline in research and development expenditure in the proposed investigation period (to the extent recorded by FY 2020).

Period [#]	FY 2017	FY 2018	FY 2019	FY 2020
R&D		100	64	25

TABLE A-9.5.4.2: Index of changes to research and development expenditure by the Australian industry for like goods (Source: [appendix A7](#)) Note: [#] research and development expenditure is recorded by financial years only and commences in FY 2018, due to the business being in voluntary administration across FY 2017

5.4.3 Employment (headcount)

The Australian industry's changes to its employment of workforce for production of like goods across the proposed injury analysis period is provided in **TABLE A-9.5.4.3**, below. There was a significant decline in employment of workforce for the like goods in the proposed investigation period when compared to its height in CY 2018.

PUBLIC RECORD

Period	CY 2017	CY 2018	CY 2019	CY 2020
employment	100	115	109	98

TABLE A-9.5.4.3: Index of changes to employment by the Australian industry for production of like goods (Source: [appendix A7](#))

5.4.4 Index of cashflow measures

The Australian industry's changes to its receivables and inventory turnover relevant to sales of the like goods across the proposed injury analysis period is provided in **TABLE A-9.5.4.4**, below. There was a decline in receivables turnover in CY 2019, with a slight recovery in CY 2020, but at levels still below the 2017 base year. Inventory turnover declined following its height in CY 2018, reaching its lowest level in CY 2019, before recovering again in CY 2020, but at levels that remained at least 3% less than the 2017 base year.

Period	CY 2017	CY 2018	CY 2019	CY 2020
receivables turnover	100	101	96	99
Inventory turnover	100	118	77	97

TABLE A-9.5.4.4: Index of changes to receivables and inventory turnover for the Australian industry's sales of like goods (Source: [appendix A7](#))

5.5 Other economic factors - summary

The applicant considers that it has also experienced material injury to several other relevant economic factors set out in s. 269TAE(3)³, specifically, injury in the form of:

- reduced capital investment;
- reduced research and development expenditure;
- reduced employment in the production of the like goods; and
- reduced cash flow in the form of reduced receivables and inventory turnover.

³ Unless otherwise specified all legislative references herein are to the *Customs Act 1901*.

5.6 *Materiality of injury*

In the context of a stable Australian market for merchant bar, the applicant contends that the injury suffered by it (and caused by the dumped imports from Taiwan) is greater than that likely to occur in the normal ebb and flow of business.

The applicant has lost market share in a stable market and has experienced price suppression and depression within the investigation period. When considered as a whole, these factors have adversely impacted on its profits and profitability in relation to merchant bar, collectively and not in isolation, and when also taking into account all relevant economic factors, the Australian industry has experienced injury from dumped imports from Taiwan, and that this injury is material.

6. Discuss factors other than dumped and/or subsidised imports that may have caused or may threaten to cause injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping and subsidisation.

Subsection 269TAE(2A) contains a list of factors that the Minister must have regard to when considering whether injury is being caused by factors other than exportation of the dumped goods, but it is not an exhaustive list.

6.1 **the volume and prices of imported like goods that are not dumped**

FIGURE A-9.6.1.1 and **A-9.6.1.2**, below, indicate the volumes and prices of the goods exported from Taiwan and like goods exported from all other sources. The volumes and values are presented for the goods and like goods.

FIGURE A-9.6.1.1, below indicates that imports from Taiwan constitute the single largest source (by volume) of merchant bar imported to Australia, across the proposed injury analysis period and to a material degree (no less than 62 per cent of overall imports of merchant bar into Australia over the injury analysis period, and no greater than 95 per cent). Across the proposed investigation period, imports of merchant bar from Taiwan constituted no less than 88 per cent, and no greater than 91 per cent of total imports.

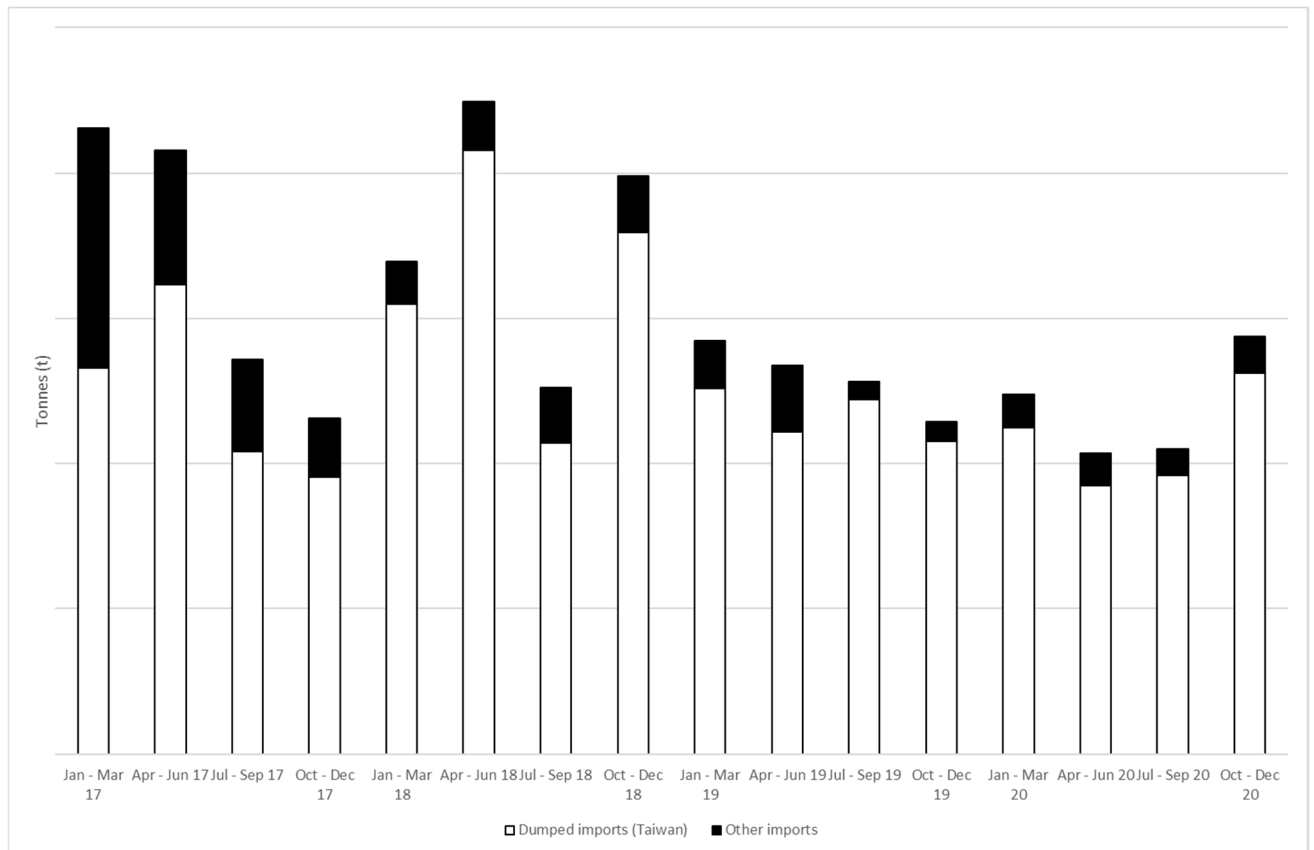


Figure A-9.6.1.1: Volume of imports from Taiwan and other sources (Source: [appendix A2](#))

FIGURE A-9.6.1.2, below indicates that the export price of merchant bar exported from Taiwan constituted the lowest export price in every quarter of the proposed injury analysis period since the December 2017 quarter. Across the proposed investigation period, merchant bar exported from Taiwan undercut at the free on board (FOB) level price of the weighted average export price of all other imports by a minimum of 7.4 per cent, and a maximum of 16.0 per cent.

PUBLIC RECORD

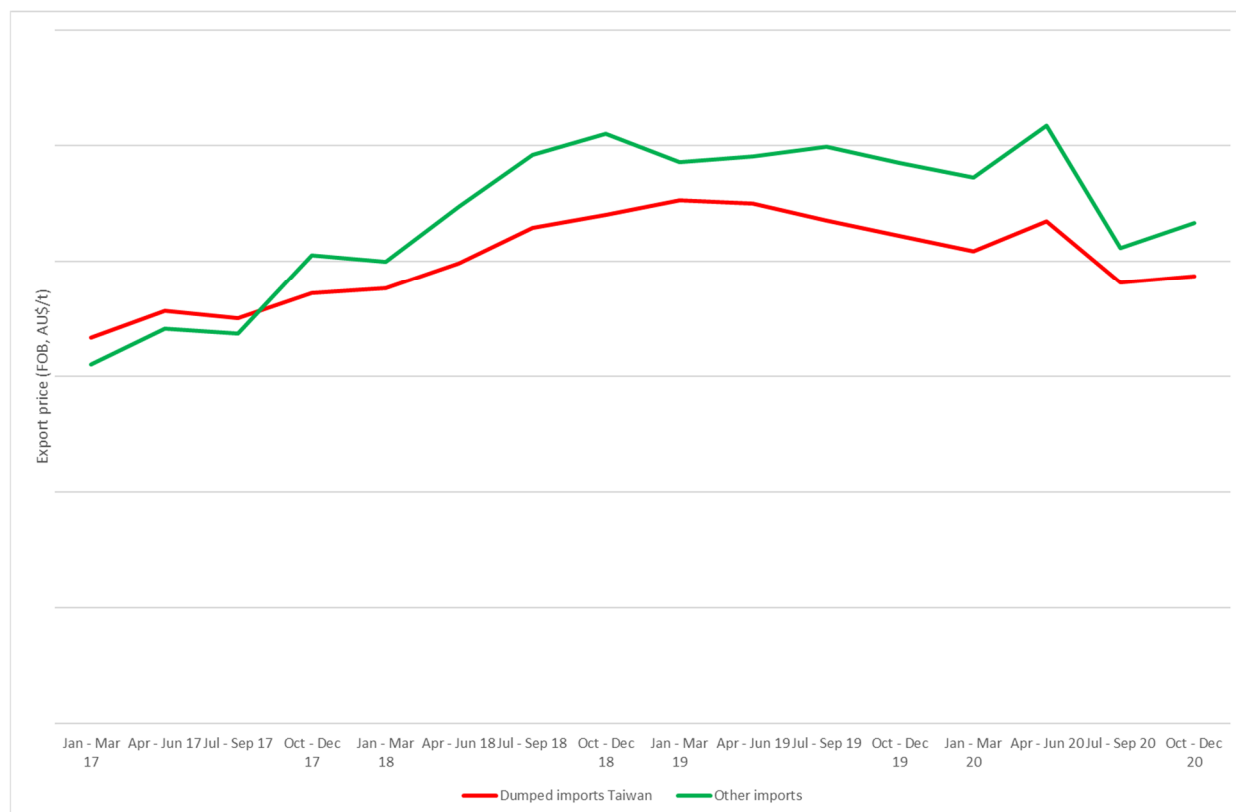


Figure A-9.6.1.2: Weighted average FOB export prices of imports from Taiwan and imports from other sources (Source: [appendix A2](#))

6.1.2 Summary

The applicant contends that Taiwan exported merchant bar to Australia during the proposed investigation period at sufficient volumes and at sufficiently low prices, as compared to the export volumes and prices from other sources, to cause the Australian industry the material injury complained of. Therefore, despite any effect of imports from other sources, the injury to the Australian industry caused by the goods from Taiwan is material and significant.

6.2 Contractions in demand or changes in patterns of consumption

FIGURE A-9.6.2.1, below, illustrates that the demand for the goods and like goods has fluctuated across the injury analysis period, reaching its highest volumes in CY 2018, and its lowest volumes in CY 2019. The Australian market for merchant bar grew during the proposed investigation period (CY 2020) by 5.8 per cent when compared to FY 2019.

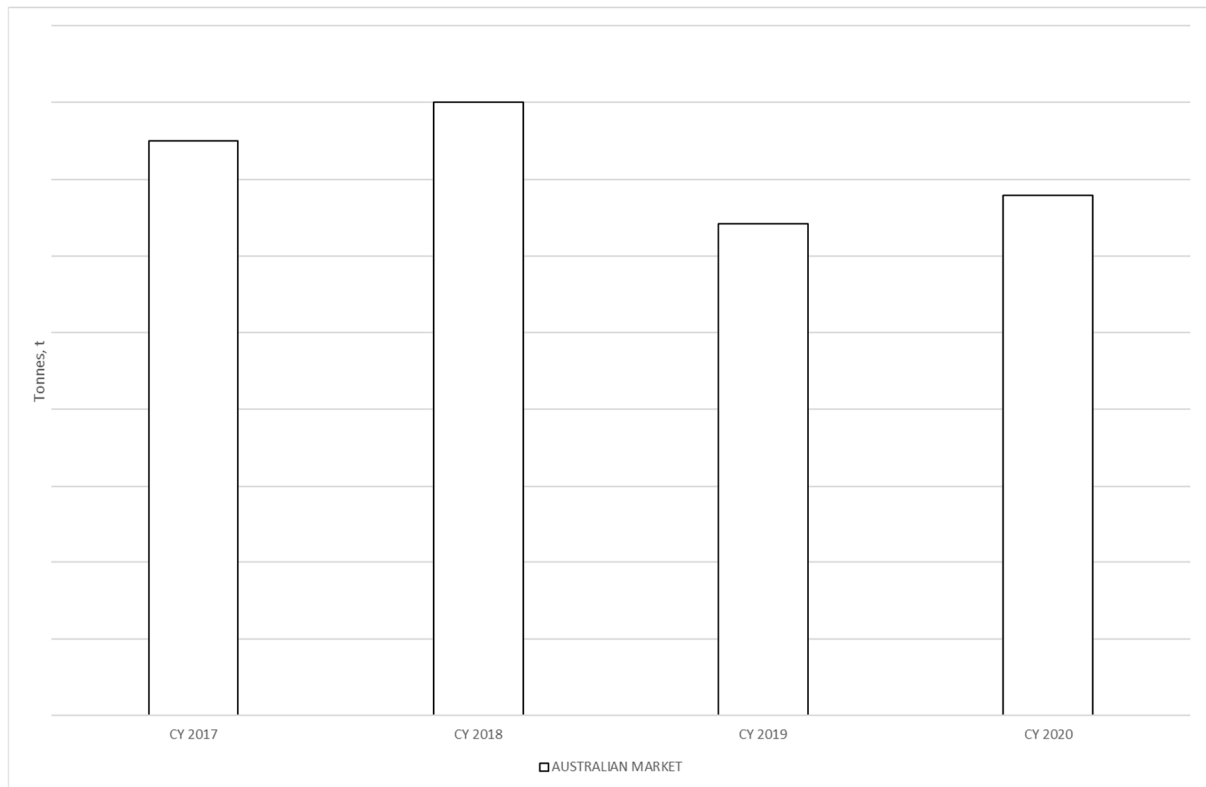


Figure A-9-6.2.1: Australian merchant bar market (Source: [appendix A2](#))

The applicant is not aware of changes in patterns of consumption in the proposed investigation period such that reduced the demand for the goods and like goods in the Australian market.

6.3 Developments in technology

The industry applicant is unaware of any developments in technology that would otherwise explain any aspect of the material injury experienced by the Australian industry.

6.4 Export performance and productivity of the Australian industry

6.4.1 Export sales

Given the minor proportion of the industry applicant's export sales (< [REDACTED] per cent by volume), it cannot be a factor causing injury.

6.4.2 *Productivity*

Section A-8.3, above, indicates that across the proposed injury analysis period the Australian industry maintained a stable measure of productivity.

6.5 Other factors – Australian industry own imports

The Australian industry did not import the goods across the proposed injury analysis period.

6.7 Causation

For all the reasons discussed above, the industry applicant considers that the injury suffered by it is directly attributable to the alleged dumped exports from Taiwan. It is not necessary that the dumping be the sole cause of injury to the Australian industry. It must however not be insignificant or immaterial.

7. This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped and/or subsidised imports, forecast their impact on your industry's economic condition. Use the data at appendix A2 (Australian market), appendix A6 (cost to make and sell), and appendix A7 (other economic factors) to support your analysis.

PART B

DUMPING

IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

PUBLIC RECORD

B-1 Source of exports

1. Identify the country(ies) of export of the dumped goods.

The goods the subject of this application are exported from Taiwan.

2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.

It is the applicant's understanding that the country of export is also the country of origin of the goods the subject of this application.

3. If the source of the exports is a non-market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.

Not applicable.

4. Where possible, provide the names, addresses and contact details of:
 - producers of the goods exported to Australia;
 - exporters to Australia; and

The following entity is believed to be both a *producer* and *exporter* of the goods exported to Australia:

FENG HSIN STEEL CO., LTD.

[REDACTED]

[REDACTED]

TAIWAN

Phone: [REDACTED]

TS STEEL COMPANY PTY LTD

[REDACTED]

[REDACTED]

TAIWAN

Phone: [REDACTED]

PUBLIC RECORD

- importers in Australia.

The following entities are believed to be importers of the goods exported to Australia:

THYSSENKRUPP MANNEX PTY LTD

[REDACTED]
[REDACTED]
[REDACTED]

AUSTRALIA

Phone : [REDACTED]

DITH AUSTRALIA PTY LTD

[REDACTED]
[REDACTED]
[REDACTED]

AUSTRALIA

Phone: [REDACTED]

MACSTEEL INTERNATIONAL AUSTRALIA PTY LTD

[REDACTED]
[REDACTED]
[REDACTED]

AUSTRALIA

Phone: [REDACTED]

5. If the import volume from **each** nominated country at Appendix A.2 (Australian Market) does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.

Not applicable as the import volume from Taiwan exceeds 3% of all imports of the goods the subject of this application.

6. In the case of an application for countervailing measures against exports from a developing country, if the import volume from **each** nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application

Not applicable as this is not an application for countervailing measures.

Taiwan is a place subject to DCS and DCT rates of duty under Parts 4 and 5 of Schedule 1 to the *Customs Tariff Act 1995*.

PUBLIC RECORD

B-2 Export price

Possible sources of information on export price include export price lists; estimates from the Australian Bureau of Statistics; a deductive export price calculation from the Australian selling price of the imported goods; export sales quotations or invoices; foreign government export trade clearances.

1. Indicate the FOB export price(s) of the imported goods. Where there are different model control codes or levels of trade involved, an export price should be supplied for each.

The FOB export prices of the imported goods have been provided for merchant bar, based on the commodity codes: 7214.91, 7216.10, 7216.21.

The researched data is operationally sensitive to InfraBuild Steel, and cannot be publicly disclosed. The data distinguishes between shapes for the imported goods, and has been organised by InfraBuild's proposed model control codes for this application.

The export prices of goods exported during the investigation period have been estimated under paragraph 269TAB(1)(a), as the price paid for the goods by the importer, less transport and other costs arising after exportation.

Model control code: P-F (Flat bar)				
Date of export	Date of import	Qty, tonnes	FOB value (NTD, 000s)	FOB export price (NTD)
Dec 2019	Jan 2020			
Jan 2020	Feb 2020			
Feb 2020	Mar 2020			
Mar 2020	Apr 2020			
Apr 2020	May 2020			
May 2020	Jun 2020			
Jun 2020	Jul 2020			
Jul 2020	Aug 2020			
Aug 2020	Sep 2020			
Sep 2020	Oct 2020			
Oct 2020	Nov 2020			
Nov 2020	Dec 2020			
Total				

Model control code: P-P and P-T (Channels)				
Date of export	Date of import	Qty, tonnes	FOB value (NTD, 000s)	FOB export price (NTD)
Dec 2019	Jan 2020			
Jan 2020	Feb 2020			
Feb 2020	Mar 2020			
Mar 2020	Apr 2020			
Apr 2020	May 2020			
May 2020	Jun 2020			

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Jun 2020	Jul 2020	
Jul 2020	Aug 2020	
Aug 2020	Sep 2020	
Sep 2020	Oct 2020	
Oct 2020	Nov 2020	
Nov 2020	Dec 2020	
Total		

Model control code: P-E and P-U (Angles)				
Date of export	Date of import	Qty, tonnes	FOB value (NTD, 000s)	FOB export price (NTD)
Dec 2019	Jan 2020			
Jan 2020	Feb 2020			
Feb 2020	Mar 2020			
Mar 2020	Apr 2020			
Apr 2020	May 2020			
May 2020	Jun 2020			
Jun 2020	Jul 2020			
Jul 2020	Aug 2020			
Aug 2020	Sep 2020			
Sep 2020	Oct 2020			
Oct 2020	Nov 2020			
Nov 2020	Dec 2020			
Total				

- Specify the terms and conditions of the sale, where known.

The researched export price data for the imported goods from Taiwan are at the Free-On-Board, country of export point of sale (i.e. at wharf in country of export). InfraBuild Steel understands that the FOB export prices will therefore include an amount for inland freight to the port of lading and export packaging. The export values are expressed in both New Taiwan Dollars (**NTD**) and United States Dollars (**USD**).

- If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. Appendix B1 (Deductive Export Price) can be used to assist your estimation.

The researched export price data for Taiwan is considered adequate for the purposes of this application.

- It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.

Refer to CONFIDENTIAL ATTACHMENT B-2.4 for all evidence supporting the calculation of export prices of the imported goods from Taiwan.

PUBLIC RECORD

B-3 Selling price (normal value) in the exporter's domestic market

Possible sources of information about domestic selling prices in the country of export include: price lists for domestic sales (with information on discounts); actual quotations or invoices relating to domestic sales; published material providing information on the domestic selling prices; or market research undertaken on behalf of the applicant.

1. State the selling price for each model control code of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.

InfraBuild Steel has based its estimate of the selling price for merchant bar sold on the Taiwanese domestic market on published industry information obtained via subscription. The published industry information available only provides price information for merchant bar in the form of [REDACTED]. A monthly summary forms **TABLE B-3.1**, below:

Model control code: [REDACTED]			
Sale month	Price, High ('000 NTD)	Price, Low ('000 NTD)	Price, mid-point ('000 NTD)
Jan-20	[REDACTED]		
Feb-20			
Mar-20			
Apr-20			
May-20			
Jun-20			
Jul-20			
Aug-20			
Sep-20			
Oct-20			
Nov-20			
Dec-20			

TABLE B-3.1: Ex-works domestic sell price for merchant bar in [REDACTED] in Taiwan across the proposed investigation period (Source: [CONFIDENTIAL ATTACHMENT B-3.3](#))

2. Specify the terms and conditions of the sale, where known.

In summary, the specifications of the like goods and the terms and conditions of the sale forming the market price research survey are:

- Delivery terms: delivered (FIS).
- Grade: SS400.
- Dimensions: [REDACTED]
[REDACTED]
- Price quoted in New Taiwan Dollars (NTD) per metric tonnes.

PUBLIC RECORD

3. Provide supporting documentary evidence.

Refer to [CONFIDENTIAL ATTACHMENT B-3.3](#).

4. List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.

CHIN HO FA STEEL & IRON CO., LTD.

[REDACTED]
[REDACTED]

[TAIWAN](#)

Phone: [REDACTED]

Facsimile: [REDACTED]

PUBLIC RECORD

B-4 Estimate of normal value using another method

This section is not mandatory. It need only be completed where there is no reliable information available about selling prices in the exporter's domestic market. Other methods of calculating a normal value include:

- the cost to make the exported goods plus the selling and administration costs (as if they were sold in the exporter's domestic market) plus an amount for profit (if applicable);
OR
- the selling price of like goods from the country of export to a third country.

1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).
2. Provide supporting documentary evidence.

Not applicable. InfraBuild Steel considers that sufficient reliable information is available about selling prices in the exporter's domestic market.

B-5 Adjustments

A fair comparison must be made between the export price and the normal value. Adjustments should be made for differences in the terms and circumstances of the sales such as the level of trade, physical characteristics, taxes or other factors that affect price comparability.

1. Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.

1.1. *Inland transport*

The export data is for FOB (free on board) prices (i.e. include local internal freight to wharf). It is also expected that the FOB price includes a containerisation charge. The domestic selling price in the exporter's domestic market data is for delivered (free into store prices), therefore no additional inland transport adjustment to the normal value is proposed for the purpose of this application only.

1.2. *Physical differences*

The weight of export data is from merchant bar in [redacted] [model], whereas the domestic selling price in the exporter's domestic market data is for like goods in the shape of [redacted] [model]. From its industry knowledge, InfraBuild Steel does not consider that there is a significant price difference attributable to physical characteristic differences between these two models. As any adjustment to normal value under section 269TAC(8) must be made on the basis of price comparability, it is not necessary here to make any adjustments between the export prices the domestic selling prices.

PUBLIC RECORD

2. State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.

On the basis of the information known to InfraBuild Steel, no adjustments are necessary to the normal value for the purpose of this application.

PUBLIC RECORD

B-6 Dumping margin

1. Subtract the export price from the normal value for each model control code of the goods (after adjusting for any differences affecting price comparability).

Export date	Export arrival date	Domestic sale date	Export sales quantity (t)	[A] Export sales value (NTD)	Domestic sales price (NTD/t)	[B] Normal value (NTD)	[B]-[A]=[C] Dumping margin (NTD)
Dec-19	Jan-20	Dec-19					
Jan-20	Feb-20	Jan-20					
Feb-20	Mar-20	Feb-20					
Mar-20	Apr-20	Mar-20					
Apr-20	May-20	Apr-20					
May-20	Jun-20	May-20					
Jun-20	Jul-20	Jun-20					
Jul-20	Aug-20	Jul-20					
Aug-20	Sep-20	Aug-20					
Sep-20	Oct-20	Sep-20					
Oct-20	Nov-20	Oct-20					
Nov-20	Dec-20	Nov-20					
		TOTAL					

TABLE B-6.1: Dumping margin calculation (Sources: [CONFIDENTIAL ATTACHMENTS B-2.4](#) and [B-3.3](#))

2. Show dumping margins as a percentage of the export price.

	Dumping margin	FOB Export Value
TOTAL, NTD		
Percentage, %	14.6%	

PART C

SUPPLEMENTARY SECTION

IMPORTANT

Replies to questions in Part C are not mandatory in all instances, but may be mandatory for certain applications.

C-1 Subsidy

This section must be completed where countervailing duties are sought to offset foreign government assistance through subsidies to exporters or producers.

If the application is for countervailing duty alone, the domestic price information required by Part B of the application need not be supplied.

Responses to questions A-9 will need to identify the link between subsidisation and injury.

1. Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:
 - (i) the nature and title of the subsidy;
 - (ii) the government agency responsible for administering the subsidy;
 - (iii) the recipients of the subsidy; and
 - (iv) the amount of the subsidy.

Not applicable. Countervailing duties are not sought by this application.

C-2. Threat of material injury

You must complete this section if the application includes a claim that material injury is threatened to an Australian industry because of the exportation of goods into the Australian market.

1. Identify the change(s) in circumstances that would make material injury foreseeable and imminent unless dumping or countervailing measures were imposed, for example by having regard to:
 - (i) the rate of increase of dumped/subsidised imports;
 - (ii) changes to the available capacity of the exporter(s);
 - (iii) the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;
 - (iv) inventories of the product to be investigated;
 - (v) for applications claiming subsidisation, the nature of the subsidies in question and the trade effects likely to arise therefrom; or
 - (vi) any other relevant factor(s).

The industry applicant alleges that the dumped goods exported from Taiwan have caused it actual and realised material injury. However, further or in the alternative, if material injury to the Australian industry is not yet evident, then the industry applicant alleges that the increase in the volume of the dumped imports from Taiwan, at increasingly higher rates of dumping will create a situation where the threat of material injury to the Australian industry is foreseeable and imminent.

(i) the rate of increase of dumped/subsidised imports

CHART C-2.1.1, below, indicates the significant rate of increase of dumped imports from Taiwan into the domestic Australian market during the proposed investigation period.

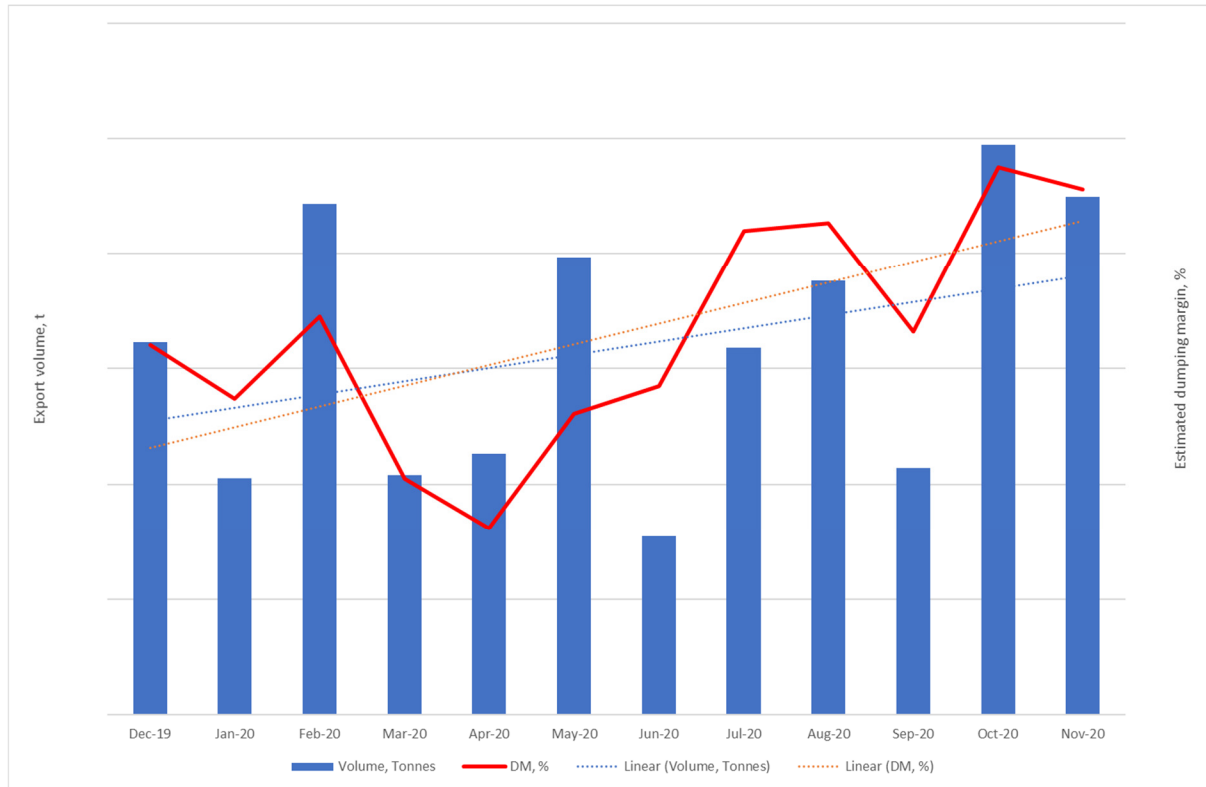


CHART C-2.1.1: Volume of merchant bar exported from Taiwan (export date) and the estimated weighted average dumping margin (Source: CONFIDENTIAL ATTACHMENT B-2.4)

Although the annual volume of imports from Taiwan decreased across the proposed injury analysis period (refer **CHART C-2.1.2**, below), it is the rate by which the dumping margin of the goods imported into Australia is increasing that that would make material injury foreseeable and imminent unless dumping measures were imposed. This is confirmed by the growth in market share for the goods imported from Taiwan (refer **CHART C-2.1.3**, below).

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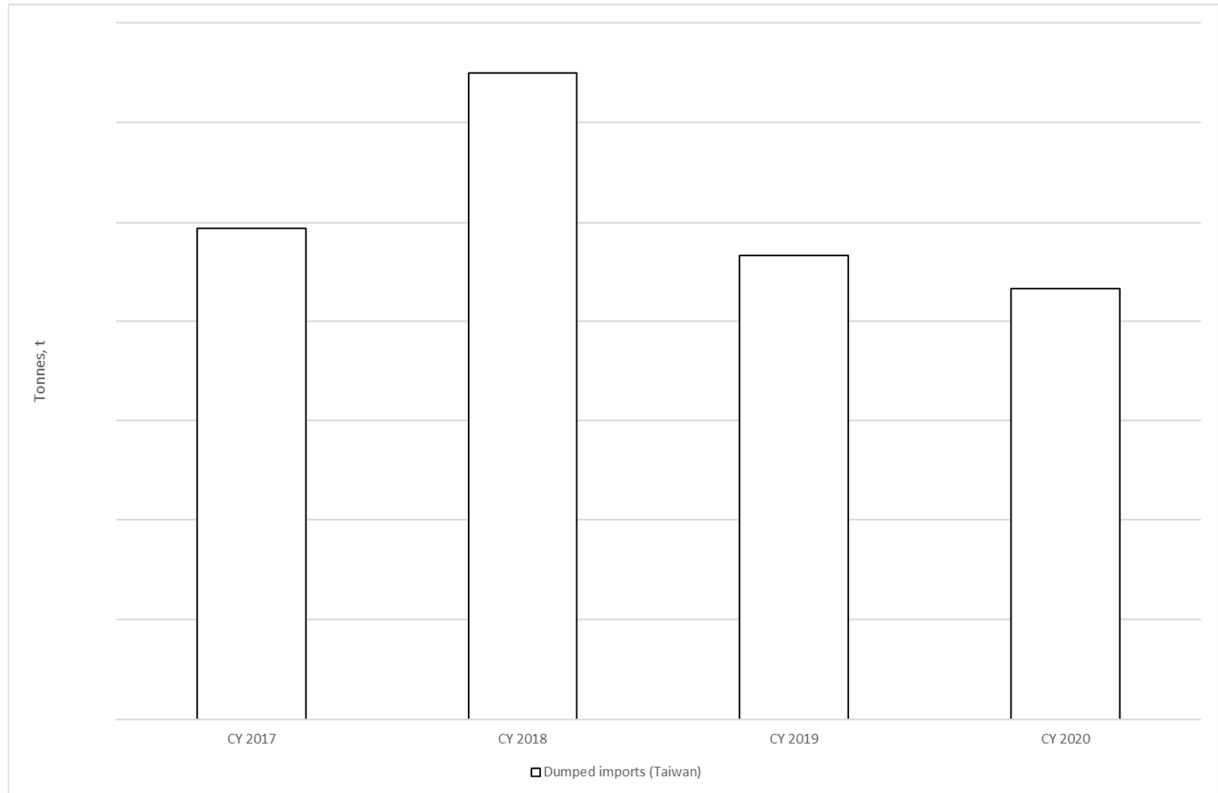


CHART C-2.1.2: Volume of merchant bar exported from Taiwan (by import date) (Source: [appendix A2](#))

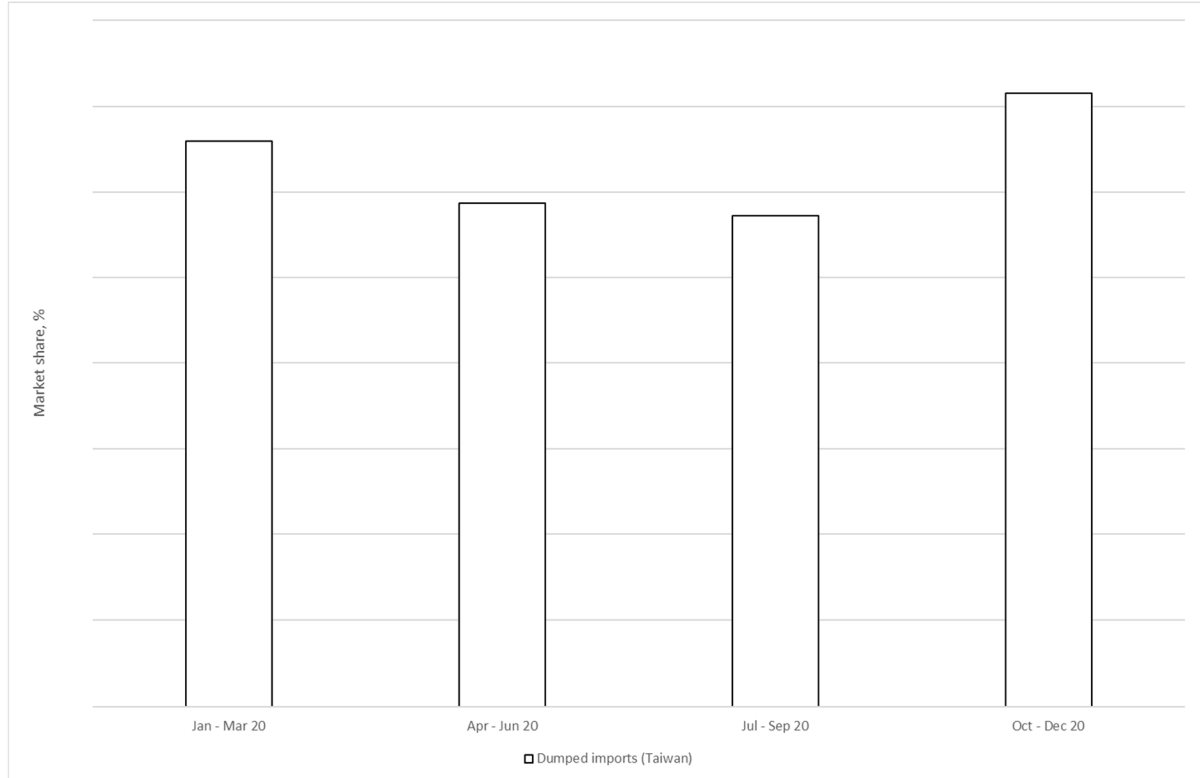


CHART C-2.1.3: Market share of merchant bar exported from Taiwan (by import date) (Source: [appendix A2](#))

(ii) changes to the available capacity of the exporter

The exporter, Feng Hsin, reported that in CY 2020, it operated at below its CY 2018 capacity (in terms of consolidated operating revenue) by 11.6 per cent.⁴ On a year to date basis, the exporter is on track to fully utilise its CY 2018 capacity, again, in CY 2021, having already exceeded its consolidated revenue results for the March 2020 quarter. Annualised, the exporter is expected to exceed in CY 2021 its consolidated operating revenue recorded in CY 2018 by 2.3 per cent.⁵

(iii) the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports

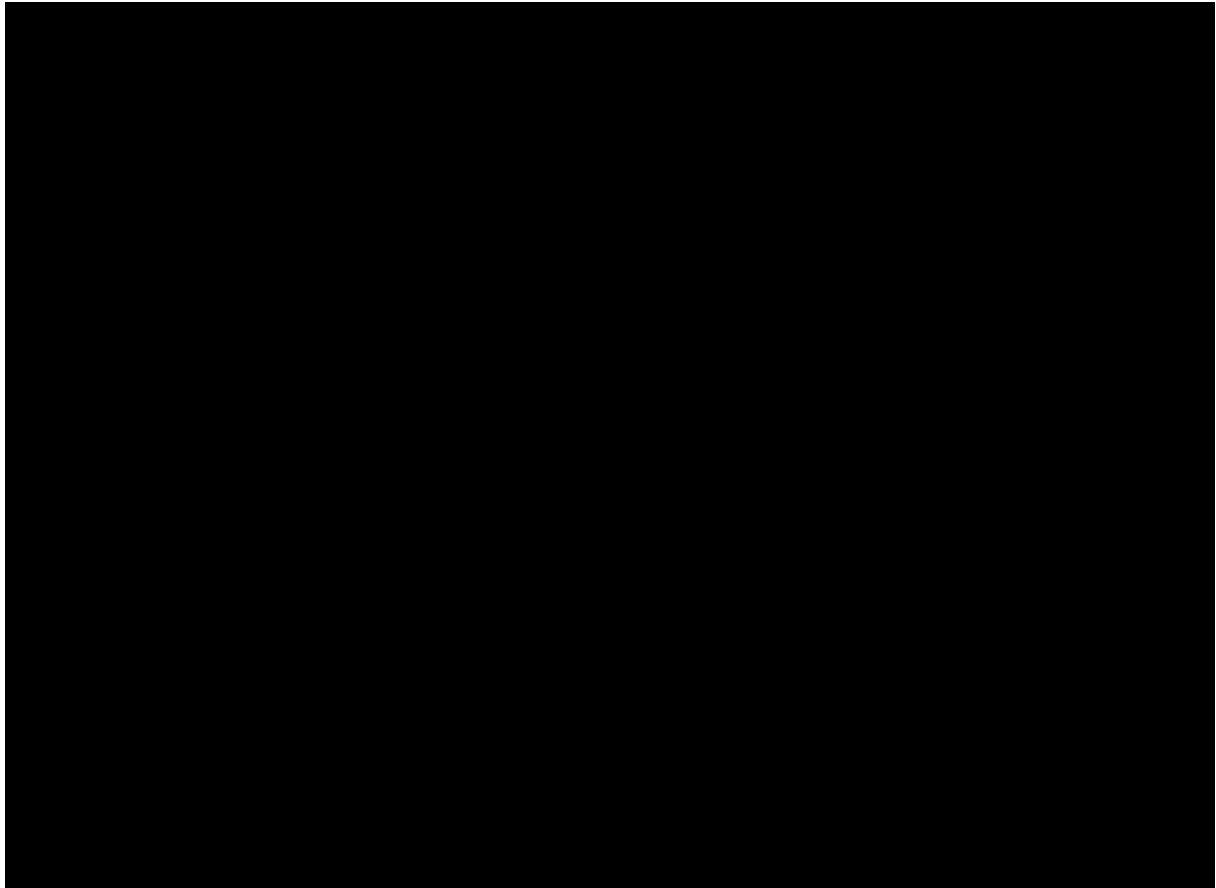
In its appendix A2, the applicant's export price data available for the March 2021 quarter indicates that the FOB export price of the goods from Taiwan has fallen by 3.8 per cent, and reached its lowest value since the December 2017 quarter (AU\$ [REDACTED]/t).

This historically low export price continues to support the price undercutting experienced by the Australian industry in the market. **CONFIDENTIAL CHART C-2.1**, below, shows that importers of the dumped goods will continue to undercut the Australian industry's prices beyond the proposed investigation period by margins of between [REDACTED] and [REDACTED] per cent (CONFIDENTIAL ATTACHMENT A-9.2.2).

⁴ Feng Hsin reported Consolidated Operating Revenues (in NTD '000s) of 30,865,647 in 2018 and 27,735,610 in 2020 (Source: http://www.fenghsin.com.tw/e_stakeholder.htm, accessed 14 April 2021)

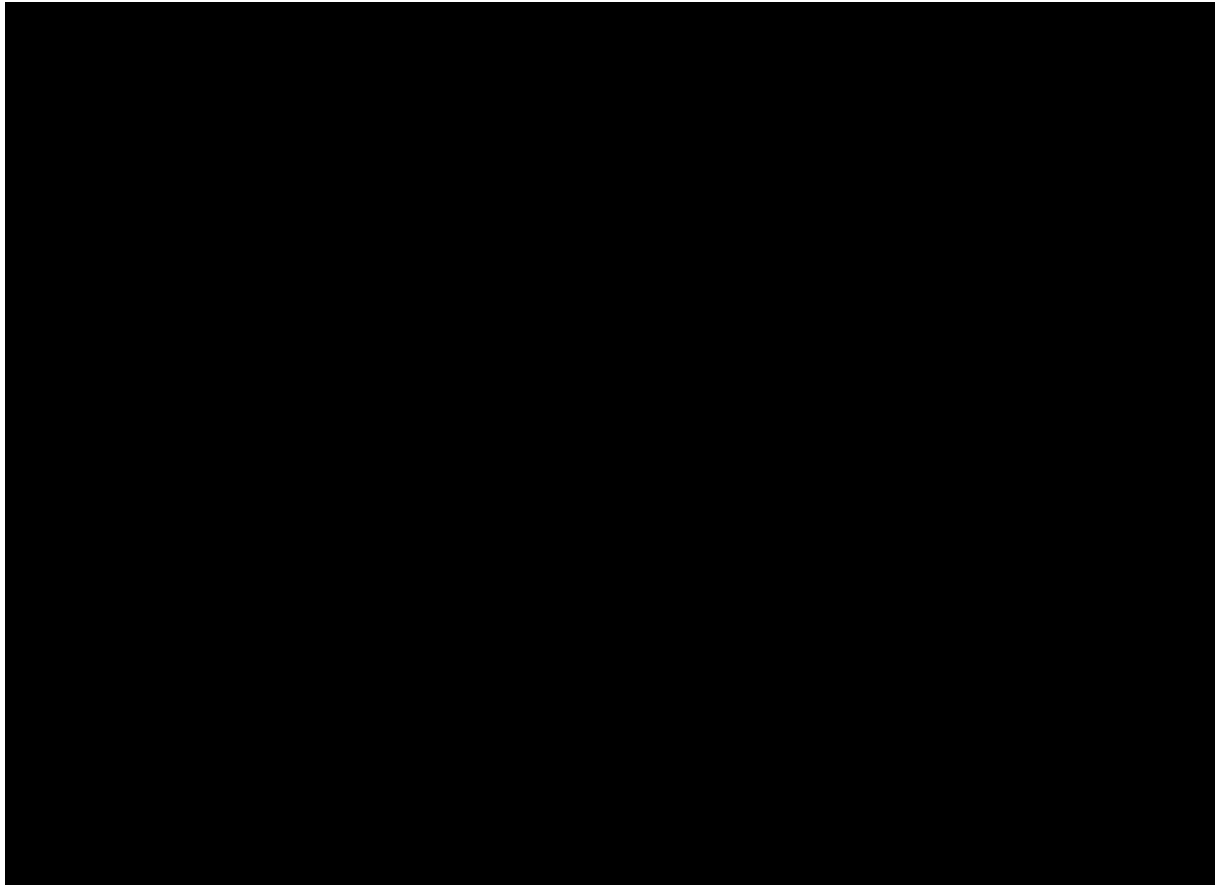
⁵ Feng Hsin reported Consolidated Operating Revenues (in NTD '000s) of 7,895,674 in the March 2021 quarter (Source: http://www.fenghsin.com.tw/e_stakeholder.htm, accessed 14 April 2021)

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CONFIDENTIAL CHART C-2.1: Future price analysis between importer and InfraBuild Steel offers of merchant bar in the Australian market (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))

The applicant has further analysed InfraBuild Steel's lost sales to goods imported from Taiwan since January 2021. A summary of its result appears in **CONFIDENTIAL CHART C-2.2**, below.



CONFIDENTIAL CHART C-2.2: Future sales analysis between importer and InfraBuild Steel offers of merchant bar in the Australian market (Source: [CONFIDENTIAL ATTACHMENT A-9.2.2](#))

In summary, the Australian industry has lost sales of merchant bar for delivery between January and June 2021, of [REDACTED] tonnes to dumped imports.

2. If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that material injury is both foreseeable and imminent.

Not applicable.

C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Commission's client support section before completing this section.**

1. Fully describe the locally produced raw agricultural goods.
2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.
3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.
4. Provide information to establish **either**:
 - a close relationship between the price of the raw agricultural goods and the processed agricultural goods; **or**
 - that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.

Not applicable. The like goods are not close processed agricultural goods.

C-4. Exports from a non-market economy

Complete this section only if exports from a non-market economy are covered by the application. The domestic price information required by Part B of the application need not be supplied if this question is answered.

Normal values for non-market economies may be established by reference to selling prices or to costs to make and sell the goods in a comparable market economy country.

1. Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.
2. Nominate a comparable market economy to establish selling prices.
3. Explain the basis for selection of the comparable market economy country.

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4. Indicate the selling price (or the cost to make and sell) for each model control code of the goods sold in the comparable market economy country. Provide supporting evidence.

Not applicable - the exports are not from a non-market economy.

C-5 Exports from an 'economy in transition'

An 'economy in transition' exists where the government of the country of export had a monopoly, or substantial monopoly, on the trade of that country (such as per question C-4) and that situation no longer applies.

Complete this section only if exports from an 'economy in transition' are covered by the application. **Applicants are advised to contact the Commission's client support section before completing this section**

1. Provide information establishing that the country of export is an 'economy in transition'.
2. A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.
3. Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.
4. Estimate a 'normal value' for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.

Not applicable - the exports are not from an 'economy in transition'.

C-6 Aggregation of Volumes of dumped goods

Only answer this question if required by question B-1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	Quantity	%	Value	%
All imports into Australia		100%		100%
Country A*				
Country B*				

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etc*			
Total			

* Only include countries that account for less than 3% of all imports (or 4% in the case of subsidised goods from developing countries). Use the data at Appendix A.2 (Australian Market) to complete the table.

Not applicable - the volume of allegedly dumped goods from the place the subject of this application individually accounts for more than 3% of total imports from all countries or places.

APPENDICES

Appendix A1	Australian Production
Appendix A2	Australian Market
Appendix A3	Sales Turnover
Appendix A4	Domestic Sales
Appendix A5	Sales of Other Production
Appendix A6.1	Cost to Make and Sell (& profit) Domestic Sales
Appendix A6.2	Cost to Make and Sell (& profit) Export Sales
Appendix A7	Other Injury Factors
Appendix A8	Authority to Deal With Representative
Appendix B1	Deductive Export Price
Appendix B2	Constructed Normal Value