



ANTI-DUMPING NOTICE NO. 2022/007

Customs Act 1901 – Part XVB

Wire rope exported from the Republic of South Africa

Initiation of Continuation Inquiry No. 595 into Anti-Dumping Measures

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

I, Dr Bradley Armstrong PSM, the Commissioner of the Anti-Dumping Commission (Commissioner), have considered an application for the continuation of anti-dumping measures, in the form of a dumping duty notice in respect of certain wire rope (or 'the goods') exported to Australia from the Republic of South Africa (South Africa). The anti-dumping measures are due to expire on 18 December 2022 (the specified expiry day).¹

The application was received from Bekaert Wire Rope Pty Ltd (BWR), an Australian industry member manufacturing like goods.

The Anti-Dumping Commission (commission) has assisted me in initiating this continuation inquiry and will assist me in undertaking the continuation inquiry, pursuant to the commission's function specified in section 269SMD of the *Customs Act 1901* (the Act).²

1. The goods

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

Stranded wire rope, alloy or non-alloy steel, whether or not coated or impregnated, having the following:

- not greater than 9 strands
- diameter not less than 58 mm and not greater than 200 mm,

with or without attachments.

Further information regarding the goods:

- i. Stranded steel wire rope is rope and strand made of high carbon wire (whether or not containing alloys).
- ii. The strand or rope can also be sheathed or impregnated and sheathed respectively in plastic or composites.
- iii. The wires can be layered-up in various configurations in order to give the strand or rope the desired physical properties.

¹ On and from 19 December 2022, if not continued, the anti-dumping measures would no longer apply.

² All legislative references in this notice are to the *Customs Act 1901*, unless otherwise stated.

- iv. Variances can include:
 - *strand diameter*
 - *number of wires*
 - *wire finish (e.g. typically black but may be galvanised)*
 - *wire tensile grade*
 - *type of lubricant*
 - *strand or rope length and*
 - *whether or not an attachment is included (but not limited to ferrules and/or beackets).*
- v. Cores may be made of:
 - *natural or synthetic fibre or*
 - *Independent Wire Rope Cores (“IWRC”), which may or may not be sheathed or impregnated in plastic.*

Typical uses include applications such as dragline hoist, drag and dump ropes, and shovel hoist, crowd and retract ropes.

Goods excluded from the measures are:

- stranded wire rope that is stainless steel as defined under Note (e) “Stainless steel” to the Tariff
- stranded wire rope with more than 9 strands, regardless of diameter and
- stranded wire rope less than 58 mm or greater than 200 mm in diameter, regardless of number of strands.

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995*.³

Tariff subheading	Statistical code	Description
7312	STRANDED WIRE, ROPES, CABLES, PLAITED BANDS, SLINGS AND THE LIKE, OF IRON OR STEEL NOT ELECTRICALLY INSULATED	
7312.10.00	Stranded wire, ropes and cables Ropes and cables containing not more than eight strands, of alloy or non-alloy steel	
	91	Of a diameter exceeding 50 mm but not exceeding 100 mm
	92	Of a diameter exceeding 100 mm
	93	Ropes and cables containing more than eight strands, of alloy or non-alloy steel

Table 1: Tariff classification summary

³ These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes are for reference only and do not form part of the goods description. Please refer to the goods description for detail regarding goods subject to the anti-dumping measures.

2. Background to the anti-dumping measures

The anti-dumping measures were initially imposed by public notice on 18 December 2017 by the then Assistant Minister for Industry, Innovation and Science and Parliamentary Secretary to the Minister for Industry, Innovation and Science. Anti-Dumping Notice (ADN) No. 2017/172 provides details of this decision.⁴ It followed consideration of the then Commissioner's recommendations in *Anti-Dumping Commission Report No. 401* (REP 401), prepared as a result of the original investigation.⁵

The original investigation and the imposition of the anti-dumping measures resulted from an application made under section 269TB by BWR, representing the Australian industry producing like goods.⁶

On 4 July 2019, following Anti-Circumvention Inquiry No. 483, the then Minister for Industry, Science and Technology made alterations to ADN No. 2017/172 for the purposes of section 269TG(2). The description of the goods subject to the original notice was amended, from 'not more than 8 strands' to include wire ropes with 'not more than 9 strands', with effect on and after 11 February 2019.⁷

Further details on the goods and the existing measures is available in the Dumping Commodity Register on the commission's website at www.adcommission.gov.au.

3. Application for continuation of the anti-dumping measures

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

In accordance with section 269ZHB(1), I published a notice on the commission's website on 5 October 2021.⁸ The notice invited the following persons to apply for the continuation of the anti-dumping measures:

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

On 3 December 2021, an application for the continuation of the anti-dumping measures was received from BWR. A non-confidential version of the application is available on the commission's public record.⁹

Having regard to the application, the original investigation and the public record for the original investigation, I am satisfied that BWR is the person:

- under section 269ZHB(1)(b)(i) because its application according to section 269TB resulted in the existing anti-dumping measures
- under section 269ZHB(1)(b)(ii) because it is the sole Australian producer of the goods.

⁴ [ADN No. 2017/172](#) refers.

⁵ [Anti-Dumping Commission Report No. 401](#) refers.

⁶ BWR was previously referred to as BBRG Australia Pty Ltd.

⁷ [ADN No. 2019/84](#) refers.

⁸ [ADN No. 2021/128](#) refers.

⁹ Electronic public record for case 595 - document no 1 refers.

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

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

- the application complies with section 269ZHC (see section 269ZHD(2)(a)) and
- there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures to which the application relates might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent (see section 269ZHD(2)(b)).

5. Assessment under section 269ZHD(2)(a) – compliance with section 269ZHC

I consider that the application complies with the requirements of section 269ZHC. The application:

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

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

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

- It is the sole Australian producer of wire rope.
- Exports of wire rope from South Africa have continued to supply the Australian market following the imposition of measures, such that the volume in 2020/21 is now approximately 50% greater than the volume in calendar year 2016 (the original investigation period).
- Scaw South Africa (Proprietary) Limited (Scaw SA) has maintained its distribution links to supply the Australian mining and mineral resources sectors via its Australian distributor, Haggie Reid Pty Ltd (Haggie Reid). BWR claims that the Australian market for wire rope has contracted in 2020/21. This contraction, along with Scaw SA's available capacity to increase export volumes to Australia, suggests to BWR that the Australian market and customer sales are very competitive.
- Injurious dumping has continued to undercut BWR's prices and cause price suppression due to long-term contracts which were established when Scaw SA circumvented the notice by exporting 9 stranded wire rope. This had the effect of suppressing contract prices that were negotiated between 2017 to 2021.
- As a result of the price suppression, BWR's profit and profitability have not recovered to the levels experienced prior to the original investigation period.
- In the event of the anti-dumping measures expiring, the Australian industry will experience a recurrence of material injury that the measures were intended to prevent.

BWR provided data and information to support its claims. The commission's assessment of BWR's application is at **Confidential Attachment 1**.

I have considered the grounds in BWR's application.

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

I have examined data from the Australian Border Force (ABF) import database and found that exports of wire rope from South Africa have continued. I consider there appear to be reasonable grounds for asserting that exporters in South Africa have maintained distribution links into the Australian market.

Having regard to the application, BWR's claims and other relevant information set out in this notice, I am satisfied that, in accordance with section 269ZHD(2)(b), there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.

I have therefore decided to not reject the application.

7. This continuation inquiry

For the purposes of this inquiry, I will examine the period from **1 January 2021 to 31 December 2021** (the inquiry period) to determine whether dumping has occurred and whether the variable factors relevant to the determination of duty have changed.

Following my inquiry, I will recommend to the Minister for Industry, Energy and Emissions Reduction (the Minister) whether the notice should:

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

8. Proposed model control code structure

The commission undertakes model matching using a Model Control Code (MCC) structure to identify key characteristics that will be used to compare the like goods exported to Australia and the like goods sold domestically in the country of export.¹¹ In developing the MCC structure the commission will have regard to differences in physical characteristics that give rise to distinguishable and material differences in price.

The table below outlines the commission's proposed MCC structure for this inquiry.

Item	Category	Identifier	Sub-category	Sales Data	Cost data
1	Form	C	Coil	Mandatory	Mandatory
		R	Reel		
		D	Drum		
2	Number of strands	#	<i>Specify number</i>	Mandatory	Mandatory
3	Nominal diameter (mm)	#	<i>Specify number</i>	Mandatory	Mandatory
4	Compacted	CC	Compacted	Mandatory	Mandatory
		NC	Not Compacted		
5	Impregnated	NP	Not Plasticated	Mandatory	Mandatory
		P	Plasticated		

Table 2: Proposed MCC structure

¹¹ Guidance on the commission's approach to model matching is in the *Dumping and Subsidy Manual*, available at www.adcommission.gov.au.

Proposals to modify the proposed MCC structure should be raised as soon as is practicable, but no later than **23 February 2022**.

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

9. Public record

I must maintain a public record for this inquiry. The Electronic Public Record (EPR) hosted on the commission's website (www.adcommission.gov.au) contains, among other things, a copy of all non-confidential submissions from interested parties.

10. Submissions

I invite interested parties, as defined in section 269T(1), to lodge written submissions with me concerning the continuation of the measures, no later than close of business on **23 February 2022**, being 37 days after the date of publication of this notice.

The commission's preference is to receive submissions by email to investigations1@adcommission.gov.au. Submissions may also be addressed to:

The Director, Investigations Unit 1
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

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

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

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

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

11. Statement of essential facts

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Minister within the legislative timeframe. I will place the SEF on the public record on or before **7 May 2022**, that is, within 110 days after the publication of this notice, or by such later date as I may allow in accordance with section 269ZHI(3).¹² The SEF will set out the essential facts on which I propose to base a recommendation to the Minister concerning the continuation of the anti-dumping measures.

I invite interested parties to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record. I will take into account submissions received in response to the SEF within 20 days of the SEF being placed on the public record when completing my report and recommendation to the Minister. The email and physical addresses at which submissions can be lodged in relation to the SEF are the same as those specified above under the section titled 'Submissions'.

12. Report to the Minister

I will make a recommendation to the Minister in a report on or before **21 June 2022**, that is, within 155 days after the date of publication of this notice, or such later date as I may allow in accordance with section 269ZHI(3).¹³

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

13. Contacting the commission

Enquiries about this notice may be directed to the Case Manager on telephone number +61 3 8539 2471 or via email at investigations1@adcommission.gov.au.

Dr Bradley Armstrong PSM
Commissioner
Anti-Dumping Commission
17 January 2022

¹² On 14 January 2017, the powers and functions of the Minister under section 269ZHI were delegated to the Commissioner. Refer to [ADN No. 2017/10](#) for further information. Please note that 7 May 2022 is a Saturday, which means the due date becomes the next work day, 9 May 2022.

¹³ Ibid.