

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

21 March 2022

BY EMAIL:
Investigations2@adcommission.gov.au

Dear Director,

Accelerated Review No. 600 concerning Steel Reinforcing Bar exported from South Korea

AUSTRALIAN INDUSTRY SUBMISSION

InfraBuild NSW Pty Limited (**InfraBuild**), refers to the *Application for an Accelerated Review (No. 600)* of a dumping duty notice applying to certain steel reinforcing bar exported to Australia from the Republic of Korea submitted by Dongkuk Steel Mill Co., Ltd (**Dongkuk**).

Dongkuk “new exporter” status

While there were no exports of rebar by Dongkuk during the original Investigation No. 264 investigation period (1 July 2013 to 30 June 2014), it is InfraBuild’s view, based on export trade intelligence, that Dongkuk has become a regular exporter of rebar to Australia in recent years.

In *Continuation Inquiry No. 546*,¹ investigation period 1 January to 31 December 2019, InfraBuild noted in its application:

Daehan holds ACRS certification until 31 December 2020 for various models of rebar in coiled form (refer CONFIDENTIAL ATTACHMENT 1.1.1) and a new entrant (first certified 17 October 2019) Dongkuk Steel Mill Co., Ltd. also holds ACRS certification until 31 December 2020 for various models of rebar in coiled form (refer CONFIDENTIAL ATTACHMENT 1.1.2).²

In *Review of Measures No. 566*³ (investigation period 1 July 2019 to 30 June 2020), InfraBuild again alerted the Commission to the presence of Dongkuk as an active, non-cooperative exporter:

¹ *Continuation Inquiry into Anti-Dumping Measures concerning steel reinforcing bar exported from the Republic of Korea, Singapore, Spain (except Nervacero S.A.) and Taiwan (except Power Steel Co. Ltd)*, initiated by publication of ADN No. 2020/020 on 3 March 2020.

² EPR Folio No. 546/001, p. 14.

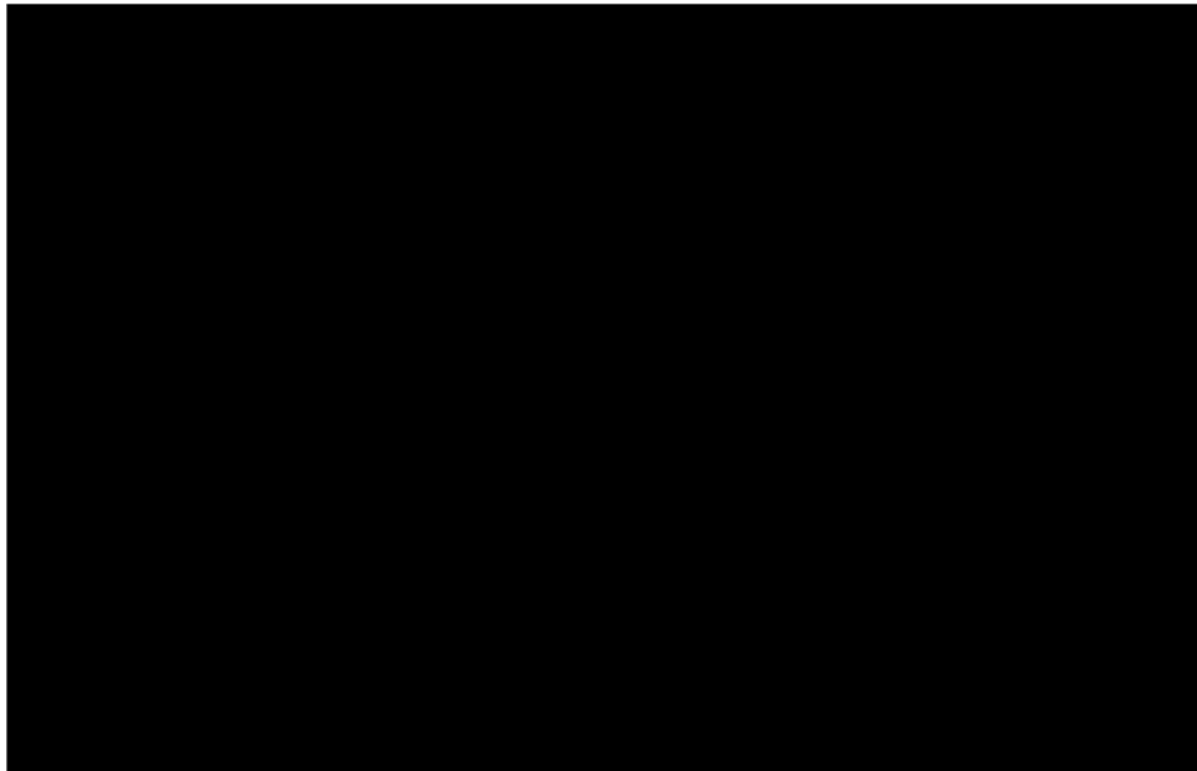
³ *Review of Anti-Dumping Measures No. 566 concerning steel reinforcing bar exported from the Republic of Korea, Singapore, Spain (except Nervacero S.A.) and Taiwan (except Power Steel Co. Ltd.)*, initiated by publication of ADN No. 2020/102 on 10 September 2020.

*InfraBuild (Newcastle) Pty Ltd (**InfraBuild**), the applicant and a member of the Australian industry producing like goods to the goods the subject of this review of anti-dumping measures (**REV 566**), refers to its latest export trade intelligence which indicates that there may be at least one additional exporter of the goods from Korea, who is not cooperating in this review inquiry, and is exporting at prices that are materially different to those observed for the cooperative exporter, Daehan Steel Co., Ltd (**Daehan**).⁴*

InfraBuild submitted⁵ that, in the event that Australian Border Force (**ABF**) data confirmed InfraBuild's contention of Dongkuk as an active exporter, it would not be appropriate for the Commission to determine the ascertained export price for uncooperative exporters from Korea based on the export price for Daehan, given the potentially material disparity between the export prices observed for Daehan and Dongkuk.

CONFIDENTIAL ATTACHMENT 1 provides export trade data showing commencement of exports from Korea [REDACTED]

[REDACTED]. [confidential export trade intelligence] The data is presented graphically in CONFIDENTIAL Chart 1 below.



CONFIDENTIAL Chart 1: Rebar exported from South Korea to Australia

⁴ EPR 566/013

⁵ EPR 566/013

Based on InfraBuild's assessment of the export data, the total exports of rebar from Dongkuk to Australia since October 2019 are estimated to be [REDACTED] to date with [REDACTED] likely to have arrived in Australia during the Accelerated Review period of CY2021. This is only slightly lower than the [REDACTED] estimated to have arrived in Australia in CY2021 from Daehan. Importantly, the weighted average export price for the Dongkuk rebar for the period appears to be nearly [REDACTED]% below that of Daehan.

We observe that the Commission's access to the ABF import database, will permit it to assess the accuracy of InfraBuild's observations and determine an ascertained export price for Dongkuk based on the weighted average FOB export price declared by importers of the goods over the review period. As per the Dumping Commodity Registers for *Zinc Coated (Galvanised) Steel* and *Aluminium Zinc Coated Steel*, InfraBuild notes that exports to Australia by Dongkuk are either directly supplied by Dongkuk or facilitated through various traders, including (but perhaps not limited to) the following:

- SK Networks Co Ltd;
- GS Global;
- Road International Co. Ltd;
- Toyota Tsusho Korea Corporation;
- Sungjin Co Ltd;
- Marubeni-Itochu Steel Korea Ltd;
- Duferco SA; and
- Duferco Asia PTE Ltd

Normal Value for Dongkuk

Despite exporting rebar since October 2019 (InfraBuild's view), this is the first time that Dongkuk proposes to be a cooperating exporter permitting an assessment by the Commission of a company-specific duty rate based on Dongkuk's own variable factors. An assessment of normal value should include an assessment of which models of rebar produced and sold domestically by Dongkuk are most alike to the models exported to Australia. The physical (chemical and mechanical) property requirements specified for various grades produced to the relevant Standards are a key consideration given these physical characteristics are known to give rise to distinguishable and material differences in price.

The ACRS certificate for Dongkuk (extract below) shows that the exporter currently only holds ACRS accreditation for rebar in coiled form in **Grade 500N** (produced to Australia/New Zealand Standard AS/NZS 4671:2019) in diameters of 10, 12 and 16mm. This is the product grade likely to be exported to Australia by Dongkuk.



Australasian Certification Authority
for Reinforcing and Structural Steels Ltd

Products assessed by ACRS to AS/NZS 4671:2019

To be read in conjunction with
Certificate Number: 191002



DONGKUK STEEL
POHANG, KOREA

has satisfied the Authority that it complies with the relevant ACRS Quality and Operations Assessment Procedures. Where appropriate, and as listed below, it manufactures products as indicated by "✓", below and is entitled to use the ACRS mark with these products.

Products manufactured :

AS/NZS 4671 Grade 500N

Coil	10 mm ✓
	12 and 16 mm ✓



AS/NZS 4671 Grade 500N

Coil	10 mm ✓
	12 and 16 mm ✓

<https://www.steelcertification.com/>

Based on a comparison of the Standards applicable to steel reinforcing bar produced for the Australian and South Korean markets, InfraBuild has identified the Korean grades considered most alike to the Australian/New Zealand grades (primarily based on minimum yield strength in megapascals reflected in the grade designation for both standards):

	Export - Australia	Domestic - South Korea
	Standard AS/NZS 4671:2019	Standard KS D 4304:2016
	Grade	Grade
A	250N	
B	300E	SD300
		SD350
		SD400
		SD400W
		SD400S
C	500L	SD500
	500N	SD500W
	500E	SD500S
D	600N	SD600
	750N	SD700

Form of measures for Dongkuk

In all circumstances where there is a positive dumping margin determined for an exporter, including Dongkuk if that is the case in this Accelerated Review, then the combination form of interim duty calculation should be imposed by the Minister, with the variable component being based on the ascertained export price. This would also be consistent with the form of measures currently applying to rebar exports from all other exporters from South Korea.

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

FOR AND ON BEHALF OF THE

AUSTRALIAN INDUSTRY APPLICANT