PUBLIC RECORD

Australian Government
Department of Industry, Innovation and Science

Anti-Dumping Commission

Application for the continuation of a dumping and/or countervailing notice or continuation of an undertaking

Steel Reinforcing Bar exported from Greece, the Republic of Indonesia,Spain (Nervacero S.A), Taiwan (Power Steel Co. Ltd) and the Kingdom of Thailand

ANTI-DUMPING COMMISSION
Form B600
September 2017

APPLICATION UNDER SECTION 269ZHC OF THE *CUSTOMS ACT 1901* FOR THE CONTINUATION OF A DUMPING AND/OR COUNTERVAILING DUTY NOTICE OR CONTINUATION OF AN UNDERTAKING

I hereby request, in accordance with section 269ZHC of the *Customs Act 1901* (the Act) that the Minister:

☒ continue a dumping duty notice, or

☐ continue a countervailing duty notice, or

☐ continue the undertaking given under the Act by

INFRABUILD (NEWCASTLE) PTY LTD

(Name of company or organisation)

in respect of the goods the subject of this application.

I believe that the information contained in this application:

- provides reasonable grounds for continuation of the anti-dumping measure; and
- is complete and correct to the best of my knowledge and belief.

Signature: [**sgd**]

Name: [redacted]

Position: [redacted]

Company: **INFRABUILD (NEWCASTLE) PTY LTD**

ABN: **50 623 285 718**

Date **07 MARCH 2022**

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 '*Instructions and Guidelines for applicants: Application for continuation'* on the Commission's website.

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

Fax: (03) 8539 2499

Email: clientsupport@adcommission.gov.au

Other 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 Department of Industry, Innovation and Science's 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.

Required information

1. Provide details of the name, street and postal address, of the applicant seeking the continuation.

Applicant details:-

Name: INFRABUILD (NEWCASTLE) PTY LTD* (**InfraBuild**)

Street addess: Level 27, 8 Chifley Square, Sydney NSW 2000

Postal address: PO Box H3012 Australia Square, Sydney NSW 1215

Note: * The applicant is a person representing a portion of the Australian industry producing like goods to the goods covered by the dumping duty notice the subject of this continuation application.

2. Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address.

Contact person for applicant:-

Full name: [redacted]

Position: [redacted]

Telephone number: [redacted]

Facsimile number: N/A

Email address: [redacted]

3. Provide the names, addresses, telephone numbers and facsimile numbers of other parties likely to have an interest in this matter e.g. Australian manufacturers, importers, exporters, users.

Australian manufacturers:-

The applicant, INFRABUILD (NEWCASTLE) PTY LTD; formerly LIBERTY ONESTEEL (NEWCASTLE) PTY LTD; ABN 50 623 285 718, is a proprietary company and manufactures and sells like goods to the goods the subject of the anti-dumping measures.

There are two further producers in Australia of like goods, both of whom are related to the applicant, namely:

- INFRABUILD NSW PTY LTD (formerly, ONESTEEL NSW PTY LIMITED), ABN 59 003 312 892; and
- THE AUSTRALIAN STEEL COMPANY (OPERATIONS) PTY LTD, ABN 89 069 426 955.

Collectively, the applicant and the other two related producers of the like goods in Australia are known as 'InfraBuild Steel', formerly known as 'Liberty Steel'.

The other two related Australian manufacturers share the same registered address and telephone contact details listed above as that for the applicant.

Importers:-

Name: DITH AUSTRALIA PTY LIMITED (**DITH**)

Address: Level 30 St. Martin's Tower, 31 Market Street, Sydney NSW 2000 AUSTRALIA

Telephone number: +61 2 9793 1916

Facsimile number: Not known

Name: MACSTEEL INTERNATIONAL AUSTRALIA PTY LTD (**Macsteel**)

Address: Level 1, 40 Burwood Road, Hawthorn VIC 3122 AUSTRALIA

Telephone number: +61 3 9805 0400

Facsimile number: Not known

Name: SANWA PTY LTD (**SANWA**)

Address: Suite 201, 2nd Floor, 100 New South Head Road, Edgecliff NSW 2027 AUSTRALIA

Telephone number: +61 2 9362 4088

Facsimile number: +61 2 9362 3622

Exporters:-

Name: SIDENOR STEEL INDUSTRY S.A (**Sidenor**)

Address: 33, Amaroussiou-Chalandriou Street,

GR-15125, Maroussi, Athens, GREECE

Telephone number: +30-210-6787111

Facsimile number: +30-210-6787740

Name: POWER STEEL CO. LTD (**Power Steel**)

Address: No.54, Ta Yeh South Road, Hsiao Kang Dist, Kaohsiung, TAIWAN

Telephone number: +886-7-8711666

Facsimile number: +886-7-8712069

Name: NERVACERO S.A (**Nervacero**)

Address: BARRIO BALLONTI, S/N,48510,Valle De Trapaga, Vizcaya, SPAIN

Telephone number: +34 944-939-000

Facsimile number: +34 944-937-272

Name: MILLCON STEEL PUBLIC COMPANY LIMITED (**Millcon**)

Address: 9,11,13 Soi Bangkradee 32, Bangkradee Road, Samaedam Sub-district, Bangkhunthian District Bangkok 10150 THAILAND

Telephone number: +66-2896-4444

Facsimile number: +66-2896-4449

Name: SIAM CONSTRUCTION STEEL CO. LTD (**Siam**)

Address: No. 1, I-7 Road, Map TA Phut Industrial Estate, Ampher Muang Rayong, 21150 THAILAND

Telephone number: +66 38-683-968

Facsimile number: + 66 3 8683-969

Name: TATA STEEL MANUFACTURING (THAILAND) PUBLIC COMPANY LIMITED (formerly, *NTS Steel Group Public Company Limited*) (**Tata Steel**)

Address: 555 Rasa Tower 2, 20th Floor, Phaholyothin Road, Chatuchak, Bangkok 10900, THAILAND

Telephone number: +66 2937 1000

Facsimile number: + 66 2937 1224

Name: PT. TOYOGIRI IRON STEEL (**PT Toyogiri**)

Address: Jl. Raya Bekasi Tambun Km 38, Jatimulya, Tambun Selatan, Bekasi, INDONESIA

Telephone number: + 62-21-8804613

Facsimile number: + 62-21-8804612

4. The application must include a detailed statement setting out reasons for seeking continuation of the anti-dumping measure. Applicants must provide evidence addressing whether, in the absence of measures, dumped or subsidised imports would cause material injury to the local industry producing like goods. Applicants should refer to the "Guidelines for Preparing an Application for Continuation of Measures" for assistance.

Elaboration of the reasons for seeking continuation of the anti-dumping measures can be found at Appendix A, attached.

In summary, the Australian industry considers that:

- exports of rebar to Australia from Indonesia, Nervacero and Thailand were at dumped prices with estimated dumping margins ranging from [redacted] per cent to [redacted] per cent. On the basis of estimates of normal values for Taiwan, exports of rebar to Australia by Power Steel did not appear to be at dumped prices, however, exports of rebar from Taiwan following the imposition of measures were at dumped prices at numerous times. There were no exports of rebar to Australia from Greece following the publication of PAD 418 on 14 November 2017;

- exports of rebar to Australia have continued to occur at material volumes from the subject sources for most of the analysis period following the imposition of measures;

- strong demand for rebar in Australia makes it an attractive destination for exporters;

- exporters of rebar to Australia from all sources have maintained their distribution networks in Australia;

- exporters of rebar to Australia from all sources have demonstrated excess rebar export capacity and crude steel making capacity, and are expected to continue to seek other markets including Australia; and

- the Australian rebar market is highly price sensitive and the Australian industry's prices for rebar sold into the Australian market are mainly influenced by price competition from importers.

The Australian industry's rebar prices have been undercut by sales of imported rebar from the subject countries and exporters. This has caused the Australian industry to achieve lower prices and sales volume than it may have otherwise. In turn, the Australian industry considers that in the analysis period following the imposition of measures in March 2018, it has experienced injury in the forms of price suppression (in 2018 and 2019), price depression (in 2019 and 2020) and reduced:

- sales volume across the analysis period;
- sales revenue (in 2020);
- profit and profitability (2018 and 2019);
- capacity utilisation rates of its rebar production capacity (in 2020);
- capital investment (in 2020);
- research and development expenditure (since 2019);
- productivity (in 2019 and 2020); and

- employment levels (since 2020).

Based on the evidence available to the Australian industry, it considers that if the anti-dumping measures expire, it is likely that dumping of rebar from Indonesia, Taiwan (Power Steel Co. Ltd), Spain (Nervacero S.A) and Thailand will continue and that dumping of rebar exported to Australia from Greece will recur.

Based on the evidence available to the Australian industry, it considers that the expiration of anti-dumping measures would be likely to lead to a continuation or recurrence of the material injury that the anti-dumping measures are intended to prevent.

5. The applicant must provide details of the current anti-dumping measure(s) the subject of this continuation application, including:
   - tariff classification

The Goods

The goods subject to anti-dumping measures, in the form of a dumping duty notice are:

> Hot-rolled deformed steel reinforcing bar whether or not in coil form, commonly identified as rebar or debar, in various diameters up to and including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process.

The goods the subject of this contination application include all steel reinforcing bar meeting the above description regardless of the particular grade, alloy content or coating.

Goods excluded from the current anti-dumping measures are plain round bar, stainless steel and reinforcing mesh.

Tariff classification

Goods identified as steel reinforcing bar, as described above, are generally, but not exclusively, classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

Tariff subheading	Statistical code
7213.10.00	42
7214.20.00	47
7227.90.10	69
7227.90.90	42[1]
7227.90.90	01, 02, 04[2]
7228.30.10	70
7228.30.90	40
7228.60.10	72

Note: The goods are defined by the goods description, not the tariff classifications.

- the countries or companies

Greece, the Republic of Indonesia (except PT Ispat Panca Putera and PT Putra Baja Deli), Spain (by Nervacero S.A), Taiwan (by Power Steel Co. Ltd) and the Kingdom of Thailand

- specified date of publication of the measure

The anti-dumping measures were initially imposed by public notice (a dumping duty notice) published on **7 March 2018** by the then Assistant Minister for Science, Jobs and Innovation, and Parliamentary Secretary to the Minister for Jobs and Innovation following consideration of *Anti-Dumping Report No. 418*.

Provision of data

Industry financial data must, wherever possible, be submitted in an electronic format.

- The data should be submitted on a media format compatible with Microsoft Windows.
- Microsoft Excel, or an Excel compatible format, is required.

[1] Operative until 31 December 2014
[2] Operative from 1 January 2015

- If the data cannot be presented electronically please contact the Commission's client support section for advice.

Lodgement of the application

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:

- 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

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.

At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application must 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. If you cannot provide a non-confidential version, contact the Commission's client support section for advice.

PUBLIC RECORD

APPENDIX A

STATEMENT SETTING OUT REASONS FOR SEEKING CONTINUATION OF THE ANTI-DUMPING MEASURES

1. Will the dumping continue or recur?

1.1 Greece

1.1.1 Export volumes

CHART 1.1.1, below, illustrates that exports from Greece increased significantly during the original investigation and have decreased since measures were imposed. This demonstrates that exporters from Greece have been prepared to export at dumped prices when there are no measures applicable as happened during the course of the original investigation to secure volumes in the Australian market. In the original investigation, the Commission verified a dumping margin of 42.1 per cent for all exporters from Greece and imposed the combination method of interim duty calculation. InfraBuild Steel considers that the current absence of exports may be explained by an unwillingness of Greek exporters to lower their prices to absorb the dumping margin.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.1.1: Export volumes of rebar from Greece
Source: appendix A2

1.1.2 Estimated export prices and normal values

There were no exports of rebar from Greece during the inquiry period, therefore, InfraBuild Steel is unable to estimate an export price.

InfraBuild Steel has estimated a normal value for exporters of rebar from Greece based on a published price survey for European average domestic rebar prices (€[redacted]/metric tonne).

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.1.2: Estimated normal values for rebar exported from Greece
Source: CONFIDENTIAL ATTACHMENT 1

1.1.3 Estimated dumping margins

With no exports of rebar from Greece during the inquiry period, InfraBuild Steel is unable to estimate a dumping margin. It is however observed that InfraBuild Steel's estimate of the normal value is 63.1 per cent higher in the inquiry period when compared to the normal value estimate for the original investigation period. Therefore, unless rebar exporters from Greece increased their export price by this proportion, then it is reasonable to estimate that any dumping margin would increase from the verified rate of 42.1 per cent calculated for the original investigation period.

1.1.4 Maintenance of distribution links

In the original investigation (INV 418), the Commission verified an importer of rebar from the major Greek exporter, Sidenor Steel Industry S. A (**Sidenor**).[3] That importer continues to operate in the Australian market as a fabricator and distributor of reinforcing steel products.

Furthermore, a further steel fabricator continues to identify the major Greek exporter of rebar identified in the original investigation (Sidenor) as central to the foundation of their business.[4]

InfraBuild Steel observes that Sidenor voluntarily relinquished its ACRS (Australasian Certification Authority for Reinforcing and Structural Steels) certification on 31 December 2019.[5] Although not compulsory, ACRS certification is a generally preferred minimum market requirement for the supply of rebar into the Australian market. Steel mills with ACRS certification are subject to the manufacturing and testing processes prescribed by ACRS to meet the requirements of the Australian standard (AS/NZS 4671: 2019). Imported rebar sold in the Australian market generally originates from mills that are ACRS certified. The Commission has previously concluded in the context of a continuation inquiry concerning rebar that *…exporters who hold or can readily obtain ACRS accreditation would provide those exporters …the opportunity to supply the Australian market at very short notice should the measures be allowed to expire.*[6] In that case, the Commission found that despite some of the exporters having their ACRS certification cancelled or suspended, the evidence indicated, that certification could be reinstated within a short timeframe:

> *During the course of this inquiry two of the three Chinese producers had their ACRS certification terminated or suspended due to non-compliance with the certification scheme. …In a short period of time one of those two subsequently had its ACRS certification reinstated.* ***This demonstrates how rapidly producers are able to reactivate ACRS certification****.*
>
> *Given the requirements placed on exporters in order to maintain ACRS certification, the Commission considers it reasonable that the exporters with ACRS certification intend to continue to supply the Australian market. While* ***those with suspended certification may seek to reactivate their certification by applying to ACRS****.*[7] *[****emphasis*** *added]*

[3] EPR Folio No. 418/033 (31 October 2017).
[4] CONFIDENTIAL ATTACHMENT 1.1.4 (https://smartreo.com.au/about-us/, accessed 15 February 2020)
[5] https://www.steelcertification.com/product?filter=Bar&sort=Company (accessed 15 February 2022).
[6] REP 560 – Steel reinforcing bar from the People's Republic of China – Continuation Inquiry (12 April 2021), p. 34.
[7] REP 560 – Steel reinforcing bar from the People's Republic of China – Continuation Inquiry (12 April 2021), p. 34.

Applied here, the fact that Sidenor voluntarily relinquished its ACRS certification; not suspended or cancelled for breach; suggests that reactivation is a possible and probable outcome if the anti-dumping measures against it are allowed to expire. This would permit Sidenor to again resume exporting rebar to Australia via its original distribution network (the Australian based entities which remain active in the domestic rebar market). Given that it did not export rebar immediately following the imposition of measures suggests that it was unable to competitively export rebar to Australia at undumped prices.

1.1.5 Anti-dumping actions by other countries

InfraBuild Steel is unaware of any current anti-dumping actions by other countries concerning rebar originating from Sidenor or Greece.

1.1.6 Excess capacity that may be directed to Australia

Export statistics for Greece indicate that 2017 marked an historic high in export sales volumes. Assuming the volume available to export has not changed since 2017, **CHART 1.1.6**, below indicates an increase in excess capacity available to export commenced in 2020, reaching its height in 2021. In that year, excess capacity amounted to 22.2% of total export capacity, up from 5.2% the previous year. The last time, excess capacity reach double-digit values was in 2016, when it represented 17.9% of total export capacity, the same year in which dumped exports of rebar from Greece to Australia commenced, before increasing in 2017, and then ceasing in 2018 with the publication of the preliminary affirmative determination (14 November 2017) and imposition of measures (7 March 2018).

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.1.6: Rebar export volumes from Greece to all destinations
Source: CONFIDENTIAL ATTACHMENT 1.1.6

The Organisation for Economic Co-operation and Development (**OECD's**) *'Latest developments in steelmaking capacity 2021'* report indicates that Greece has experienced no change in its nominal crude steelmaking capacity since 2016 (3.9 million metric tonnes).[8]

1.1.7 The impact of overcapacity in global steel markets

The current OECD's *'Steel market developments: Q4 2021'* report issued on 2 February 2022 concludes that the latest available data suggests that global steelmaking capacity is expected to increase in 2021 by 1.3%:

> *Global steelmaking capacity could increase to 2,485.8 mmt by the end of 2021, i.e. by 1.3% (33.1 mmt) from the level at the end of 2020, according to the available information*

[8] OECD (2021), *Latest developments in steelmaking capacity: 2021* https://www.oecd.org/industry/ind/latest-developments-in-steelmaking-capacity-2021.pdf at p. 46 (accessed 15 February 2022).

> *as of June 2021. World steel production as a share of capacity is expected to rise sharply, from 74.7% in 2020 to 80.8% in 2021.*[9]

However, actual world steel production as a percentage of capacity will show the most significant increase (8.2%), this is on the back of a significant surge in production output (13.7%) in 2021 compared to 2020:

> *According to worldsteel, crude steel production for the first half of 2021 compared to the same period in 2020 increased by 13.7% globally. Steel production increased the most in South America (+28.1%) and Africa (+28%), followed by the European Union (+18.1%), Other Europe (+18.1%) and North America (+16.4%). Asian steel production increased by a robust +13%, while other regions of the world also witnessed an increase: Middle East steel production increased by 8.7%, the Commonwealth of Independent States (CIS) by 8.7%, and Oceania by 8.4%.*[10]

On the other hand, the global steel consumption outlook remains restrained, resulting in a production surplus overhang:

> *In its April 2021 outlook, worldsteel forecast finished steel demand to grow by 5.8% and 2.7% in 2021 and 2022 respectively. According to the forecast, the world-ex China is expected to contribute most of the growth (9.3% and 4.7% in 2021 and 2022 respectively). Of the top-10 steel-consuming economies only two (China and Russia) were forecast to grow at less than 5% in 2021. Global steel demand is expected to surpass pre-pandemic levels in 2021, although many mature economies are not expected to recover fully for a few years.*[11]

Excess global steelmaking capacity is apparent and the possibility of diversion of rebar trade to any of the countries and exporters subject to this continuation application is present. Such diversion would likely result in the need for rebar producers in those countries to expand their export trade to other countries, including Australia. This is consistent with the key contention reached in the Commission's *2017 Steel Manufacturing and Fabricating Markets* report where it was stated:

> *The adverse impacts of continuing global steel excess capacity included the potential,*

[9] OECD (2022), *Steel Market developments: Q4 2021* https://one.oecd.org/document/DSTI/SC(2021)9/FINAL/en/pdf at p. 7 (accessed 15 February 2022)
[10] OECD (2022), *Steel Market developments: Q4 2021* https://one.oecd.org/document/DSTI/SC(2021)9/FINAL/en/pdf at p. 6 (accessed 15 February 2022)
[11] OECD (2022), *Steel Market developments: Q4 2021* https://one.oecd.org/document/DSTI/SC(2021)9/FINAL/en/pdf at p. 6 (accessed 15 February 2022)

> *identified by the OECD, that 'excess capacity in one region can displace production in other regions, thus harming producers in those markets', including through 'unfair trade practices such as dumping'.*[12]

Analysis by the SEAISI (South East Asia Iron and Steel Institute) supports the Commission's theory of capacity overhang and displacement in the following terms:

> *ASEAN's steel industry is facing new production capacities which may worsen the current overcapacity problem in the region. The in-flux of proposed investment from China of up to 50 million tonnes of production capacity in several ASEAN countries as well as investment from other countries in the form of joint ventures with local companies will add up a total of 151 million tonnes of production capacity estimated. Total overcapacity overhang will be more than 60 million tonnes.*[13]

In the case of Greece, the available data for the European Union demonstrates the displacement of local production for imports of production overhang from external sources, specifically, the OECD reported in its latest update:

> *Amongst other major steelmaking economies, also the European Union (external trade) saw exports increase quite significantly, registering a positive growth of about 5.4% with respect to 2020 figures**. Imports into the European market increased more rapidly during the first few months of year, with import growth of about 26%***.[14] (**emphasis** added)

Therefore, the Australian industry considers that the already excess export capacity in Greece may result in increased export volumes of rebar to Australia should the measures expire. This may be exacerbated by the diversion of rebar trade volumes from other countries, not the subject of this continuation application, to Greece, as a member of the European Union, as part of the trend reported by the OECD.

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[12] Anti-dumping Commission (2017) *Steel Manufacturing and Fabricating Markets* https://www.industry.gov.au/sites/default/files/2019-05/adc_steel_fabrication_report_november_2017.pdf at p. 31 (accessed 15 February 2022).

[13] SEAISI (2020), *Should Overcapacity be a concern for the steel industry in the region?* https://www.seaisi.org/newsroom-details?news_id=eyJpdiI6IkVZMEk0czFhZWlJS0RJSitOTk9HNnc9PSIsInZhbHVlIjoiTDUzaVhFOFdLd2NFazlFUXRYemF6QT09IiwibWFjIjoiMTM3ZDc3MWEyODUyNmMzNTMxOGI4ZTY1Mjc4ZmNlMGU5ODI2NzVjNzczOGRlYjM3MDI1MzRlZGVkMmYyNGVjNSJ9 (accessed 15 February 2022)

[14] OECD (2022), *Steel Market developments: Q4 2021* https://one.oecd.org/document/DSTI/SC(2021)9/FINAL/en/pdf at p. 22 (accessed 15 February 2022).

1.1.8 Conclusion - Greece

Exports of rebar from Greece ceased immediately following the imposition of measures. However, the original importer and end-users of exports from Greece remains active in the Australian rebar market.

Although the Greek exporter verified in the original investigation has voluntarily relinquished its third-party accreditation, the Commission has previously concluded that such exporters are able to reinstate their accreditation within a short timeframe.

The significant increase in the EU domestic market price of rebar since the original investigation period (63.1%), suggests that any recurrence of exports would be at dumped prices.

Exporters from Greece have the capacity to increase production of rebar, given an increase in surplus export volume capacity since 2020, and that total crude steelmaking capacity in Greece has remained constant at 3.9 million tonnes. The surplus rebar export volume capacity alone ([redacted] tonnes in 2021) would be material if exported and sold into the Australian rebar market.

The Australian industry considers that it is likely that the expiration of anti-dumping measures would allow importers to acquire rebar from Greece at dumped prices and in greater volumes. In these circumstances, the Australian industry considers that it is likely that exports of rebar at dumped prices by all exporters from Greece would recur if the measures expire.

1.2 Taiwan (Power Steel Co. Ltd)

Although the anti-dumping measures the subject of this application for continuation relates to goods exported only by Power Steel Co. Ltd (**Power Steel**), the estimates of export volumes presented below may include sales by other exporters from Taiwan to Australia. The trade data relied upon by the Australian industry applicant does not identify supplier. Therefore, Border Force's commercial import database available to the Commission will likely permit exports by Taiwanese exporters other than Power Steel to be excluded from its analysis.

1.2.1 Export volumes

CHART 1.2.1, below, indicates that quarterly export volumes of rebar to Australia from Taiwan increased in the June 2018 quarter following the imposition of measures in March 2018. Export volumes then declined significantly in the September 2018 quarter, before remaining at marginal levels (or absent for some quarters entirely) until the June 2021 quarter. In the quarter and the September 2021 quarter that following, export volumes increased significantly, before declining to marginal levels again in the December 2021 quarter.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.2.1: Export volumes of rebar from Taiwan
Source: appendix A2

Although InfraBuild Steel is unable to differentiate exports of rebar by Power Steel from other exporters from Taiwan, the Commission's commentary in its final report to *Continuation Inquiry No. 546* (**CON 546**) reveals that Power Steel cannot be assumed to be absent from the Australian market following the imposition of measures the subject of this application. The Commission's analysis did not include exports by Power Steel (Taiwan). Accordingly, the Commission found that Taiwanese exporters the subject of CON 546 were *…at minimal volumes since 2018…* and *…[v]olumes from Taiwanese exporters subject to these measures following the inquiry period [CY 2019] remain[ed] minimal*.[15] This description does not support a conclusion that Power Steel was entirely absent from the Australian market, especially in the June 2018 quarter, when the Commission observed "minimal volumes" from other exporters from Taiwan, in spite of the volume of exports of rebar from Taiwan reaching historically high

[15] REP 546 – Steel Reinforcing Bar from Korea, Singapore, Spain and Taiwan – Continuation inquiry, p. 58.

levels. InfraBuild Steel concludes that the difference between the Commission's observation and the volumes recorded are attributable to Power Steel.

1.2.2 Estimated export prices and normal values

CHART 1.2.2, below, indicates that since measures were imposed in March 2018, the weighted average export price of rebar from Taiwan was less than the estimated normal value for every quarter except for two (refer September 2016 and December 2016 quarters).

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.2.2: Estimated normal values and export prices for rebar exported from Taiwan
Source: CONFIDENTIAL ATTACHMENT 1

1.2.3 Estimated dumping margins

CHART 1.2.3, below, indicates that since the imposition of measures in March 2018 there has been a positive correlation between the size of estimated monthly dumping margins on rebar

exported to Australia from Taiwan and the volume of rebar exported. For example, following the imposition of measures the volume of goods exported from Taiwan continued at dumped prices for every month (except for October 2019) until exports ceased entirely from May 2020 to March 2021.

Since exports of rebar from Taiwan again commenced in March 2021, they have been at prices that the Australian industry has estimated to be both dumped and undumped. The estimated dumping margin for the proposed continuation inquiry period has been assessed by comparing the weighted average Australian export prices to the corresponding monthly weighted average normal values for the period, 1 January to 31 December 2021. The estimated dumping margin for exporters from Taiwan is [redacted] **per cent**.[16]

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

[redacted]

CHART 1.2.3: Estimated dumping margins and export prices for rebar exported from Taiwan
Source: CONFIDENTIAL ATTACHMENT 1

[16] CONFIDENTIAL ATTACHMENT 1.

1.2.4 Maintenance of distribution links

Power Steel has maintained its primary distribution link into the Australia market via [redacted] (formerly known as [redacted]) as importer.

Power Steel held its ACRS certification current until the end of the proposed continuation inquiry period (31 December 2021) when it voluntarily relinquished it. As noted above (section 1.1.4) the fact that Power Steel voluntarily relinquished its ACRS certification; not suspended or cancelled for breach; suggests that reactivation is a possible and probable outcome if the anti-dumping measures against it are allowed to expire. This would permit Power Steel to again resume exporting rebar to Australia via its original distribution network (the Australian based entities which remain active in the domestic rebar market). Given that it was unable to export rebar following the imposition of measures at undumped prices suggests that it was unable to competitively export rebar to Australia.

1.2.5 Anti-dumping actions by other countries

On 2 October 2020, the US Department of Commerce (**DOC**) announced its final results of the administrative review of anti-dumping duties on imports rebar from Taiwan. As a result of the review, the DOC determined that Power Steel exported rebar to the US at dumped prices during the period of review, 7 March 2017 to 30 September 2018. The DOC calculated final weighted-average dumping margins of 3.27 percent for the company.[17]

On 4 May 2018, the Canada Border Services Agency (CBSA) concluded a reinvestigation to update the normal values and export prices concerning rebar exported from Taiwan (also known as 'Chinese Taipei')[18]. The CBSA's reinvestigation related to Taiwanese exporters the subject of this application for continuation of the dumping duty notice. The margins of dumping expressed as percentages of their respective export prices, were found by the CBSA for all other exporters from Taiwan to be 108.5% (except for Tung Ho Steel Enterprise Corporation).

[17] Federal Register / Vol. 85, No. 196 / Thursday, October 8, 2020 / Notices https://www.govinfo.gov/content/pkg/FR-2020-10-08/pdf/2020-22315.pdf at 63506 (accessed 15 February 2022).
[18] Canada Border Services Agency (7 May 2018), *Certain Concrete Reinforcing Bar: Notice of Conclusion of Re-investigation* https://www.cbsa-asfc.gc.ca/sima-lmsi/ri-re/rb1-22017/rb1-22017-nc-eng.html (accessed 15 February 202)

1.2.6 Excess capacity that may be directed to Australia

Export statistics for Taiwan indicate that 2016 marked an historic high in rebar export sales volumes. Assuming the volume available to export has not changed since 2017, **CHART 1.2.6**, below, indicates an increase in excess capacity available to export rebar commenced in 2017, reaching its height in 2020. In that year, excess capacity amounted to 49.8% of total export capacity, up from 33.1% the previous year. The last time, excess capacity exceeded 25% was in 2017, when it represented 26.0% of total export capacity, corresponding with the original investigation period, when Power Steel was verified to have exported goods to Australia at dumped prices. The excess export capacity in 2021 amounted to 46.9% of total export capacity available to be directed to Australia.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.2.6: Rebar export volumes from Taiwan to all destinations
Source: CONFIDENTIAL ATTACHMENT 1.2.6

The OECD's *'Latest developments in steelmaking capacity 2021'* report indicates that Taiwan (identified as 'Chinese Taipei') has experienced no change in its nominal crude steelmaking capacity since 2016 (29.4 million metric tonnes).[19] When compared to the total production of crude steel reported by the WorldSteel Association in 2021 for Taiwan of 23.25 million tonnes, there is apparent excess crude steel capacity among Taiwanese steel producers of 6.15 million tonnes.[20]

1.2.7 The impact of overcapacity in global steel markets

As discussed in **Section 1.1.7**, above, with excess global steelmaking capacity apparent it is reasonable to deduce that this may result in the diversion of rebar trade to Taiwan. Such diversion would likely result in the need for rebar producers in Taiwan to expand their export trade to other countries, including Australia.

In the case of Taiwan, the information presented in **Section 1.2.6**, above, points to existing excess capacity in Taiwan both for export-bound trade and overall crude steel production, and that this may result in increased export volumes of rebar to Australia should the measures expire. This may be exacerbated by the diversion of rebar trade volumes from other countries, not the subject of this continuation application, to Taiwan.

1.2.8 Conclusion - Taiwan

Power Steel has continued to export rebar to Australia at dumped prices following the imposition of measures and has maintained their distribution links in Australia via their network of importers who have continued to offer to sell rebar exported by them into the Australian domestic market. Although Power Steel has voluntarily relinquished its third-party accreditation, at the expiration of the proposed continuation inquiry period, the Commission has previously concluded that such exporters are able to reinstate their accreditation within a short timeframe.

Exporters from Taiwan have the capacity to not only increase production of rebar, but also export such production of rebar. In 2021 there was surplus crude steelmaking capacity in Taiwan of 6.15 million tonnes, and excess capacity amounting to 46.9% of

[19] OECD (2021), *Latest developments in steelmaking capacity: 2021* https://www.oecd.org/industry/ind/latest-developments-in-steelmaking-capacity-2021.pdf at p. 45 (accessed 15 February 2022).
[20] World Steel Association (2021), *Total production of crude steel* https://worldsteel.org/steel-by-topic/statistics/annual-production-steel-data/P1_crude_steel_total_pub/TWN (accessed 15 February 2022).

total rebar export capacity which would be material ([redacted] tonnes) if exported and sold into the Australian rebar market.

The Australian industry considers that it is likely that the expiration of anti-dumping measures would allow importers to acquire rebar from Power Steel at dumped prices and in greater volumes. In these circumstances, the Australian industry considers that it is likely that exports of rebar at dumped prices by Power Steel from Taiwan would continue if the measures expire.

1.3 Indonesia

Although the anti-dumping measures the subject of this application for continuation does not include goods exported by PT Ispat Panca Putera and PT Putra Baja Deli, the estimates of export volumes from Indonesia presented below may include sales by these exporters to Australia. The trade data relied upon by the Australian industry applicant does not identify supplier. Therefore, Border Force's commercial import database available to the Commission will likely permit exports by PT Ispat Panca Putera and PT Putra Baja Deli to be excluded from its analysis. However, the Australian industry observes from its market intelligence that a material proportion of rebar exported from Indonesia in the proposed continuation inquiry period were made by exporters subject to the measures ([redacted]%).[21]

1.3.1 Export volumes

CHART 1.3.1, below, indicates that quarterly export volumes of rebar to Australia from Indonesia decreased to marginal levels in the December 2017 quarter when the preliminary affirmative determination was published, and remained at marginal levels until the September 2018 quarter, when the volume of exports increased, and trended upwards until the March 2021 quarter when export volumes increased significantly. Export volumes of rebar from Indonesia remained at historically high levels across the entire proposed continuation inquiry period (CY 2021).

[21] CONFIDENTIAL ATTACHMENT 1.3

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.3.1: Export volumes of rebar from Indonesia

Source: appendix A2

1.3.2 Estimated export prices and normal value

CHART 1.3.2, below, indicates the weighted average export price of rebar from Indonesia. InfraBuild Steel has estimated a weighted average export price for Indonesia across the proposed continuation inquiry period at US$ [redacted] per tonne.[22] A normal value has been estimated for Indonesian exporters based on a methodology under subsection 269TAC(2)(c) of the *Customs Act 1901*. InfraBuild Steel has estimated the normal value at US$ [redacted] per tonne.[23]

[22] CONFIDENTIAL ATTACHMENT 1.3.2.1
[23] CONFIDENTIAL ATTACHMENT 1.3.2.1

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.3.2: Export prices of rebar from Indonesia
Source: CONFIDENTIAL ATTACHMENT 1.3.2

1.3.3 Estimated dumping margins

On the basis of the source of normal value information available to the Australian industry applicant, dumping margins have been observed within the proposed continuation inquiry period (CY 2021) of [redacted]%.[24]

1.3.4 Maintenance of distribution links

As indicated in **Section 1.3**, above, a material proportion ([redacted]%) of exports of rebar from Indonesia were subject to the measures. This indicates that the Indonesian exporters subject to

[24] Refer CONFIDENTIAL ATTACHMENT 1.3.2 for calculation.

measures have maintained their distribution links to Australia evidenced by the fact that the key importers continue to purchase the goods exported from Indonesia.

Although not compulsory, ACRS certification is a generally preferred minimum market requirement for the supply of rebar into the Australian market. Given none of the exporters of rebar the subject of measures from Indonesia had ACRS certification indicates that access to the Australian market remains open to them notwithstanding.

1.3.5 Anti-dumping actions by other countries

On 5 October 2018, as a result of a sunset review, the US DOC found that revocation of the anti-dumping measures on rebar from Indonesia would likely lead to a continuation or recurrence of dumping at 71.01% dumping margins.[25]

On 4 June 2021 the Canadian International Trade Tribunal found that the dumping of rebar exported from Indonesia caused injury to the domestic industry at 21.8% dumping margins.[26]

1.3.6 Excess capacity that may be directed to Australia

The OECD's *'Latest developments in steelmaking capacity 2021'* report indicates that Indonesia has increased its nominal crude steelmaking capacity since 2016: 12.5 million metric tonnes in 2016 to 19.6 million metric tonnes in 2020.[27] When compared to the total production of crude steel reported by the WorldSteel Association in 2021 for Indonesia of 14.3 million tonnes, there is apparent excess crude steel capacity among Indonesian steel producers of 5.3 million tonnes.[28]

According to *The Indonesian Iron and Steel Industry Association,* Indonesia has annual rebar production capacity of 8.4 million tonnes. In 2019, it experienced a capacity utilisation rate of

[25] International Trade Administration (2018), *Steel Concrete Reinforcing Bars From Belarus, the People's Republic of China, Indonesia, Latvia, Moldova, Poland, and Ukraine: Final Results of Expedited Third Sunset Reviews of the Antidumping Duty Orders* https://www.federalregister.gov/documents/2018/10/05/2018-21731/steel-concrete-reinforcing-bars-from-belarus-the-peoples-republic-of-china-indonesia-latvia-moldova (accessed 15 February 2022)
[26] Canada Border Services Agency (2022), *Certain concrete reinforcing bar 3: Dumping (Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore, and Vietnam)* https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/rb3-eng.html (accessed 15 February 2022)
[27] OECD (2021), *Latest developments in steelmaking capacity: 2021* https://www.oecd.org/industry/ind/latest-developments-in-steelmaking-capacity-2021.pdf at p. 45 (accessed 15 February 2022).
[28] World Steel Association (2021), *Total production of crude steel https://worldsteel.org/steel-by-topic/statistics/annual-production-steel-data/P1_crude_steel_total_pub/IDN* (accessed 15 February 2022).

only 32%. This rate increased in 2020 to 48%.[29] It explains this low capacity utilisation rate because *…Indonesia has become the destination of export from several countries causing low-capacity utilization of domestic producers.*[30] Surplus production of rebar when faced with *…high import ratios*; as described by the Association, has resulted in increased export activity of rebar globally.

1.3.7 The impact of overcapacity in global steel markets

As discussed in **Section 1.1.7**, above, with excess global steelmaking capacity apparent it is reasonable to deduce that this may result in the diversion of rebar trade to Indonesia. Such diversion would likely result in the need for rebar producers in Indonesia to expand their export trade to other countries, including Australia. This was demonstrated, particularly in the proposed continuation inquiry period (refer **Section 1.3.1**, above).

In the case of Indonesia, the information presented in **Section 1.3.6**, above, points to existing excess capacity in Indonesia for rebar production, and that this may result in increased export volumes of rebar to Australia should the measures expire. This may be exacerbated by the diversion of rebar trade volumes from other countries, not the subject of this continuation application, to Indonesia.

1.3.8 Conclusion - Indonesia

A material volume of rebar continued to be exported to Australia and as such exporters the subject of these measures have maintained their distribution links in Australia via their importers. The Australian industry has determined that exports of rebar from Indonesia were at dumped prices within the proposed continuation inquiry period.

In addition, the recent United States and Canadian dumping reviews and investigations concerning exports of rebar from Indonesia found dumping margins of 71.01% and 21.8% for Indonesian exporters.

Exporters from Indonesia have the capacity to increase production of rebar, given low-capacity utilisation rate and high import ratios.

The Australian industry considers that it is likely that the expiration of anti-dumping

[29] CONFIDENTIAL ATTACHMENT 1.3.6 at p. 4.
[30] CONFIDENTIAL ATTACHMENT 1.3.6 at p. 3.

measures would allow importers to acquire rebar from Indonesia at dumped prices and in greater volumes. In these circumstances, the Australian industry considers that it is likely that exports of rebar at dumped prices by all exporters from Indonesia; currently subject to measures; would recommence/continue if the measures expire.

1.4 Spain (Nervacero S.A)

Although the anti-dumping measures the subject of this application for continuation only relates to goods exported by Nervacero S.A (**Nervacero**), the estimates of export volumes presented below may include sales by other exporters to Australia. The trade data relied upon by the Australian industry applicant does not identify supplier. Therefore, Border Force's commercial import database available to the Commission will likely permit exports by exporters other than Nervacero to be excluded from its analysis.

1.4.1 Export volumes

CHART 1.4.1, below, indicates that quarterly export volumes of rebar to Australia from Spain decreased significantly following the publication of PAD 418 in November 2017, and remained at marginal levels since measures were imposed in March 2018, until the June 2020 quarter; when volumes increased significantly; and then again in the December 2021 quarter. The export volumes presented in **CHART 1.4.1**, below, do not include any exports of rebar from Spain sold by the Australian industry into the Australian market.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material and market intelligence proprietary to the Australian industry*]

CHART 1.4.1: Export volumes of rebar from Spain (excluding volumes sold by the Australian industry)
Source: appendix A2

1.4.2 Estimated export prices and normal values

CHART 1.4.2, below, indicates that since measures were imposed in March 2018, the weighted average export price of rebar from Spain increased above the estimated normal value until October 2018, when export volumes receded to marginal volumes until March 2020, when export resumed at significant volumes and at dumped prices.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.4.2: Estimated normal values and export prices for rebar exported from Spain
Source: CONFIDENTIAL ATTACHMENT 1

1.4.3 Estimated dumping margins

CHART 1.4.3, below, indicates that since the resumption of exports in significant volumes in January 2020 there has been a positive correlation between the periods of positive dumping margins and export volumes from Spain. Therefore, **CHART 1.4.3**, below, suggests that export volumes of the goods from Spain to Australia decline in the absence of dumped prices.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.4.3: Estimated dumping margins and export prices for rebar exported from Spain
Source: CONFIDENTIAL ATTACHMENT 1

On the basis of the source of normal value information available to the Australian industry applicant, dumping margins have been observed within the proposed continuation inquiry period (CY 2021) of [redacted]%.[31]

1.4.4 Maintenance of distribution links

The exporter the subject of this dumping duty notice, Nervacero, is certified by ACRS. This strongly indicates an intention on the part of that mill to continue to maintain distribution links and remain part of the supply chain into the Australian domestic rebar market. The exporter holds ACRS certification until 31 December 2022 for various models of rebar in coiled form.[32]

[31] Refer CONFIDENTIAL ATTACHMENT 1 for calculation.
[32] NON-CONFIDENTIAL ATTACHMENT 1.4.4.

1.4.5 Anti-dumping actions by other countries

On 3 April 2017, the Canada Border Services Agency (**CBSA**) made a final determination of dumping with respect to rebar exported from Spain[33]. The CBSA's reinvestigation related to Spanish exporters the subject of this application for continuation of the dumping duty notice. The margin of dumping for Nervacero expressed as a percentage of its export price, was found by the CBSA to be 39.6%.

On 1 September 2020, the CBSA concluded a normal value review to update the normal values and export prices applicable to rebar exported to Canada from Spain by Nervacero. The normal value review was part of the CBSA's enforcement of the Canadian International Trade Tribunal's (CITT) finding of injury issued on 3 May 2017. The *Period of Investigation* for the normal value review was CY 2019. Disclosure of the variable factors is considered confidential by the Canadian investigative authority.[34]

1.4.6 Excess capacity that may be directed to Australia

Export statistics for Spain indicate that 2016 marked an historic high in rebar export sales volumes. Assuming the volume available to export has not changed since 2017, **CHART 1.4.6**, below, indicates an increase in excess capacity available to export rebar commenced in 2017, reaching its height in 2021 or [redacted] tonnes of excess rebar export capacity.

[33] *Certain Concrete Reinforcing Bar: Notice of Final Determination* (2017) https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/rb22016/rb22016-nf-eng.html (accessed 24 January 2020)
[34] *Concrete reinforcing bar 2 - RB2 2020 UP1: Conclusion of normal value review* (2020) https://www.cbsa-asfc.gc.ca/sima-lmsi/up/rb22020/rb2202001-nc-eng.html (accessed 15 February 2022)

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.4.6: Rebar export volumes from Spain to all destinations
Source: CONFIDENTIAL ATTACHMENT 1.4.6

The OECD's *'Latest developments in steelmaking capacity 2021'* report indicates that Spain has experienced no change in its nominal crude steelmaking capacity since 2016 (26.6 million metric tonnes).[35] When compared to the total production of crude steel reported by the WorldSteel Association in 2021 for Spain of 14.04 million tonnes, there is apparent excess crude steel capacity among Spanish steel producers of 12.65 million tonnes.[36]

1.4.7 The impact of overcapacity in global steel markets

As discussed in **Section 1.1.7**, above, with excess global steelmaking capacity apparent it is reasonable to deduce that this may result in the diversion of rebar trade to Spain. Such diversion would likely result in the need for rebar producers in Spain to expand their export

[35] OECD (2021), *Latest developments in steelmaking capacity: 2021* https://www.oecd.org/industry/ind/latest-developments-in-steelmaking-capacity-2021.pdf at p. 46 (accessed 15 February 2022).
[36] World Steel Association (2021), *Total production of crude steel* https://worldsteel.org/steel-by-topic/statistics/annual-production-steel-data/P1_crude_steel_total_pub/ESP (accessed 15 February 2022).

trade to other countries, including Australia.

In the case of Spain, the available data for the European Union demonstrates the displacement of local production for imports of production overhang from external sources, specifically, the OECD reported in its latest update:

> *Amongst other major steelmaking economies, also the European Union (external trade) saw exports increase quite significantly, registering a positive growth of about 5.4% with respect to 2020 figures**. Imports into the European market increased more rapidly during the first few months of year, with import growth of about 26%***.[37] (**emphasis** added)

Therefore, the Australian industry considers that the already excess export capacity in Spain may result in increased export volumes of rebar to Australia should the measures expire. This may be exacerbated by the diversion of rebar trade volumes from other countries, not the subject of this continuation application, to Spain, as a member of the European Union, as part of the trend reported by the OECD.

1.4.8 Measures and the Celsa Group

The exporter of the goods from Spain the subject of the measures which form this application for continuation is Nervacero. Nervacero belongs to the Celsa Group, a consolidation of associated (through common private ownership) companies operating steelmaking facilities in Spain, Poland, the United Kingdom, France and Norway. In Spain, the Celsa Group owns and operates three mills producing rebar, known as:

- Celsa Barcelona;
- Nervacero S.A; and
- Celsa Atlantic.[38]

Both Celsa Barcelona and Nervacero are ACRS accredited in Australia for the production of various models of rebar in coiled form. Beyond Spain, Celsa Huta Ostrowiec Sp. z o.o (Poland) obtained ACRS accreditation for its production of the goods since 29 January 2018 (for rebar in

[37] OECD (2022), *Steel Market developments: Q4 2021* https://one.oecd.org/document/DSTI/SC(2021)9/FINAL/en/pdf at p. 22 (accessed 15 February 2022).
[38] https://www.industry.gov.au/sites/default/files/adc/public-record/071-ver_report-exporter-_compania-case264.pdf at p. 8 (accessed 24 January 2020).

coiled form)[39] and 3 May 2019 (for rebar in lengths) [40].

In REP 546, the Commission analysed the pattern of exports from Celsa Barcelona and Nervacero to Australia and found that there was an inverse correlation in export volumes between the two sources between 2012 and 2017. The Commission found that the CELSA Group was able to switch its supply source to mills not the subject of measures, and concluded that as both Celsa Barcelona and Nervacero remained ACRS accredited mills that supplied the Australian market prior to 2019, it considered *…there to be a reasonable likelihood that volumes will again be supplied from CELSA [Barcelona, in that inquiry] in the absence of measures.*[41] Applied here, the same analysis indicates that should measures not be continued against Nervacero, then any volume that has been observed to be exported from ACRS accredited Celsa Group mills outside of Spain may be expected to return to Nervacero given the Celsa Group's past practice of supplying rebar from those mills without anti-dumping measures.

1.4.9 Conclusion - Spain

Spanish exporters; including Nervacero; have continued to export rebar to Australia at dumped prices for extended periods following the imposition of measures and have maintained their distribution links in Australia via their network of importers who have continued to offer to sell rebar exported from Spain into the Australian domestic market. Nervacero has also maintained its third-party accreditation to market rebar products effectively in the Australian construction market.

Exporters from Spain have the capacity to increase their export volume of rebar, which given the size of historic export capacity for rebar in Spain (based on 2016 volumes) would be material if exported and sold into the Australian rebar market.

The Australian industry considers that it is likely that the expiration of anti-dumping measures would allow importers to acquire rebar from Nervacero at dumped prices and in greater volumes. In these circumstances, the Australian industry considers that it is likely that exports of rebar at dumped prices by Nervacero from Spain would continue (or at the very least, recur) if the measures expire.

[39] https://www.steelcertification.com/coil1.html (accessed 24 January 2020).
[40] https://www.steelcertification.com/bar1.html (accessed 24 January 2020).
[41] REP 546 – *Steel Reinforcing Bar from Korea, Singapore, Spain and Taiwan – Continuation inquiry*, p. 58.

1.5 Thailand

1.5.1 Export volumes

CHART 1.5.1, below, indicates that quarterly export volumes of rebar to Australia from Thailand decreased following the publication of PAD 418 in November 2017, and decreased further following the imposition of measures in March 2018, when volumes remained at marginal levels until June 2020. Rebar export volumes then declined again until the June 2021 quarter, before remaining at elevated levels for the remainder of the proposed continuation inquiry period.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.5.1: Export volumes of rebar from Thailand
Source: appendix A2

1.5.2 Estimated export prices and normal values

CHART 1.5.2, below, indicates that across the proposed continuation inquiry period, the majority of monthly exports were at less than the estimated normal value for Thailand.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.5.2: Estimated normal values and export prices for rebar exported from Thailand across the proposed continuation inquiry period
Source: CONFIDENTIAL ATTACHMENT 1.5.2

1.5.3 Estimated dumping margins

The estimated dumping margin for the proposed continuation inquiry period has been assessed by comparing the weighted average Australian export prices to the corresponding monthly weighted average normal values for the period, 1 January to 31 December 2021. The estimated dumping margin for exporters from Thailand is **[redacted] per cent**.[42]

[42] CONFIDENTIAL ATTACHMENT 1.5.2 for dumping margin calculation.

1.5.4 Maintenance of distribution links

The Thai rebar exporter, Millcon Steel PLC (**Millcon**), has maintained its ACRS certification current.[43]

Two other rebar exporters, *Tata Steel SCSC* and *Tata Steel (Thailand) – NTS* maintained their ACRS certification for rebar in straight lengths until 31 December 2019, and in the case of rebar in coiled form, *Tata Steel (Thailand) – NTS* maintained its ACRS certification until 1 June 2018. In these three cases, the exporters voluntarily relinquished their certification.[44]

As noted above (**Section 1.1.4**) the fact that these two rebar exporters voluntarily relinquished their ACRS certification; not suspended or cancelled for breach; suggests that reactivation is a possible and probable outcome if the anti-dumping measures against them are allowed to expire. This would permit these exporters to again resume exporting rebar to Australia via their original distribution networks (the Australian based entities, all of which remain active in the domestic rebar market).

1.5.5 Anti-dumping actions by other countries

InfraBuild Steel is unaware of any current anti-dumping actions by other countries concerning rebar originating from Thailand.

1.5.6 Excess capacity that may be directed to Australia

Export statistics for Thailand indicate that 2019 marked an historic high in global rebar export volumes. In that year; when export sales were at full capacity; export volumes to Australia were at their lowest levels. Assuming the volume available to export has not changed since 2019, **CHART 1.5.6**, below, indicates an increase in excess capacity available to export rebar commenced in 2020, reaching its height in 2021. As excess export capacity grew, so too did the export volume to Australia. In 2021, excess capacity amounted to 42% of total export capacity, up from 37.1% the previous year. The last time, excess capacity exceeded 25% was in 2016; when it represented 29.2% of total export capacity. In this year, export volumes to

[43] NON-CONFIDENTIAL ATTACHMENT 1.5.4.
[44] ACRS, *Certificate holders in Thailand* (2022) https://www.steelcertification.com/product-country?filter=Thailand (accessed 15 February 2022)

Australia from Thailand were at record high levels. The majority of CY 2016 also corresponded with the original investigation period, when Thai exporters were verified to have exported goods to Australia at dumped prices. In other words, InfraBuild contends that periods of excess export capacity by Thai rebar exporters corresponds with increased export volumes of rebar to Australia at dumped prices.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 1.5.6: Rebar export volumes from Thailand to all destinations
Source: CONFIDENTIAL ATTACHMENT 1.5.6

The OECD's *'Latest developments in steelmaking capacity 2021'* report indicates that Thailand has experienced no change in its nominal crude steelmaking capacity since 2016 (11.4 million metric tonnes).[45] When compared to the total production of crude steel reported by the WorldSteel Association in 2021 for Thailand of 5.473 million tonnes, there is apparent excess crude steel capacity among Thai steel producers of 5.927 million tonnes.[46]

[45] OECD (2021), *Latest developments in steelmaking capacity: 2021* https://www.oecd.org/industry/ind/latest-developments-in-steelmaking-capacity-2021.pdf at p. 45 (accessed 15 February 2022).
[46] World Steel Association (2021), *Total production of crude steel* https://worldsteel.org/steel-by-topic/statistics/annual-production-steel-data/P1_crude_steel_total_pub/THA (accessed 15 February 2022).

1.5.7 The impact of overcapacity in global steel markets

As discussed in **Section 1.1.7**, above, with excess global steelmaking capacity apparent it is reasonable to deduce that this may result in the diversion of rebar trade to Thailand. Such diversion would likely result in the need for rebar producers in Thailand to expand their export trade to other countries, including Australia.

In the case of Thailand, the information presented in **Section 1.5.6**, above, points to existing excess capacity in Thailand both for export-bound trade and overall crude steel production, and that this may result in increased export volumes of rebar to Australia should the measures expire. This may be exacerbated by the diversion of rebar trade volumes from other countries, not the subject of this continuation application, to Thailand.

1.5.8 Conclusion - Thailand

Thai exporters have continued to export rebar to Australia at dumped prices following the imposition of measures and have maintained their distribution links in Australia via their network of importers who have continued to offer to sell rebar exported by them into the Australian domestic market. Although some Thai exporters have voluntarily relinquished their third-party accreditation, the largest Thai exporter, Millcon has maintained its currency. In any event, the Commission has previously concluded that exporters are able to reinstate their accreditation within a short timeframe.

Exporters from Thailand have the capacity to not only increase production of rebar, but also export such production of rebar. In 2021 there was surplus crude steelmaking capacity in Thailand of 5.927 million tonnes, and excess capacity amounting to 42.0% of total rebar export capacity which would be material ([redacted] tonnes) if exported and sold into the Australian rebar market.

The Australian industry considers that it is likely that the expiration of anti-dumping measures would allow importers to acquire rebar from Thailand at dumped prices and in greater volumes. In these circumstances, the Australian industry considers that it is likely that exports of rebar at dumped prices by all exporters from Thailand would continue if the measures expire.

2. Will, or is it like that, material injury will continue or recur?

Steel mills are capital intensive facilities with relatively high fixed costs and are therefore sensitive to injury in terms of volume loss as well as price compression or suppression.

Rebar is considered a commodity product and securing volume is highly price sensitive.

InfraBuild Steel continues to consider itself to be influenced by, or directly follows, import pricing when setting its prices for rebar. In particular, the lowest price offers in the market at the time. Exporters and importers not only compete against the domestic industry but also against each other in order to secure volume in the Australian market.

Therefore, InfraBuild Steel considers that should rebar from the countries and sources the subject of this application for continuation of anti-dumping measures become viable options on the Australian market, InfraBuild Steel would similarly be required to have regard to the price of rebar from these countries and sources in its price setting practices.

2.1 Market trends for rebar

2.1.1 Volume and sources of imports

2.1.1.1 Subject countries

CHART 2.1.1, below, indicates that following the imposition of measures, the volume of rebar imported from the countries the subject of this application declined for each 12-month period in 2018 and 2019, before increasing slightly in 2020, and then increasing significantly in the 12-month period for 2021.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 2.1.1: Volume and sources of imports
Source: appendix A2

2.1.1.2 Non-subject countries

The volume of imports from sources not the subject of this continuation application increased following the imposition of measures, and accounted for more imports than the subject countries for every 12-month period since (2018 to 2021).

2.1.1.3 Conclusion – volume and source of imports

The volume of imports from the subject countries remained throughout the analysis period following imposition of measures, reaching its lowest proportion of overall imports in 2019 (%) and increasing to significant levels in 2021 (% of overall imports).

2.1.2 Value and source of imports

2.1.2.1 Greece

CHART 2.1.2.1, below, indicates the relationship between the export price (FOB, AU$/t) and volume of rebar exported from Greece. It is observed that periods of declining monthly weighted average export prices support growth in export volumes (i.e., July 2016 to March 2017). Conversely, months marked by weighted average export price increases are proceeded by declining export volumes (i.e., June 2016 and October 2017). Ultimately, unable to compete at undumped prices (resulting from the imposition of anti-dumping measures), exports of rebar from Greece to Australia ceased altogether from November 2017 (PAD 418 was published on 14 November 2017).

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 2.1.2.1: Export price and volume for rebar exported from Greece
Source: CONFIDENTIAL ATTACHMENT 2.1.2

2.1.2.2 Taiwan (Power Steel)

As noted in **Section 1.2**, above, the anti-dumping measures the subject of this application for continuation relates to goods exported only by Power Steel. However, as the import trade data relied upon by the Australian industry applicant does not identify supplier, the estimates of export volumes and values may include sales by other exporters from Taiwan to Australia.

CHART 2.1.2.2, below, indicates that in order for exporters from Taiwan to regain export volumes of rebar to Australia following the imposition of measures in March 2018, they reduced export prices to levels below those observed during the original investigation period (refer to April 2019 to April 2020 period). Again, it is observed that as Taiwanese monthly export prices increased from March 2021, the export volumes grew inconsistent and sporadic.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 2.1.2.2: Export price and volume for rebar exported from Taiwan
Source: CONFIDENTIAL ATTACHMENT 2.1.2

2.1.2.3 Indonesia

As noted in **Section 1.3**, above, the anti-dumping measures the subject of this application for continuation does not include goods exported by PT Ispat Panca Putera and PT Putra Baja Deli. However, as the trade data relied upon by the Australian industry applicant does not identify supplier, the estimates of export volumes and values may include sales by these exporters to Australia.

CHART 2.1.2.3, below, indicates that export volumes to Australia remained stable following the imposition of measures in March 2018, at export prices above those generally observed during the original investigation period. Significant volume fluctuations began to be observed in early 2021, with months of high export volumes at prices immediately preceding a "price spike", with demand the following month again depressed at those higher export price levels.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 2.1.2.3: Export price and volume for rebar exported from Indonesia
Source: CONFIDENTIAL ATTACHMENT 2.1.2

2.1.2.4 Spain (Nervacero)

As noted in **Section 1.4**, above, the anti-dumping measures the subject of this application for continuation relates to goods exported only by Nervacero. However, as the trade data relied upon by the Australian industry applicant does not identify supplier, the estimates of export volumes and values may include sales by other exporters from Spain to Australia.

CHART 2.1.2.4, below, indicates the relationship between the export price and volume of rebar exported from Spain. It is observed that following the imposition of measures, the export price declined to maintain export sales volume (May to October 2018 quarters). However, with measures preventing further export price declines, Spanish exporters were unable to sustain export volumes from November 2018 to March 2020. Monthly export volumes since March 2020 were inconsistent and sporadic, and only occurred at export prices below those observed during the original investigation period. The Australian industry contends that the relationship between export prices and volumes indicates that Spanish exporters (including Nervacero) are unable to export rebar to Australia at undumped prices.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 2.1.2.4: Export price and volume for rebar exported from Spain
Source: CONFIDENTIAL ATTACHMENT 2.1.2

2.1.2.5 Thailand

CHART 2.1.2.5, below, indicates the relationship between the export price (FOB, AU$/t) and volume of rebar exported from Thailand. Prior to the imposition of the measures in March 2018, export prices remained stable and low (when compared to the post-measures period), and export volumes remained high from month-to-month. However, following the imposition of measures, export prices increased, and monthly export volumes declined to marginal levels. However, since January 2021, after a period of absence from the Australian market, Thai export prices reappeared at historically low levels, which in turn activated a recovery in export volumes, culminating in a significant spike in volume in August 2021. It is observed, that significant export volumes correspond with periods of declining export prices.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 2.1.2.4: Export price and volume for rebar exported from Thailand
Source: CONFIDENTIAL ATTACHMENT 2.1.2

2.1.3 Australian market size

CHART 2.1.3, below, indicates that the size of the Australian rebar market contracted in the 12-months following the imposition of measures (2019) and further in 2020, before growing significantly in 2021 (by 21.4 per cent when compared to 2020). Overall, the size of the Australian market grew by approximately 12 per cent in 2021 when compared to 2018.

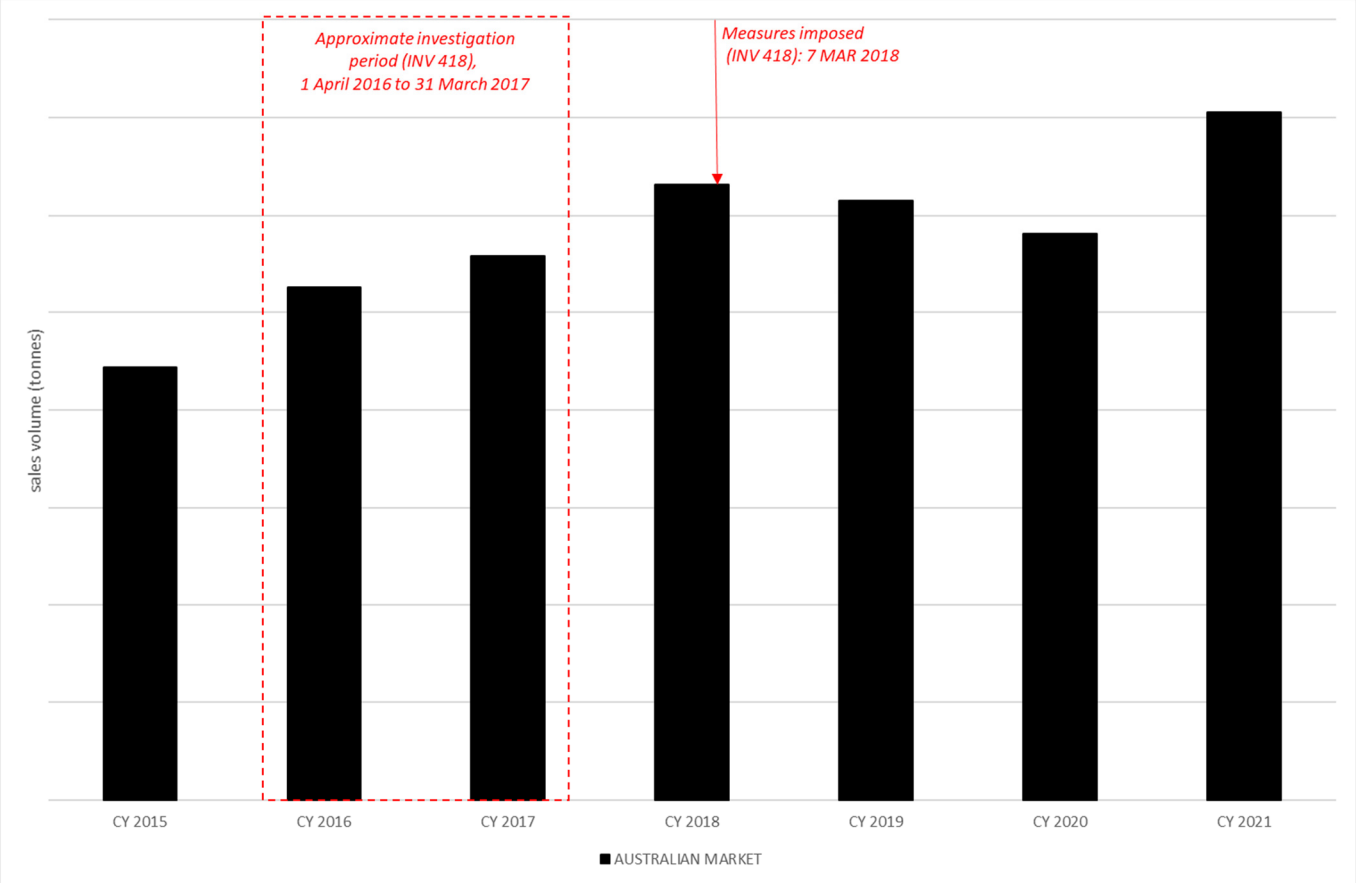

CHART 2.1.3: Size of the Australian rebar market by volume
Source: appendix A2

2.1.4 Demand in the Australian rebar market

Rebar is used in a wide range of construction applications to reinforce concrete, precast concrete or masonry. The majority of rebar is fabricated/shaped/processed in some way (i.e. cut, bent or welded). The end uses for rebar largely fall into four main market segments:

- engineering construction (including infrastructure, mining, oil and gas);
- **non-residential commercial construction;**
- residential construction; and
- swimming pools.

Non-residential commercial construction is the main driver of demand for rebar.

The requirements of the *Australian Standards* and the *Building Code of Australia* means that there is limited substitutability of rebar with other reinforcing products. Substitutes are not widespread in Australia and rebar is a dominant reinforcing product in the Australian construction industry; and is expected to continue to be for the foreseeable future.

Local production of rebar is supplemented by imports, with distributors and end-users engaging with producers from a range of countries. Rebar is a commodity product, and provided the goods meet the relevant Australian Standard and the grade requirements for the desired end use, there are limited ways in which suppliers can differentiate their offering beyond price and service.

Market demand for rebar is closely aligned to the level of construction activity in Australia.

The Australian industry has regard to forecasts for demand to manage its supply chains. By February 2022, BIS Oxford Economics estimated the value of total building and construction work in Australia to be approximately $[redacted] billion in FY 2022[47]. It forecasts that [redacted] growth in total residential and non-residential building will return in FY2023, with activity rising [redacted]% to a record $[redacted] billion,[48] and that total engineering construction (including oil and gas) is expected to average $[redacted] billion per annum over the five years to FY 2026.[49] The key driver of the forecast growth in total construction activity over the three years to FY 2024, is the rebound in engineering construction activity coinciding with an upswing in building activity, which has been supported by the federal government's *HomeBuilder* stimulus package. BIS Oxford Economics expects, in the near term, that engineering construction activity will account for around for around [redacted]% of total construction activity.[50]

CHART 2.1.4.1, below, shows the total investment in residential and non-residential building work by quarter since January 2017. Data (for so much of the proposed inquiry period as is available) is highlighted in yellow. The dotted line shows the trend over the period.

[47] *…[i]t is forecast that total building commencement [residential and non-residential] will lift marginally to $[redacted] billion in FY2022* (CONFIDENTIAL ATTACHMENT 2.1.4.1, p. 2), and *…[t]he value of [engineering construction] work done is forecast to increase by [redacted]% over FY22 to $[redacted]bn* (CONFIDENTIAL ATTACHMENT 2.1.4.2, p. 10)

[48] CONFIDENTIAL ATTACHMENT 2.1.4.1, p. 2

[49] CONFIDENTIAL ATTACHMENT 2.1.4.2, p. 11.

[50] CONFIDENTIAL ATTACHMENT 2.1.4.2, p. 11.

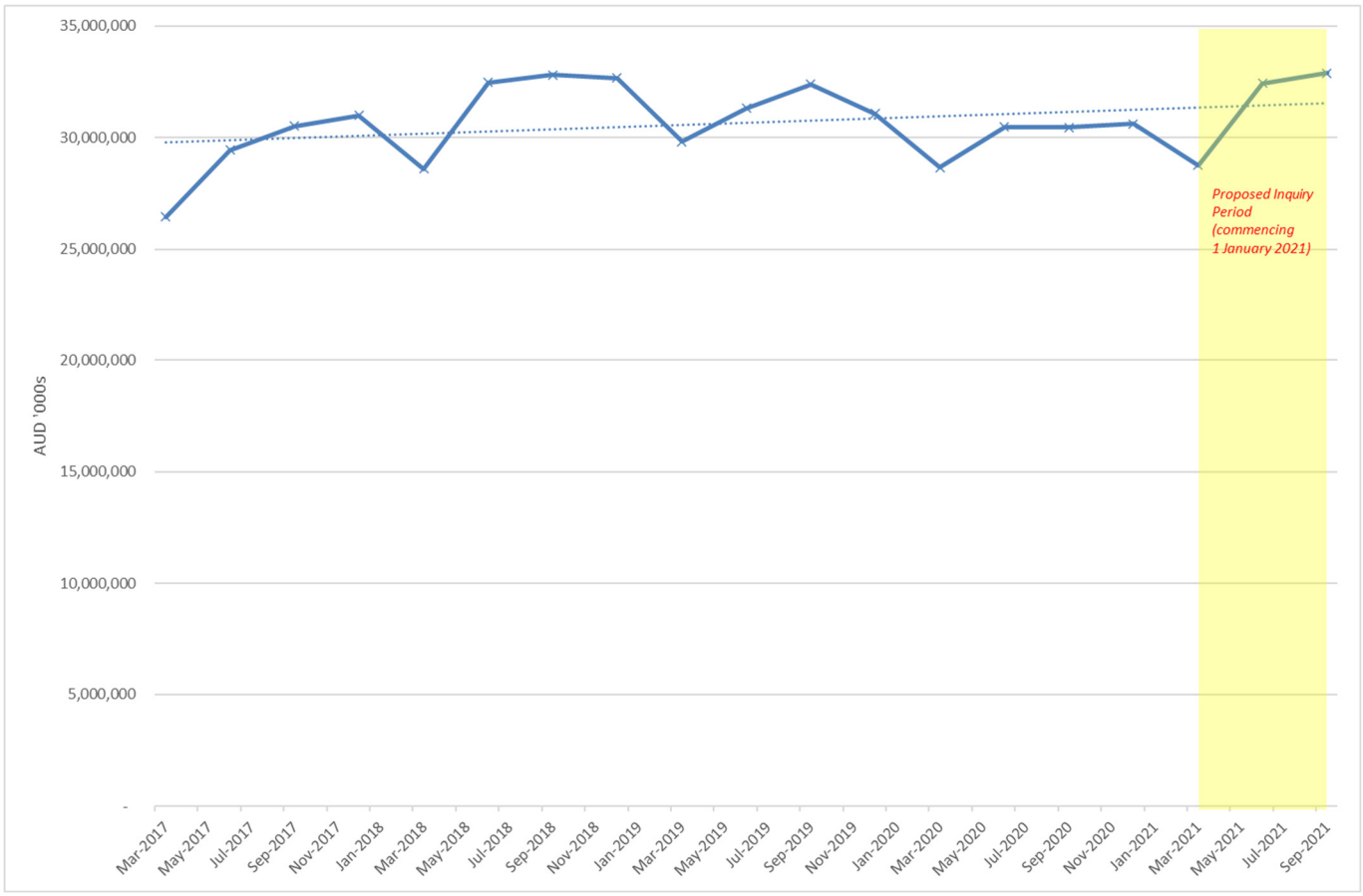

CHART 2.1.4.1: Value of Building Work Done in Australia, quarterly (AUD '000s)
Source: Australian Bureau of Statistics, *Series 8752.0 Building Activity, Australia*[51]

CHART 2.1.4.1, above, demonstrates that whilst the historical building and construction trend has generally been upward, the two most recent quarters have continued an increase in investment which begun during the inquiry period. Notably, the two most recent quarters have experienced above trend growth which has not been seen since the December 2019 quarter. The March quarter in any given year tends to have the lowest level of activity, reflecting industry shutdowns for the summer holiday season. However, the most recent March quarter experienced the second highest level of activity since the March 2019 quarter.

CHART 2.1.4.2, below, shows the total value of residential and non-residential building work since January 2017 based on trailing 12-month periods. Part of the inquiry period is coloured red, and the original investigation period is coloured amber.

[51] CONFIDENTIAL ATTACHMENT 2.1.4.3

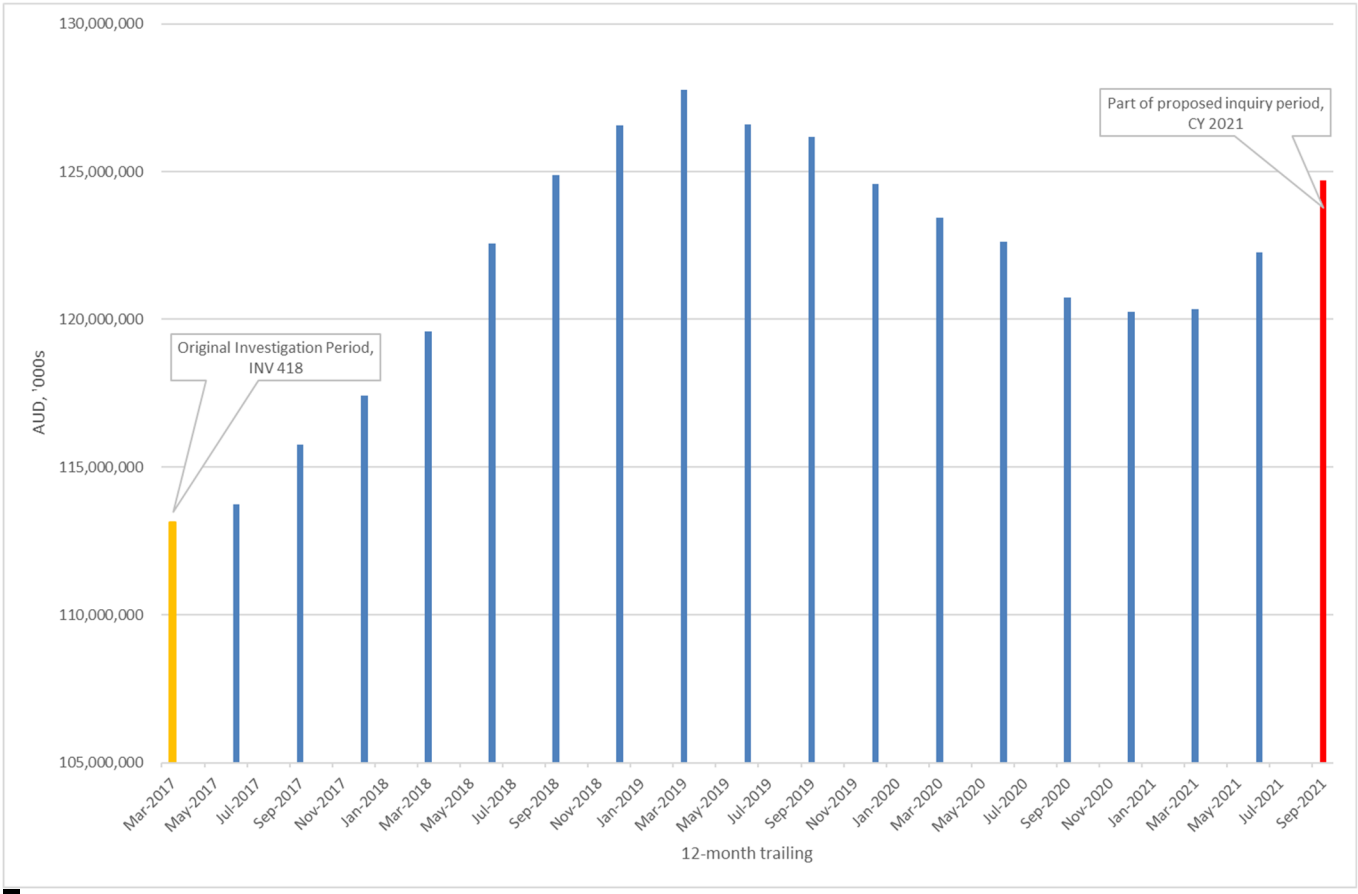

CHART 2.1.4.2: Value of Building Work Done in Australia, 12-month trailing (AUD '000s)
Source: Australian Bureau of Statistics, *Series 8752.0 Building Activity, Australia*[52]

Growth in the value of building activity peaked during the 12-months ended 31 March 2019. Since that time the level of residential and non-residential building activity has been in decline until it reached its lowest point the 12-months ended 31 December 2020. Since then, the value of activity has continued to increase, with part of the proposed inquiry period experiencing the highest value of activity since the 12-months ended 30 September 2020. Overall, since the original investigation period (12-months ended 31 March 2017), the trend in the value of building activity has been upward, with the 12-months ended 30 September 2021 being at least 10% higher than the 12-months ended 31 March 2017 (the original investigation period).

Outlook

The Federal Government's *Mid-Year Economic and Fiscal Outlook 2021-22* (**MYEFO**) forecasts dwelling (residential) investment to *…increase by 6 per cent in 2021-22, before falling by 2 per*

[52] CONFIDENTIAL ATTACHMENT 2.1.4.3

cent in 2022-23 as investment eases from an elevated level.[53]

BIS Oxford Economics forecasts total building activity growth *…to persist in FY2022 (+[redacted]%) and FY2023 (+[redacted]%), lifting total building to a record $[redacted] billion.*[54] Specifically, in relation to non-residential building activity, BIS Oxford Economics forecasts *…growth to return in FY2022 (+[redacted]%) and FY2023 (+[redacted]%). Support will come from a sizeable pipeline of public projects including schools, train stations, hospitals, and quarantine centres.*[55] Overall, sustained improvement is anticipated in all segments of the building industry, as **CHART 2.1.4.3**, below indicates.

[*The following figure is confidential in its entirety due to copyright restrictions*]

[redacted]

CHART 2.1.4.3: Australia: Building commencements by sector
Source: CONFIDENTIAL ATTACHMENT 2.1.4.1, p. 1.

[53] NON-CONFIDENTIAL ATTACHMENT 2.1.4.4, p. 42.
[54] CONFIDENTIAL ATTACHMENT 2.1.4.1, p. 1.
[55] CONFIDENTIAL ATTACHMENT 2.1.4.1, p. 1.

BIS Oxford Economics forecasts that engineering construction activity, excluding oil and gas, to grow strongly over the next two years to a peak of $[redacted] billion in FY 2024. Transport activity is expected to continue to reach historic heights, driven by a strong pipeline of major projects. Overall, total engineering construction (including oil and gas) is expected to average $[redacted] billion per annum over the five years to FY 2026.[56]

Conclusion

Overall, the Australian industry considers that this indicates that high levels of demand in the Australian rebar market will continue to be present from FY 2022 to FY 2025 (refer **CHART 2.1.4.4**, below).

[*The following figure is confidential in its entirety due to copyright restrictions*]

CHART 2.1.4.4: Total construction work done (AUD Billion)
Source: CONFIDENTIAL ATTACHMENT 2.1.4.2, p. 11

Based on the forecasts noted above, it is likely that the building and construction sector will experience sustained growth until at least until the middle of 2024. This in turn will have an impact on the future demand for rebar. Furthermore, it is reasonable to assume that a continued expansion in construction activity will grow the contestable rebar market in Australia, providing a stable and growing market for exporters of dumped rebar to continue or resume their distribution and supply links.

[56] CONFIDENTIAL ATTACHMENT 2.1.4.2, p. 11.

2.2 Sales and market shares of all suppliers

CHART 2.2.1, below indicates the market shares of all suppliers for rebar by volume in Australia.

[*The following figure is confidential in its entirety because it contains commercially sensitive market intelligence*]

CHART 2.2.1: Australian rebar market share by volume
Source: appendix A2

CHART 2.2.1, above, and **CHART 2.2.2**, below, demonstrate that exports have continued from the subject countries since measures were introduced. Commencing from 2018 (measures imposed 7 March 2018), a downward trend is apparent from the subject countries until 2021, in which year, volumes and market share increased.

[*The following figure is confidential in its entirety because it contains commercially sensitive market intelligence*]

CHART 2.2.2: Export volumes from subject countries
Source: appendix A2

The export volumes (excluding imports sold by the Australian industry) from:

- Greece increased year-on-year until the measures were imposed and then ceased in 2018;
- Indonesia (all exporters) decreased year year-on-year until 2018, and then increased in every year following the imposition of measures. In 2021, the volume of rebar exported from Indonesia was over seven-times higher than the volumes exported in 2018;
- Immediately prior to the imposition of measures (CY 2017), the volume of rebar exported from Spain (all exporters) reached its highest level across the analysis period (since 1 January 2015). Following the imposition of measures, the export volumes declined in 2018, ceased in 2019, and then returned to their highest volumes; seen since the imposition of measures; in 2020. In 2021, volumes again declined;

- Export volumes from Taiwan (all exporters) increased year-on-year since 2015 until measures were imposed in 2018, when volumes declined, and continued to decline until 2021, when volumes again increased; and
- Export volumes from Thailand increased year-on-year since 2015 until measures were imposed in 2018, when volumes declined, declined again in 2019 before increasing in 2020 and again in 2021. In 2021, the volume of rebar exported from Thailand was at least double the volume exported in 2018.

Commencing from 2018, a downward trend is apparent from the subject countries. Exports from all the subject countries have reduced in 2019. However, an upward trend in the export volumes from the subject countries emerged in 2020 and continued in 2021.

2.3 Economic condition of the Australian industry

The economic condition of the Australian industry is considered from 1 January 2016; which coincides with the calendar year of the commencement of the original investigation period (1 April 2016 to 31 March 2017); until 31 December 2021. This period has been examined to analyse trends before and after the imposition of the anti-dumping measures.

The analysis is based on the financial information of all entities producing like goods in Australia, i.e., the entities collectively known as 'InfraBuild Steel'.

2.3.1 Price depression and price suppression

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between revenues and costs.

CHART 2.3.1, below, indicates the Australian industry's unit revenue and unit CTMS for rebar.

[*The following figure is confidential in its entirety because it contains commercially sensitive information*]

CHART 2.3.1: Australian industry unit revenue and CTMS
Source: appendix A6.1

The Australian industry's rebar prices increased in the year in which measures were imposed (2018), then remained soft; but stable; for two consecutive years (2019 and 2020), and recovered to new high levels by 2021. **Therefore, the Australian industry considers that it has experienced injury in the form of price depression in 2019 and 2020, before reversing that position in 2021.**

The Australian industry remained unable to achieve prices sufficiently high to cover the increasing CTMS of rebar until 2020, when it was able to marginally cover its costs, and continued to increase its price spread over CTMS in 2021. **Therefore, the Australian industry considers that it has experienced injury in the form of price suppression in the period since measures were imposed for 2018 and 2019, reversing that position in 2020 and 2021.**

2.3.2 Sales volume

CHART 2.3.2, below, shows the Australian industry's total sales volumes for its own production of rebar in the Australian market.

[*The following figure is confidential in its entirety because it contains commercially sensitive information*]

CHART 2.3.1: Australian industry's rebar sales volume of own production (like goods)
Source: appendix A6.1

In the year in which anti-dumping measures were imposed (2018), sales volumes increased and again in the following year (2019), before declining in 2020 to levels not seen since the original investigation period. Although sales volumes increased in 2021, they remained at levels below those observed in 2018. **Therefore, the Australian industry observes that it lost sales volume in the period since measures were imposed.**

2.3.3 Sales revenue

CHART 2.3.3, below, shows the Australian industry's net sales revenue for its own production of rebar in the Australian market.

[*The following figure is confidential in its entirety because it contains commercially sensitive information*]

CHART 2.3.3: Australian industry's rebar net sales revenue of own production (like goods)
Source: appendix A6.1

Net sales revenue increased in the year the measures were imposed (2018), and slightly again the following year (2019), before falling sharply in 2020 to levels below those observed before the imposition of measures. In 2021, net sales revenue again increased to new heights. **Therefore, the Australian industry considers that it has experienced injury in the form of lost sales revenue in 2020.**

2.3.4 Profit and profitability

CHART 2.3.4.1, below, indicates that the Australian industry's total profit from sales of rebar has improved since 2020.

[*The following figure is confidential in its entirety because it contains commercially sensitive information*]

CHART 2.3.4.1: *Australian industry rebar net profit*
Source: appendix A6.1

CHART 2.3.4.2, below, shows that the Australian industry's unit profit and unit profitability for rebar remained negative until 2020, when it became positive and grew for two consecutive years.

[*The following figure is confidential in its entirety because it contains commercially sensitive information*]

CHART 2.3.4.2: *Australian industry's rebar unit profit and profitability (unit gain/loss divided by price)*
Source: appendix A6.1

The Australian industry's unit profit and profitability for rebar sold in Australia improved in the year in which the measures were imposed (2018), before deteriorating the following year. Although the Australian industry's net profit, unit profit and profitability result in 2019 was negative, it was not as severe as observed in 2017 when the volumes of goods exported from the countries the subject of this application were at their highest across the analysis period. Net profit, unit profit and profitability improved in 2020, and improved further in 2021.

The Australian industry considers that it has experienced injury in the forms of reduced profits and profitability in the period since measures were imposed in 2018 and 2019.

2.3.5 Market share

CHART 2.3.5, below, indicates that the Australian industry's market share by volume increased in the first 12-month period following the imposition of anti-dumping measures (2019), then declined slightly in 2020, and declined significantly in 2021.

[*The following figure is confidential in its entirety because it contains commercially sensitive market intelligence*]

CHART 2.3.5: Australian rebar market shares by volume
Source: appendix A2

CHART 2.3.5, above, also indicates that the market share of exports from all countries the subject of this application declined following the imposition of measures, except for exports of rebar from Indonesia, which increased significantly in market share in 2021.

Exports of rebar from countries not subject to the current measures remained stable for the two years following the imposition of measures, and then increased in 2021.

The Australian industry observes that it experienced reduced market share in 2021.

2.4 Other economic factors

The Australian industry has completed appendix A7 to its application in relation to other injury factors on a 12-month basis (1 January to 31 December) commencing 1 January 2017, for all entities representing the Australian industry producing the like goods.

2.4.1 Capacity utilisation

TABLE 2.4.1, below, indexes change to the Australian industry's capacity utilisation, based on shift structure at each mill for the relevant period plus an overtime option since a 2017 base year. InfraBuild Steel has improved year-on-year since the measures were imposed following the 12-month period in 2018, except for 2020, when the rate of capacity utilisation declined, before recovering again in 2021.

Index of Capacity Utilisation

Period	12 Mths End Dec 2017	12 Mths End Dec 2018	12 Mths End Dec 2019	12 Mths End Dec 2020	12 Mths End Dec 2021
Capacity Utilisation (Like Goods, %)	100	102	116	108	115
Capacity Utilisation (Other, %)	100	106	90	98	90
Capacity Utilisation (Total*, %)	100	104	101	102	101

* *Rod & Bar*

TABLE 2.4.1: Australian industry's rebar production capacity utilisation
Source: appendix A7

The Australian industry considers that it has experienced injury in the form of a loss of capacity utilisation in 2020.

2.4.2 Capital investment

TABLE 2.4.2, below, indexes change to the Australian industry's level of capital investment in the production of rebar since a 2017 base year. It indicates that the level of capital investment has fluctuated since the measures were imposed, increasing in 2019, and declining significantly in 2020, before recovering in 2021 to levels well above the base year. It is important here to note that the base year was marked by the period of voluntary administration (April 2016 to September 2017) of the Australian industry entities.

Index of Capital Investment

Period	12 Mths End Dec 2017	12 Mths End Dec 2018	12 Mths End Dec 2019	12 Mths End Dec 2020	12 Mths End Dec 2021
Capital Investment ($)	100	104	185	74	196

TABLE 2.4.2: Australian industry capital investment in rebar production
Source: appendix A7

Overall, the Australian industry's capital investment in rebar production improved, however, there were periods of reduced capital investment following the imposition of measures (i.e., 2020), and the **Australian industry considers that it has experienced injury in the form of reduced capital investment in that year**.

2.4.3 Return on investment

TABLE 2.4.3, below, indexes change to the Australian industry's return on investment (**ROI**) in the production of rebar since a 2017 base year.[57]

Index of Return on Investment

Period	12 Mths End Dec 2017	12 Mths End Dec 2018	12 Mths End Dec 2019	12 Mths End Dec 2020	12 Mths End Dec 2021
Net Gain/Loss (%)					

TABLE 2.4.3: Australian industry's return on investment in rebar production
Source: appendix A7

The Australian industry's ROI in the production of rebar improved year-on-year following the imposition of measures.

2.4.4 Research and development (R&D)

TABLE 2.4.4, below, indexes change to the allocation of R&D expenditure to rebar production. It indicates that R&D expenditure increased in 2018 following the imposition of measures, before declining in every year following. The base year for the measurement of R&D expenditure commenced in 2018, as there was no expenditure allocated in 2017 (following

[57] The index is considered confidential because of InfraBuild Steel's ongoing reporting obligations to investment markets.

InfraBuild Steel's emergence from voluntary administration).

Index of R&D

Period	12 Mths End Jun 2017	12 Mths End Jun 2018	12 Mths End Jun 2019	12 Mths End Jun 2020	12 Mths End Jun 2021
R&D Expenditure ($)		100	82	29	22

TABLE 2.4.4: Australian industry's allocation to rebar of R&D expenditure
Source: appendix A7

The Australian industry considers that it has experienced injury in the form of reduced R&D expenditure allocated to production of rebar since the measures were imposed.

2.4.5 Productivity

TABLE 2.4.5, below, indexes change to the Australian industry's productivity; measured as the tonnes of like goods produced per 12-hour shift since a 2017 base year. It illustrates that productivity decreased in the year (2019) following the imposition of measures, stabilised in 2020, and then improved in 2021.

Index of Productivity

Period	12 Mths End Dec 2017	12 Mths End Dec 2018	12 Mths End Dec 2019	12 Mths End Dec 2020	12 Mths End Dec 2021
Tonnes Per Shift	100	100	96	96	102

TABLE 2.4.5: Australian industry's rebar productivity (tonnes per 12-hour/shift)
Source: appendix A7

Overall, the Australian industry's rebar productivity improved, however, there were periods of lost productivity following the imposition of measures (2019 and 2020), and **the Australian industry considers that it has experienced injury in the form of lost productivity during those periods.**

2.4.6 Employment

TABLE 2.4.6, below, indexes change to the Australian industry's staff levels allocated to the production of rebar since a 2017 base year.

Index of Employment

Period	12 Mths End Dec 2017	12 Mths End Dec 2018	12 Mths End Dec 2019	12 Mths End Dec 2020	12 Mths End Dec 2021
Employment (headcount)	100	103	107	92	94

TABLE 2.4.6: Australian industry's employee numbers in rebar production
Source: appendix A7

The Australian industry's staff levels increased in the year following the imposition of measures (i.e., 2019). However, there was a significant decline in 2020, and marginal recovery in headcount in 2021, but at levels significantly below those observed in the year of, and following, the imposition of measures.

The Australian industry considers that it experienced injury in the form of reduced employment in the period following the imposition of measures since 2020.

2.4.7 Wages

TABLE 2.4.7, below, indexes change to the Australian industry's average wage to employees producing rebar since a 2017 base year. It indicates that average wages have increased overall since measures were imposed in 2018.

Index of Wages

Period	12 Mths End Dec 2017	12 Mths End Dec 2018	12 Mths End Dec 2019	12 Mths End Dec 2020	12 Mths End Dec 2021
Wages (Like Goods, $)	100	116	125	118	117

TABLE 2.4.7: Australian industry employee wages expense (AUD)
Source: appendix A7

2.4.8 Stock-on-hand

TABLE 2.4.8, below, indexes change to the Australian industry's stock-on-hand for rebar, based on its year-end closing stockholding position since a 2017 base year. It indicates that stock-on-hand levels declined followed the imposition of measures, before increasing in 2021.

Index of Stock Holding

Period	12 Mths End Dec 2017	12 Mths End Dec 2018	12 Mths End Dec 2019	12 Mths End Dec 2020	12 Mths End Dec 2021
Closing Stock (Tonnes) "Like Goods"	100	136	100	62	113

TABLE 2.4.8: Australian industry's rebar stock-on-hand (tonnes)
Source: appendix A7

The Australian industry observes that it experienced injury increased stock-on-hand of the goods in 2021.

2.5 Conclusion: Economic condition and other economic factors of the Australian industry

The Australian industry considers that in the analysis period following the imposition of measures in March 2018, the Australian industry has experienced injury in the forms of price suppression (in 2018 and 2019), price depression (in 2019 and 2020) and reduced:

- sales volume across the analysis period;
- sales revenue (in 2020);
- profit and profitability (2018 and 2019);
- capacity utilisation rates of its rebar production capacity (in 2020);
- capital investment (in 2020);
- research and development expenditure (since 2019);
- productivity (in 2019 and 2020); and
- employment levels (since 2020).

2.6 Analysis: Likelihood that material injury will continue or recur?

As indicated in **Section 2.5**, above, the Australian industry considers that it has experienced injury in the form of price suppression. In the original investigation, the Commission found that the Australian industry set its prices by applying an IPP (**Import Parity Price**) process in which it negotiated prices with reference to offers made in the rebar market for imported goods. It was found that competition from importers of rebar exported to Australia from the subject countries at dumped prices required the Australian industry to lower its prices relative to those dumped prices. This resulted in the Australian industry achieving lower prices than it might have otherwise and consequently experiencing injury.

The Australian industry maintains that since the imposition of the measures in March 2018, there remains a high level of transparency and sensitivity related to prices in the Australian rebar market. By reason of the process of ACRS certification, and the ready availability of accreditation to all mills the subject of this application (even where not currently accredited), the nature of the rebar market is such that products of the same specification from different sources are interchangeable. Consequently, price is the primary consideration in purchasing decisions and the Australian rebar market is characterised by a high degree of price elasticity.

Since the imposition of measures, the Australian industry continues to apply the IPP model and the IPP is:

- used to set prices on an individual customer basis;
- set with reference to monthly price offers by importers in the Australian rebar market; and
- used by customers in negotiations with the Australian industry,

noting that [redacted] [*sensitive commercial information*]. InfraBuild Steel's customers continue to reference the price offers relating to imported rebar regardless of what price mechanism is in play. In the recently concluded continuation inquiry concerning rebar exported from China, the Commission was satisfied that …*prices from import sources … influenced InfraBuild's prices during the inquiry period* and …*that InfraBuild's customers continue to reference the price offers relating to imported rebar regardless of what price mechanism was in play*.[58]

As such, InfraBuild Steel continues to consider itself to be influenced by, or directly follows, import pricing when setting its prices for rebar. Therefore, InfraBuild Steel considers that should rebar from the countries and sources the subject of this application for continuation of anti-dumping measures become viable options on the Australian market, InfraBuild Steel would similarly be required to have regard to the price of rebar from these countries and sources in its price setting practices.

As such, the Australian industry has analysed export volume and pricing patterns, for the countries and sources subject to measures to determine if injury is likely to recur or continue.

2.6.1 Greece

Volume

Even though exporters from Greece have not exported rebar to Australia since the imposition of measures in 2018, the important question is what would occur in the absence of the measures?

InfraBuild Steel contends that the importers of rebar from Greece identified in the original investigation remain active in the Australian market, and attribute the Greek exporter, Sidenor, as foundational to their business. Furthermore, the Greek exporter identified in the original investigation, voluntarily relinquished its ACRS certification. However, as identified in **Section 1.1**, above, third-party accreditation may be restored within a short timeframe. There has also

[58] REP 560 – *Steel reinforcing bar from the People's Republic of China – Continuation Inquiry*, p. 35.

been significant excess export capacity identified for the Greek rebar industry. Therefore, InfraBuild Steel submits that in the absence of the measures, exports of rebar from Greece would likely recur.

Price

In the absence of exports from Greece since the imposition of measures, any analysis of price requires consideration of the activities of Greek rebar exporters in third-country markets.

CHART 2.6, below, compares the FOB export prices (USD/t) of rebar exports of Greece to all destinations (including Australia) since 2016, compared to all exports of rebar to all destinations from the other countries the subject of these measures.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 2.6: Export prices of rebar from named countries to all destinations (FOB, USD/t)
Source: CONFIDENTIAL ATTACHMENT 2.6

CHART 2.6, above, indicates that exports of rebar from Greece to all destinations were among either the lowest or near lowest priced exports.

This suggests to InfraBuild Steel, that close price competition was occurring throughout global rebar markets between Greece and the countries the subject of these measures, and that such composition could be expected to be replicated in the Australian market in the absence of measures.

Conclusion

The Australian industry considers that the export of rebar from Greece at dumped prices will recur in the absence of measures because of:

- the maintenance of distribution links by the key Greek exporter identified during the original investigation with importers in the Australian rebar market;
- the close price competition occurring throughout global rebar markets between Greece and the countries the subject of these measures, resulting in Greek export prices for rebar being the lowest or among the lowest, and
- the import price competition to which the Australian industry is subject would likely result in it achieving either reduced selling prices or lost sales (where the Australian industry does not reduce its prices) should the measures on exporters of rebar from Greece expire. Consequently, price suppression and lost sales volume and the resulting impact on revenue and profits are likely to recur if measures on rebar exported to Australia from Greece expire.

2.6.2 Taiwan (Power Steel)

Volume

The Australian industry concluded at **Section 1.2.1**, above, that since the imposition of measures in March 2018, exporters from Taiwan have continued to export rebar to Australia at moderate (and growing) volumes and have maintained distribution links in Australia.

Price

CHART 2.6.2, below, compares the Australian industry's quarterly weighted average FIS Australian selling price to the export prices of rebar imported from Taiwan on FOB terms.

[*The following figure is confidential in its entirety because it contains commercially sensitive market intelligence*]

CHART 2.6.2: Comparison of selling prices between Australian industry and export prices of rebar imported from Taiwan
Source: appendix A2

The Australian industry considers that there was price undercutting during the analysis period following the imposition of measures. The exact undercutting margins may need to be assessed by the Commission following verification of the importer's sales value into the market.

It is observed that at **Section 1.2.3**, above, InfraBuild Steel estimated a dumping margin for exports from Taiwan of [redacted]%. As to the significance of that estimation, in ADRP Report No. 70, Panel Member O'Connor concluded that *…the continuation of measures is not precluded a priori in any circumstances other than where there is present dumping*.[59]

Conclusion

[59] ADRP REPORT No. 70: *Hot Rolled Coil Exported from Japan, the Republic of Korea, Malaysia and Taiwan*, p. 13.

The Australian industry considers that the export of rebar from Taiwan by Power Steel at dumped prices will recur in the absence of measures because of:

- the maintenance of key distribution links by it;
- the instances of price undercutting observed in respect of rebar imported from Taiwan;
- the high degree of price elasticity in the Australian rebar market; and
- the import price competition to which the Australian industry is subject would likely result in it achieving either reduced selling prices or lost sales (where the Australian industry does not reduce its prices) should the measures on rebar exported by Power Steel from Taiwan expire. Consequently, price suppression and lost sales volume and the resulting impact on revenue and profits are likely to continue if measures on rebar exported to Australia by Power Steel expire.

2.6.3 Indonesia

Volume

The Australian industry concluded at **Section 1.3.1**, above, that since the imposition of measures in March 2018, exporters from Indonesia have continued to export rebar to Australia at greater volumes and have maintained distribution links in Australia.

Price

CHART 2.6.3, below, compares the Australian industry's quarterly weighted average FIS Australian selling price to the export prices of rebar imported from Indonesia on FOB terms.

[*The following figure is confidential in its entirety because it contains commercially sensitive market intelligence*]

CHART 2.6.3: Comparison of selling prices between Australian industry and export prices of rebar imported from Indonesia
Source: appendix A2

The Australian industry considers that there was price undercutting during the analysis period following the imposition of measures. The exact undercutting margins may need to be assessed by the Commission following verification of the importer's sales value into the market.

Conclusion

The Australian industry considers that the export of rebar from Indonesia at dumped prices during the analysis period has caused it to experience price suppression.

The Australian industry also considers that

- the maintenance of distribution links by Indonesian exporters;
- the instances of price undercutting observed in respect of rebar imported from Indonesia;
- the high degree of price elasticity in the Australian rebar market; and
- the import price competition to which the Australian industry is subject would likely result in it achieving either reduced selling prices or lost sales (where the Australian industry does not reduce its prices) should the measures on exporters of rebar from Indonesia expire. Consequently, price suppression and lost sales volume and the resulting impact on revenue and profits are likely to continue if measures on rebar exported to Australia from Indonesia expire.

2.6.4 Spain

Volume

The Australian industry concluded at **Section 1.4.1**, above, that since the imposition of measures in March 2018, the exporters from Spain have continued to export rebar to Australia and have maintained distribution links in Australia.

Price

CHART 2.6.4, below, compares the Australian industry's quarterly weighted average FIS Australian selling price to the export prices of rebar imported from Spain on FOB terms.

[*The following figure is confidential in its entirety because it contains commercially sensitive market intelligence*]

CHART 2.6.4: Comparison of selling prices between Australian industry and export prices of rebar imported from Spain
Source: appendix A2

The Australian industry considers that there was price undercutting during the analysis period following the imposition of measures. The exact undercutting margins may need to be assessed by the Commission following verification of the importer's sales value into the market.

Conclusion

The Australian industry considers that the export of rebar from Spain at dumped prices during the analysis period has caused it to experience price suppression.

The Australian industry also considers that:

- the maintenance of distribution links by Nervacero;
- the instances of price undercutting observed in respect of rebar imported from Spain;
- the high degree of price elasticity in the Australian rebar market; and

- the import price competition to which the Australian industry is subject would likely result in it achieving either reduced selling prices or lost sales (where the Australian industry does not reduce its prices) should the measures on exporters of rebar from Nervacero expire. Consequently, price suppression and lost sales volume and the resulting impact on revenue and profits are likely to continue if measures on rebar exported to Australia from Nervacero expire.

2.6.5 Thailand

Volume

The Australian industry concluded at **Section 1.5.1**, above, that since the imposition of measures in March 2018, exporters from Thailand have continued to export rebar to Australia and have maintained distribution links in Australia.

Price

CHART 2.6.5, below, compares the Australian industry's quarterly weighted average FIS Australian selling price to the export prices of rebar imported from Thailand on FOB terms.

[*The following figure is confidential in its entirety because it contains commercially sensitive market intelligence*]

CHART 2.6.5: Comparison of selling prices between Australian industry and export prices of rebar imported from Thailand
Source: appendix A2

The Australian industry considers that there was price undercutting during the analysis period following the imposition of measures. The exact undercutting margins may need to be assessed by the Commission following verification of the importer's sales value into the market.

Conclusion

The Australian industry considers that the export of rebar from Thailand at dumped prices during the analysis period has caused it to experience price suppression.
The Australian industry also considers that

- the maintenance of distribution links by Thai exporters;
- the instances of price undercutting observed in respect of rebar imported from Thailand;
- the high degree of price elasticity in the Australian rebar market; and
- the import price competition to which the Australian industry is subject would likely result in it achieving either reduced selling prices or lost sales (where the Australian industry does not reduce its prices) should the measures on exporters of rebar from Thailand expire. Consequently, price suppression and lost sales volume and the resulting impact on revenue and profits are likely to continue if measures on rebar exported to Australia from Thailand expire.

2.7 Alternative sources of export supply that have arisen following imposition of the measures

CHART 2.1.1 (reproduced below), indicates the growth of alternative sources of rebar exported to Australia both prior to, and following, the imposition of measures. It is observed that the volume of rebar exports from non-subject countries have fluctuated across the analysis period. Following imposition of measures, non-subject countries' volumes of rebar exports increased and remained fairly consistent until CY 2020 with a further increase observed in CY 2021.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 2.1.1 (reproduced): Volume and sources of imports
Source: appendix A2

CHART 2.7, below, considers the source of imports from the non-subject countries. Again, it indicates that the source and volume of imports from non-subject countries varies. For example, following the imposition of measures in early 2018, exports of rebar (primarily in coil form) from Italy and Poland started to increase and these countries have maintained a

consistent presence in the Australian rebar market ever since. Export volumes of rebar from Turkey have grown substantially following imposition of measures from a very low base in the years prior. South Korean rebar export volumes have fluctuated through the years but remains an ongoing source of rebar supply into Australia, albeit at significantly lower levels since the imposition of measures following the publication of REP 264 concerning rebar exported from that country.[60] Smaller volumes of rebar from Malaysia, Portugal, South Africa, Ukraine and Vietnam have also maintained a sporadic presence in the Australian market in recent years.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 2.7: Volume and sources of imports from non-subject countries
Source: appendix A2

2.7.1 Exports of rebar from Turkey

Whilst rebar exporters from Turkey are not newcomers to the Australian market, Australia is not a traditional or strategic export market for Turkey as the market size is relatively small and the

[60] REP 264 – Steel Reinforcing Bar – Korea, Malaysia, Singapore, Spain, Taiwan, Thailand and Turkey, 19 November 2015.

supply chain is very lengthy. The key markets for exports of Turkish rebar have traditionally been the United States (**US**), the Middle East and the European Union (**EU**).

The key factor explaining the sudden growth in rebar export volumes from Turkey is related to the unprecedented growth in global trade defence mechanisms including the US' 'Section 232 tariffs' and the EU's steel safeguards that have effectively increased either the barriers to entry, or imposition of quotas against Turkish exports into some of its traditionally largest rebar markets.

As an open market with limited barriers to trade by imported goods, the Australian rebar market is susceptible to diversions in global trade flows caused by international interventions in the form of tariffs, quotas and non-tariff barriers.

Since February 2018; following the publication of the US DOC report to its Section 232 investigation conducted under the authority of the US Trade Expansion Act of 1962, as amended – in which the US DOC indicated the intention to recommend that tariffs be imposed in relation to imports of rebar and other steel and aluminium products to the US - the Australian market has experienced a sudden change in the sources of imports of rebar, especially concerning exports from Turkey.

The US market, previously Turkey's largest for rebar exports, has been dramatically affected by the implementation of Section 232 tariffs. Turkey shipped 300,000 mt of rebar to the US in 2021 down 84% from 1,430,000 mt shipped in 2016.[61]

On 26 March 2018, the European Union, another major export market for Turkish steel producers, commenced a safeguards investigation to assess the risk of trade diversion from the US Section 232 tariff action. On 17 July 2018, the EU imposed provisional safeguards on certain steel products, including rebar exported from Turkey (which in 2017 had exported about 11% of its overseas shipments of rebar to the EU) and on 31 January 2019, the European Commission imposed definitive safeguard measures consisting of a tariff-rate quota on imports into the EU of 26 steel product categories, including rebar.

As a result, the Australian market has observed a growth in import volumes of rebar resulting from displaced trade flows distorted by trade barrier actions by other major global importing markets of the goods. **CHART 2.7.1**, below, demonstrates the impact of the US' trade defence action on Turkey's traditional rebar export market.

[61] CONFIDENTIAL ATTACHMENT 2.7.1

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 2.7.1: Export volume of rebar from Turkey to the United States
Source: CONFIDENTIAL ATTACHMENT 2.7.1

Similarly, **CHART 2.7.2**, below, indicates the impact of the imposition of the EU's provisional and then final safeguard measures. However, as the EU safeguard measures take the form of tariff-rate quotas, Turkish rebar exporters have been better able to maintain some level of access to the EU market by rapidly exhausting their country-specific tariff-rate quota. Notwithstanding any manipulation of the tariff-rate quota system applied, rebar export volumes from Turkey to EU-member countries are consistently lower than its average historic volumes, especially since the first revision of the safeguard measures (commenced 20 May 2019).

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 2.7.2: Export volume of rebar from Turkey to the European Union (including UK)
Source: CONFIDENTIAL ATTACHMENT 2.7.1

2.7.2 The likely impact of the February 2022, Russia-Ukraine conflict on Turkish exports of rebar to Australia

Apart from the humanitarian suffering unleashed by the Russia-Ukraine conflict, the use of military force is having an immediate impact on the global trade of a number of commodity products including steel. In addition to logistical disruptions caused by the conflict, which may only be short term, the financial sanctions being imposed by western hemisphere nations on Russia are more likely than not to be much longer lasting.

Metal Expert observes:

> *Overall, in the coming months, the situation with trade flows will change drastically as Russian suppliers are kicked out from the EU by the sanctions and Ukrainian mills are*

> *forced to stop supply due to the war. Hence, the ongoing safeguards review, which started in December of 2021, could consider redistribution of the quota volumes.*[62]

One of the countries most affected by the disruption the conflict has caused to the supply of Black Sea semi-finished steel (in the form of billets) is Turkey. In 2021, Turkey purchased of 1,571,733 tonnes of billet from Russia and a further 350,118 tonnes from Ukraine to supplement its own production of billet from scrap[63]. Billet is used as a semi-finished input raw material for the production of long steel products such as rebar and rod in coil.
In addition to needing to produce more of its own billet for the production of rebar, Turkish mills are experiencing an increase in demand for the billet they produce:

> *Turkish mills have benefited from diverted demand, as buyers hit by cancellations of previously booked cargoes with Black Sea exporters, due to the Russian invasion of Ukraine, switched their attention to Turkish material.*[64]

Prices for Turkish billet have rapidly increased which in turn is driving up the prices of Turkish rebar to record levels as recently reported by subscription sources.[65]

> *Turkish exported rebar prices continued to soar, surpassing even the 2021 highs, as the Ukraine-Russia conflict threw the market off the balance and triggered supply concerns, sources said March 1.*
>
> *At $782.50/mt FOB Turkey, the Platts daily exported rebar assessment was up $20/mt on March 1, according to S&P Global Commodity Insights. The assessment reached the highest level since 2008.*
>
> *As Ukraine's largest steel producer Metinvest declared force majeure on the day, and Ukrainian ports were closed and in danger of becoming encircled by advancing Russian forces, the outlook for steel supply from Ukraine became bleaker.*

[62] CONFIDENTIAL ATTACHMENT 2.7.2 (METAL EXPERT (3 March 2022), *Turkey, India and Russia use nearly all EU steel quotas in February*).
[63] CONFIDENTIAL ATTACHMENT 2.7.3 (SteelOrbis (10 February 2022), Turkey billet imports up 96.3 percent in 2021).
[64] CONFIDENTIAL ATTACHMENT 2.7.4 (SBB (28 February 2022), Turkish scrap prices soar to record high).
[65] CONFIDENTIAL ATTACHMENT 2.7.5 (SBB (1 March 22), Turkish export rebar prices surpass 2021 highs).

> *No new export activity from Russia in the Black Sea was reported either, as market players remained concerned about the challenges related to processing payments, rising financial and logistic cost and general unpredictability around Russia.*

The ability of Turkish producers to be able to sell more of their steel products into their traditional regions at higher prices is more likely than not to mean that exports of rebar to Australia will be higher priced and substantially diminished in volume.

2.7.3 Exports of rebar from Poland and Italy

CHART 2.7, above, also indicates both Poland and Italy have emerged as alternative sources of rebar in the Australian market in the period 2018 to 2021.

As discussed in **Section 1.4.8**, above, the emergence of the Celsa Group owned Polish mill, Celsa Huta Ostrowiec Sp. z o.o, appears to be an opportunistic strategy by those associated with the Celsa Group's Spanish entities (Barcelona and Nervacero) distribution links in Australia to obtain a new duty-free source of supply within the corporate group following the imposition of measures against both Celsa Barcelona, and then against its affiliate, Nervacero since 7 March 2018. The Commission's own assessment of the Celsa Spain entities' trading patterns in REP 546 confirmed their propensity to switch supply between mills depending on the measures that apply to the entities. The Australian industry considers that, should measures expire against Nervacero, then there will be a recurrence of material injury caused to the Australian industry by increased export volumes by that exporter at dumped prices. Exports from the Celsa Group entity in Poland may continue or cease depending on the Celsa Group's assessment of benefit and cost.

In terms of the emergence of exports from Italy in 2018, Australia does not offer close geographical proximity and as such would not be a preferred export option for an Italian Mill. Rather, exports to Australia commenced due to the limitations imposed on export to Italy's largest traditional export market, namely Algeria[66], necessitating a search for alternative export markets. In April 2017, the Algerian government required importers of rebar to apply for licenses in order to limit the import supply of rebar and support the ongoing investment made in its domestic long steel production capability. Algeria had previously been supplied by mills in

[66] CONFIDENTIAL ATTACHMENT 2.7.6 (SBB (28 September 2017), *EU rebar mills search for Algeria alternatives*)

Italy, Spain, Portugal and Greece.

CHART 2.7.3, below, demonstrates the dramatic reduction in rebar export volumes from Italy to Algeria in subsequent years. Italy has substantially increased rebar exports primarily to Austria, Croatia, France, Cyprus and Hungary since the Algerian import licenses were introduced, Australia remains a far less attractive export destination for Italian mills.

[*The following figure is confidential in its entirety because it contains third-party rights restricted material*]

CHART 2.7.3: Italy rebar exports to Algeria
Source: CONFIDENTIAL ATTACHMENT 2.7.7

The repercussions of the Russia-Ukraine conflict and rapidly increasing energy costs are already causing production disruptions to Italian mills (including the Pittini-owned, ACRS accredited, Ferriere Nord S.p.A Mill) and is expected to continue to do so for some time, thus impacting their ability to supply domestic and export markets. SBB reports:

> *The Russia-Ukraine conflict is also likely to keep energy costs high into 2022, with some mills heard to temporarily stop production to assess their costs.*

The electric-arc furnace-based Italian longs steelmaker Pittini had stopped crude steel production Feb. 25 before restarting March 1, with its rolling mill restarting March. 2, sources said[67].

Conclusion – Turkey, Italy, Poland as an alternative source of rebar

Exports of rebar from Turkey have been present in the Australian market for a number of years, at volumes less significant than those observed in recent years. The trade defence actions of the US and the EU; Turkey's traditional rebar markets; have significantly distorted Turkish exporters' overseas trade patterns. As such Australia has become an attractive destination for its displaced export volumes. However, the US' Section 232 tariffs are not permanent, and the EU safeguard measures are very likely to be reviewed in the midst of the steel supply shortages resulting from the Russia-Ukraine conflict. When either or both of these events occur within the lifecycle of the continued measures, then the volume of rebar exported from Turkey is likely to again reduce and return to its long-term average.

Additionally, the immediate shortage of billet supply (from Russia and Ukraine) and rapidly rising energy costs are already driving increased domestic costs and rebar prices for Turkish, Italian and Polish mills which will affect their assessment of domestic versus export market sales dynamics.

On the other hand, the presence of the countries the subject of these anti-dumping measures (perhaps with the exception of Greece) have been consistent both before and after the imposition of measures. Should the measures expire, it is likely that the exporters from the subject countries will again export rebar to Australia at dumped prices and in volumes likely to cause material injury to the Australian industry.

2.7.4 Impacts of the SARS-CoV-2 global pandemic

During the period that measures have been in place, the SARS-CoV-2 global pandemic that commenced in late 2019 has disrupted global demand and the supply of many products including steel and the raw materials to produce it.

[67] CONFIDENTIAL ATTACHMENT 2.7.8 (SBB (2 March 22), *EU long steel prices to jump on supply concerns conflict*)

Whilst demand in many sectors of the economy deteriorated quickly, the building and construction industry was able to continue functioning, supported by the fact that Australia has been able to retain domestic manufacturing capability for products such as steel, aluminium, glass and timber. Demand in the construction industry was also bolstered by a range of government stimulus incentives.

In [redacted] 2021 InfraBuild Steel had a number of its customers provide forecasts that were suddenly greater by [redacted] % than their previous forecast volumes in an environment of tight supply. InfraBuild Steel took steps to increase its capacity, including [redacted]. [*sensitive business operations*] Whilst InfraBuild Steel did [redacted] 2021, this situation had resolved itself by the end of [redacted]. In [redacted] 2021, InfraBuild Steel advised its customers that it expected to meet demand from [redacted] 2021 . Apart from the [redacted] period between [redacted] 2021 InfraBuild Steel has been able to meet customer required volumes.