

19 August 2022

The Director, Investigations 3
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

BY EMAIL:
Investigations3@adcommission.gov.au

Dear Director,

Continuation Inquiry No. 601 concerning Steel Reinforcing Bar exported from Greece, the Republic of Indonesia, Spain (by Nervacero S.A), Taiwan (by Power Steel Co. Ltd) and the Kingdom of Thailand

AUSTRALIAN INDUSTRY RESPONSE TO BBV-SYSTEMS CO. LTD SUBMISSION

InfraBuild (Newcastle) Pty Ltd (**InfraBuild**), the applicant for the continuation of anti-dumping measures the subject of this inquiry, refers to the letter dated 27 May 2022¹ submitted by exporter, BBV-Systems Co. Ltd (**BBV**), and makes the following observations and comments.

InfraBuild notes that the letter references '601' (*Continuation Inquiry* No. 601), then refers to a 2020 application for a 'duty assessment' lodged by the importer International Drilling Equipment (**IDE**) and then goes on to provide a 'detailed response setting out reasons for seeking an exemption', and yet sets out none of the grounds or conditions upon which an exemption in relation to certain non-descript goods the subject of the current anti-dumping measures may be legally granted. To put this matter beyond doubt, we do not consider an exemption inquiry to be currently conducted with respect to the goods the subject of this continuation inquiry.

However, InfraBuild does consider there are a number of matters arising from BBV's letter that must be carefully considered by the Commission, especially in light of past admissions by the importer/exporter interests and past findings by the Commission in the course of those inquiries and processes. At the outset, it is to be noted that BBV together with Millcon Steel PLC (**Millcon**); the Thai mill that produces the BBV branded threaded bar; have a long history of exporting deformed bar products including rebar, threaded bar and prestressed threaded bar to Australia as evidenced by the events below.

¹ EPR 601/011

Third party accreditation by ACRS² for products certified to AS/NZS 4679.1

- July 2008 - Millcon first obtained ACRS certification for rebar:
 - Rebar in lengths in Grade 500N with diameter 12-40mm
 - Rebar in lengths in Grade 250N with diameter 12mm
- 6 July 2015 – Millcon obtained ACRS accreditation for threaded bar:
 - Threaded bar in Grade 500N with diameter 12-40mm
 - The bar (as identified on the ACRS certificate) is roll-branded “**BBV-500N**”
 - The investment in purchasing custom branded rolls to produce the threaded bar to the Australian/New Zealand Standard (Grade 500N) and market the product as “BBV” threaded bar signalled Millcon’s intention to supply increasing volumes of this product into the Australian/New Zealand markets either directly or via BBV as intermediary.

Changes to Steel Reinforcing Bar Dumping Commodity Register and Investigation/Review outcomes

- 7 March 2018 – Investigation No. 418 (**INV 418**) published with a dumping margin of 9.3% determined for Millcon.
 - Rather than continuing to export the threaded bar products (and having those sales factor into future dumping margin calculations), Millcon signalled their intention to export these threaded bar products via an intermediary, BBV.
 - 9 October 2018 – DCR update ‘*Addition of supplier BBV Systems Co. Ltd to Manufacturer Millcon Steel PLC*’
 - By mid-2019 Millcon would lodge an application for Review of Measures (and attempt to exclude threaded bar from their export sales listing) and the Australian importer of threaded bar products (IDE) would lodge three applications for exemption to cover various threaded bar products.
- 3 July 2019 – Review of Measures No. 518 (**REV 518**) was initiated following application by Millcon. Exporter questionnaires were sent to Millcon and BBV, however, BBV did not provide a completed questionnaire response.

While Millcon tried to classify their export sales of threaded bar as domestic sales to BBV, the verification team determined Millcon to be the exporter.

- With respect to exports of threaded bar, the verification team ‘*identified some goods sold through Millcon’s intermediary, BBV were not included in Millcon’s*

² Australasian Certification Authority for Reinforcing and Structural Steels Ltd
<https://www.steelcertification.com/>

Australian sales listing because Millcon stated these sales were domestic sales. However, because the commission has determined Millcon to be the exporter of these sales to an Australian importer, these sales have been transferred to Millcon's Australian sales. These sales relate to MCCs P-C-S-C-2-T and P-C-S-D-2-T³.

- The verification team's assessment of Millcon as the exporter entity of these goods relied on supporting documentation indicating '*Millcon knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia*⁴
- Despite the bar being roll-branded with the Australian/New Zealand Standard Grade designation 500N, Millcon denied any knowledge that the bar would be exported and that the export destination would be Australia:

*'At no point in its domestic sales transactions with BBV does Millcon play any part or have any role in the exportation of the goods, let alone have **any knowledge that the goods were destined for export, or the final destination**'.*⁵

- 17 July 2019 – Three applications for exemption were initiated relating to threaded bar and prestressed threaded bar products. IDE (Independent Drilling Equipment) the applicant identified as "*an importer and supplier of grade 500N BBV Systems (Thailand) threadbar rolled by Millcon (Thailand) which we consider may fall under the current goods description for steel reinforcing bar*⁶.

Contrary to BBV's current claims that '*To my knowledge no Australian manufacturer is producing such prestressed thread bar*', the Commission conducted a detailed assessment of InfraBuild's production of both threaded bar (Grade 500N) and prestressed threaded bar (high yield strength beyond 800MPa) through the exemption inquiries. It is likely that BBV/Millcon would have had a vested interest in following these proceedings and the outcomes. The Exemption Inquiry Report states '*the applicant acknowledges that 15 mm and 20 mm diameter formwork bar produced by Liberty Steel is equivalent to the exemption goods [prestressed threaded bar] in the same diameters.*⁷ No exemption was granted in EX0071 and exemptions were granted to a small number of very specific grades and sizes in Exemption Instrument 2 (EX0070) and Exemption Instrument 3 (EX0072) of 2019.

- 28 July 2020 - outcome of REV 518 was published with a dumping margin of 15.6% determined for Millcon.
 - The Commission considered '*that the decline in Millcon's export volumes was likely the result of the imposition of anti-dumping measures which increased the effective price of Millcon's goods in Australia by at least 9.3% (i.e. the amount of interim*

³ EPR518/012 at p5

⁴ EPR518/012 at p12

⁵ EPR518/014 at p5

⁶ EX0070-001 Application for Exemption – International Drilling Equipment

⁷ Exemption Inquiry Report EX0070, EX0071 and EX0072 at p26.

dumping duty imposed)⁸ in INV 418. Millcon’s representative argued “*factors existed during the review period which affected its patterns of trade for like goods and were not within its control*” (ie. they were unable to compete in the Australian market at undumped prices).

- The increase in dumping margin for Millcon (with the verification team having determined Millcon to be the exporter of the higher value threaded bar products), likely prompted Millcon to attempt to formalise a separation from BBV as intermediary.
- 16 November 2020 – DCR update ‘*Removal of BBV Systems Co. Ltd as a (sic) intermediary supplier for Millcon Steel PLC **as per advice from Millcon Steel PLC***’. (**emphasis** added)

Identification and model control code classification of the threaded bar

It is important to note that Grade 500N thread bar and prestressing thread bar continue (with the exception of specific sizes and grades subject to exemption) to meet the goods description for Steel Reinforcing Bar exported from various countries currently subject to Anti-dumping Measures. It is InfraBuild’s view that both Grade 500N thread bar and prestressing thread bar (yield strength typically above 800MPa) produced by Millcon are currently exported and are likely to continue to be exported from Thailand to Australia, whether by Millcon (directly) or (via) BBV. The Australian importer has sought (and obtained in part) exemptions for both of these threaded bar products.

In terms of brand identifiers, BBV’s website includes product brochures identifying these threaded bar types as follows:

- 500MPa threaded bar – BAREX Bar (subcategory ‘C’ or ‘D’ for MCC minimum yield strength greater than 480 but less than 550MPa). **Main application in concrete reinforcing.**
- Prestressed threaded bar – BB BAR (subcategory ‘D’ for MCC minimum yield strength equal to or greater than 550MPa). BBV’s brochure for their “BB Bar System”⁹ shows the range of prestressing thread bar offered for the **main application of “Post-Tensioning Bar Tendons” and Form Ties (also known as formwork bar)**.

The exempt and non-exempt goods are indicated on the extracts below. Minimum yield strengths (in N/mm² or MPa) are indicated in the extracts below.

⁸ REP 518 at p19

⁹ <http://www.bbv-systems.co.th/system.php>

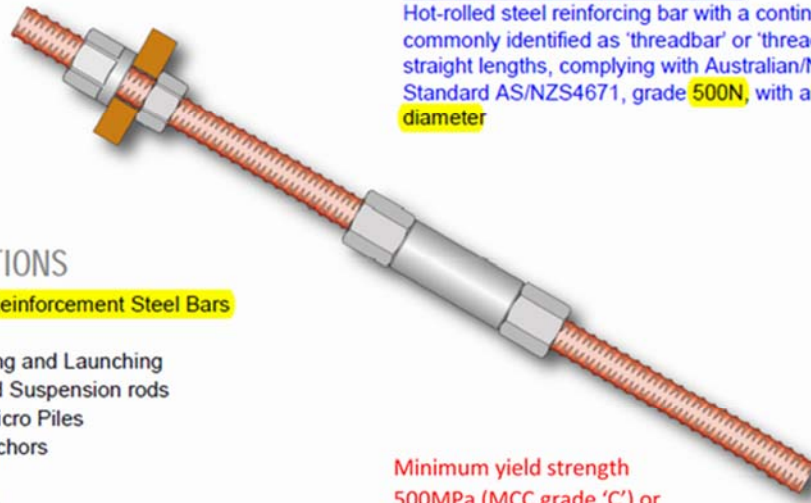


BAREX BAR SYSTEM

Conforming to all major international standards and produced under quality control system ISO9001 : 2008 with a robust hot rolled continues thread profile offering high durability and bond strength.

Can be cut off and spliced at any length with BBV standard coupler without any further preparation. supported with a wide range of proprietary accessories for multiple application.

Ideal for permanent or temporary ground anchors and mini piles. May be supplied with Double Corrosion protection (DCP) including factory pre grouted encapsulation within corrugated sheathing in accordance with BS8081 & EN1537 for aggressive ground conditions.



Exemption Instrument No. 2 of 2019:
Hot-rolled steel reinforcing bar with a continuous thread, commonly identified as 'threadbar' or 'threaded bar', in straight lengths, complying with Australian/New Zealand Standard AS/NZS4671, grade 500N, with a 40mm diameter

APPLICATIONS

- Concrete Reinforcement Steel Bars
- Tie Rods
- Heavy Lifting and Launching
- Hanger and Suspension rods
- Mini and Micro Piles
- Ground Anchors
- Soil Nails
- Rock Bolts

Minimum yield strength
500MPa (MCC grade 'C') or
555MPa (MCC grade 'D')

BAREX BAR PROPERTIES

Steel Grade*	N/mm ²	Exempt Goods					Bar diameters > 50mm are not included in The Goods				
		500/550					555/700				
Nominal Bar Diameter	mm	25	32	40	50	63.5	25	32	40	50	63.5



BBBAR SYSTEM

Conforming to ASTM A722 and BS4486 : 1980 and all other major international standards. Produced under quality control systems ISO9001 : 2008.

Robust hot rolled continuous thread profile offers high bond strength, can be cut and coupled at any point, low susceptibility to mechanical damage, easy installation and cleaning.

Supported with a wide range of proprietary accessories to accommodate multiple application. Tailor made solutions can also be designed on a case by case basis.

Corrosion protection systems for geotechnical application in accordance with BS8081, DIN EN 1537 : 2001 or other international standards can be provided.

Value added services including rental of stressing equipment for installation, preparation of method statements for handling, assembly and installation etc. Provision of qualified staff to supervise installation works.



Exemption Instrument 3 of 2019:
"Fully threaded hot-rolled prestressing steel reinforcing bar, in straight lengths, with a minimum yield strength of 885MPa or greater, with a 26.5mm, 32mm, 36mm, 40mm or 50mm diameter

APPLICATIONS

- Post-Tensioning Bar Tendons
- Form Ties
- Mini and Micro Piles
- Ground Anchors
- Soil Nails
- Rock Bolts
- Tie Rods
- Heavy Lifting and Launching
- Hanger and Suspension Rods

Minimum yield strength for non-exempt goods 835 and 885MPa. All subcategory 'D' for MCC minimum yield strength equal to or greater than 550MPa.

BB BAR PROPERTIES

		NON Exempt prestressing thread bar						Exempt					Exempt	
Steel Grade**	Nmm ²	885/1080		835/1030				930/1080					1080/1230*	
Nominal Bar Diameter D1	mm	15	20	26.5	32	36	40	50	26.5	32	36	40	50	36

InfraBuild notes that in *Review of Measures No. 518*, the mapping of Millcon’s products to the Model Control Code category of Minimum Yield Strength¹⁰ was incorrect for these products. BAREX Bar is clearly subcategory ‘C’ for Grade 500 or Grade 500N equivalent and subcategory ‘D’ for products made to Grade 555. BB BAR is clearly subcategory ‘D’ for all grades (all above 550MPa minimum yield strength). Accordingly, we ask that the Commission reassess classification to MCCs in the current inquiry for both exporters to ensure the correct models are being compared. Due to the much higher yield strength required in prestressed threaded bar (BB BAR), it is likely to sell for a much higher price.

3.3.7 MCC mapping of grades and deformation patterns

Table 5 below displays the relationship between Millcon’s standards and MCC categories.

Standard	MCC minimum yield strength category (item 2)	MCC deformation pattern category (item 6)
500N	C	N
500N Thread Bar	C	T
Barex	D	T
BB Bar	C or D	T
ONE Bar SD50	C	T
SD40	B	N
SD50	C	N
Terex	C	T

Table 5 - MCC mapping of grades

Conclusion

InfraBuild requests that the sales transactions between these entities are carefully scrutinised through the course of this inquiry to ensure all products (rebar, 500N threaded bar and prestressed threaded bar) is accounted for and appropriately considered in ascertained normal value and export price determinations. Exempt goods (40mm threaded bar and certain sizes of prestressing steel threaded bar) remain ‘like goods’ exported to Australia for assessment of ascertained export price and therefore, the dumping duty calculation.

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

FOR AND ON BEHALF OF THE

AUSTRALIAN INDUSTRY APPLICANT

¹⁰ REP518 at p11