



13 May 2019

Investigations 3
Anti-Dumping Commission
Level 35, 55 Collins Street
Melbourne VIC 3000
BY EMAIL:
investigations3@adcommission.gov.au

Dear Mr Hawke,

Re.: Request for information concerning Exemption Inquiries EX0070, EX0071 and EX0072

Liberty Steel provides the following response to the Anti-Dumping Commission's (**Commission**) request for further information relating to the current exemption inquiries into steel reinforcing bar (**rebar**) exported to Australia from China, Greece, Indonesia, Singapore, Spain, Taiwan and Thailand, dated 6 May 2019.

EX0070 and EX0071

1. *In Part D.2 of its response, Liberty Steel submits that deformed bar in straight lengths, grade 500N with nominal diameters of 28mm and 40mm produced in Australia is considered to be directly competitive to the exemption goods.*

In Part E.2 of its response, Liberty Steel states it produces rebar in grade 500N with a continuous thread rib profile in both 25mm and 32mm diameters, which the Commission understands is known as REIDbar.

Can Liberty Steel advise whether it considers that REIDbar at 25mm and 32mm diameters are also directly competitive to the goods?

Yes. Rebar and REIDbar (hot rolled continuously threaded bar) are both products used in steel reinforcing applications, where a steel cage or skeleton structure is constructed, allowing concrete to be poured. The deformations on the surface of both the rebar and the threaded bar allow the concrete to adhere or grip to the steel. The use of threaded bar for reinforcing simply allows the reinforcing to be cut in-situ and joined using a range of connectors.

There is no doubt that if 28mm and 40mm threaded bar were exempt from the dumping duties which currently apply, these bars would not only compete directly with 28mm and 40mm domestically-produced rebar but also domestically-produced 25mm and 32mm threaded bar. Projects that currently have 25mm and 32mm threaded bar included could be redesigned, with some (potentially minor) spacing modifications to use the imported 28mm or 40mm threaded bar instead. Project engineers could also opt to over-specify the threaded bar ie. substitute 28mm threaded bar directly for the 25mm REIDbar where spacing allowed – similarly for 40mm threaded bar and 32mm REIDbar.

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2. In Part E.2 of its response, Liberty Steel states that all that is required to make the exemption goods in 28mm and 40mm diameters is:
- a modification to the rolls at its mill; and
 - an order to supply the exemption goods.

We ask that Liberty Steel provide more information on:

a) what modifications would be required to the rolls at its mill;

Provided detailed technical drawings (with precise bar dimensions required) are provided by the customer, the required bar rib/thread profile would need to be precision machined into two sets of finishing rolls (per section). Two sets of branding rolls are required (per section). Roll-machining tips are required specific to the rib profile being machined.

b) whether it already has the necessary tools and equipment to make the exemption goods;

Liberty Steel already has the rolls available for machining. Branding rolls and tips would need to be purchased as these are specific to the bar design agreed with the customer.

c) how long it would take to make such modifications (including any delays in ordering any necessary tools and equipment);

An estimated [REDACTED] weeks would be required for the roll design, procurement of the machining tips and machining of the rolls to be completed. Once such initial/set-up modifications are made, then ongoing production and supply of the exemption goods may be made pursuant to Liberty Steel's usual [REDACTED]-week rolling cycle.

d) the extent of any capital expenditure required to make such modifications; and

Initial (once-off) setup costs to produce these additional sections is estimated at approximately AUD [REDACTED].

e) the approximate timeframe after receiving an order to supply the exemption goods (after making such modifications).

Given these products are produced on a [REDACTED]-week rolling cycle, depending on where in the rolling cycle the order was received, the exemption goods are likely to be supplied between [REDACTED] weeks after order placement. If ACRS accreditation is factored in, the likely timing for supply extends to approximately 8 weeks.

3. The Commission notes that Liberty Steel does not hold ACRS certification for the exemption goods in 28mm and 40mm diameters. **Would Liberty Steel obtain such certification if it received an order to make the exemption goods, and if so, how long would such certification likely take?**

Yes, given these goods would be used in steel-in-concrete applications, produced to AS/NZS4671 Grade 500N (as is the case for the Millcon Steel Thailand produced, ACRS certified imported threaded bar), Liberty Steel would seek to have the current range of threaded bar certified and indicated on the ACRS certificate extended to include 28mm and 40mm threaded bar.

ACRS would be engaged at the start of the process (while roll machining work gets underway), with Liberty Steel providing notification of the intention to extend the certified range of threaded bar produced. This will likely assist in expediting the ACRS sample verification process once the initial rolling of the 28mm and 40mm threaded bar is complete – timing for certification is estimated at [REDACTED] weeks after the initial rolling. Goods produced through the initial rolling, once ACRS certification has been obtained, would be available for sale.

4. *In Part E.4 of its response, Liberty Steel states that like goods would be offered on the same terms and conditions of sale as non-standard products requiring a minimum order quantity of 100 tonnes and would be produced according to the mills rolling cycle.*

We ask that Liberty Steel provide a sample of examples of offers for non-standard products, or alternatively, further detail on the terms and conditions of such offers.

As orders for the 28mm and 40mm threaded bar would be considered a “non-standard” product i.e. not commonly stocked and made for a specific customer, a minimum order quantity/rolling quantity of 100t is typically required to ensure the product is commercially viable for the Mill to produce and handle. Considerations include cost of section changes on the mill, billet requirements for a given customer-specific bar length and storage and handling requirements.

Liberty Steel’s Product and Availability Guide for Steel-in-Concrete (NSW example attached¹) provides:

“The Minimum Order/Despatch Quantity for Non-Standard Length Material is 100mt.”

A Non-Standard Price Schedule² provides further detail of price extras applying to other non-standard order features including regional deliveries, third-party deliveries, multiple delivery drops and split loads.

EX0072

5. *In Part E.1 of its response, Liberty Steel states it is capable of producing like goods to the exemption goods, in respect of diameters other than 15mm and 20mm (which it already produces).*

We ask that Liberty Steel provide more information on:

- a) what modifications would be required to its plant (if any) to produce the exemption goods at diameters >20mm to <50mm;***

Firstly, Liberty Steel has previously indicated the obtuse nature of the goods description to which exemption application EX0072 refers and reiterates that concern again here. A legitimate enquiry to produce by a customer would include specific size requirements along with specific chemical or mechanical properties required. To provide specifically detailed answers to such a vague question such as, what would be needed to make bars in diameters 20mm to 50mm in a “grade strength of 880MPa to 1100MPa” is a very challenging task. More detailed technical specification of the product sought to be produced in Australia and supplied is required.

Given that the exemption applicant has not provided specific detail on the bar size/s (within the 20-75mm diameter range) and mechanical properties it is seeking exemption for, Liberty Steel has based its mill enquiries around modifications required for production of the next commonly known size in the range of hot rolled threaded bar meeting the (assumed) minimum yield strength required of 885 to 1100MPa (grade Y1100H) ie. 26.5mm diameter having the same mechanical property requirements as the other sizes in the range currently produced by Liberty Steel.

¹ CONFIDENTIAL ATTACHMENT A

² CONFIDENTIAL ATTACHMENT B



Assuming detailed technical drawings (with precise bar dimensions required) are provided by the customer, the required bar rib/thread profile would need to be precision machined into two sets of finishing rolls. Two sets of branding rolls are required. Roll-machining tips are required specific to the rib profile being machined.

b) *how long it would take to make such modifications (including any delays in ordering any necessary tools and equipment); and*

An estimated [REDACTED] weeks would be required for the roll design, procurement of the machining tips and machining of the rolls to be completed. Once such initial/set-up modifications are made, then ongoing production and supply of the exemption goods may be made pursuant to Liberty Steel's usual [REDACTED] week rolling cycle.

c) *the extent of any capital expenditure required to make such modifications; and*

Initial (once-off) setup costs to produce an additional section of the threaded bar is estimated at approximately AUD [REDACTED].

d) *the approximate timeframe after receiving an order to supply the exemption goods to supply the goods (after making such modifications).*

Given these products are produced on a [REDACTED] week rolling cycle (subject to orders received), depending on where in the rolling cycle the order was received, a new section is likely to be supplied between [REDACTED] weeks after order placement (once necessary modifications have been completed).

6. *The Commission notes that Liberty Steel does not hold ACRS certification for the exemption goods. Would Liberty Steel obtain such certification if it received an order to make the exemption goods, and if so, how long would such certification likely take?*

No. Hot rolled threaded bar not produced to AS/NZS4671 or AS/NZS4672 does not require ACRS certification.

FOR AND ON BEHALF OF THE

AUSTRALIAN INDUSTRY