



# ADRP Conference Summary

## 2018/82 Steel Rod in Coils Exported from the Republic of Indonesia, the Republic of Korea and the Socialist Republic of Vietnam - Review of Termination Decision

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| Panel Member | Jaclyne Fisher (Panel Member)   |
| Review type  | Review of Commissioner's decision   |
| Date         | 2 July 2018   |
| Participants | [REDACTED] OneSteel and Rhys Piper and Bora Akdeniz - Anti-Dumping Commission (ADC) |
| Time opened  | 12.00 AEST  |
| Time closed  | OneSteel representatives 12.50 and ADC representatives at 1.00 AEST                 |

### Purpose

The purpose of the conference is to obtain further information in relation to the application before the Anti-Dumping Review Panel (Review Panel) in relation to steel rod in coils (RIC) exported from the Republic of Indonesia, the Republic of Korea and the Socialist Republic of Vietnam for a review of the termination decision (reviewable decision).

The conference is held pursuant to s.269ZZRA of the Customs Act 1901 (the Act) as it is a review of a Commissioner's decision.

In the course of the conference, I may ask parties to clarify an argument, claim or specific detail contained in the OneSteel application or in relation to the findings in TER 416. The conference is not a formal hearing of the review, and is not an opportunity for the participants to argue its case before me.

I have only had regard to information provided at this conference as it relates to relevant information (within the meaning of section 269ZZK(6) of the Act). Any conclusions reached at this conference are based on that relevant information. Information that relates to some new argument not previously put in the application is not something that the Review Panel has regard to, and is therefore not reflected in this conference summary.



Participants should identify if any information being discussed which is confidential so that this can be noted. Should the ADC, in particular, need to provide any information confidential to other parties, this will be need to be identified and discussed separately.

The Panel Member noted that a non-confidential conference summary (from 22 June 2018) had been posted on the ADRP website on 29 June 2018. This included a description of the confidential OneSteel IPP model provided by the ADC. This information was read to OneSteel to enable it to confirm or expand on this description for the Review Panel. The Panel Member also noted that price undercutting had been one of the items discussed at the 22 June 2018 conference with the ADC. The ADC had subsequently made corrections to the price undercutting information and graphs referred to in TER 416 (Figures 127 and 138) and also provided information on actual prices for undercutting purposes.

The Panel Member confirmed that OneSteel had seen a copy of the summary from the 22 June 2018 conference with the ADC<sup>1</sup>.

## Discussion

The specific information that the Review Panel sought in this conference:

1. Could OneSteel explain the pricing model it uses in the context of the comments in its application regarding the price undercutting analysis undertaken by the ADC in TER 416 and in particular whether the summary read out from the 22 June conference was accurate.

*OneSteel confirmed that the brief conference summary regarding the import pricing model was accurate. OneSteel advised that there were two exhibits provided to the ADC that explained the OneSteel pricing model in more detail. Firstly, the OneSteel application to the ADC (Confidential Attachment A-4.2.1) provided an outline of the offers used to set OneSteel's prices during the investigation period. Secondly, OneSteel provided to the ADC (at the verification visit) a powerpoint presentation of its pricing model. OneSteel described the manner in which it sets its RIC prices in relation to imports. This is consistent with the description in TER 416.*

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<sup>1</sup> Information supplied subsequent to the conference has been shown in bold.



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*The ADC advised that the price offers referred to above are summarised in TER 416 Confidential Attachment 9 and these have been supplied to the Review Panel. It noted that not all of the offers had been used in the confidential causation analysis of dumped and undumped offers. The ADC is to advise the Review Panel what proportion of offers had not been used (and the reason for non-use) in the causation table included in Confidential Attachment 9. The ADC also indicated it would provide the powerpoint presentation to the Review Panel following the conference<sup>2</sup>.*

***The ADC advised that there were ■ offers provided by OneSteel, with ■ able to be identified to a particular exporter, and as dumped or undumped. Those not included could not be identified as dumped or undumped, and were not used in the causation graph in confidential attachment 9.***

*OneSteel advised that the claims it had made in its application to the Review Panel regarding the flaws in the price undercutting analysis undertaken by the ADC is linked to the manner in which it sets its prices. OneSteel considers that the ADC has introduced a number of variables and assumptions (including changes to shipment times, direct delivery arrangements, manufacturing times, manufacturing schedules, batching of products all of which may not have been apparent when the price offers were in discussion). It explained that such variables would distort the price undercutting analysis given the construction of prices were based on the date of export. OneSteel considers this could create matching issues with OneSteel's actual selling prices for correlation analysis and assessment of causation (particularly as to whether these constructed export values would link (timewise) to the OneSteel prices. OneSteel suggests that the evidence it provided on price offers should be used to determine causation rather than the price undercutting analysis shown in Figures 127 and 138 in TER 416. It also claims that the actual prices realised by importers would be a more accurate approach but may still have time lag issues.*

*OneSteel also indicated in its application to the Review Panel that the focus on material injury causation should be on the price effects (suppression and depression) of the dumped exports rather than only on the price undercutting margins/correlation analysis.*

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<sup>2</sup> A copy of the OneSteel powerpoint presentation was provided to the Review Panel.



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The Panel Member thanked OneSteel for its participation and that she had some questions for the ADC regarding the analysis provided on the importer's actual selling prices which OneSteel, for confidentiality reasons, could not be a party to. OneSteel left the conference at 12.50 pm.

2. The Panel Member asked whether it was possible to identify from the pricing analysis of importer's actual selling prices which exporters/countries had been linked to particular importers.

*The ADC advised that this information is embedded in one of the spreadsheets provided to the Panel Member (reference provided) and explained to the Panel Member how to retrieve this information. The conference was terminated at 1pm with the ADC.*

It was agreed that the ADC would provide the following information to the Review Panel as referred to in the conference:

- *The ADC is to advise the Review Panel what proportion of offers supplied by OneSteel had not been used (and the reason for non-use) in the causation table included in Confidential Attachment 9.*
- *The ADC indicated it would provide the OneSteel powerpoint presentation to the Review Panel following the conference.*

The Panel Member advised that a draft of the conference summary would be provided to the participants to confirm accuracy and it would be appreciated if this could be responded to immediately.

Jaclyne Fisher  
Anti-Dumping Review Panel Member  
3 July 2018