



Australian Government
Anti-Dumping Review Panel

Customs Act 1901

Notice under section 269ZZI

STEEL ROD IN COILS exported from the People's Republic of China

The Anti-Dumping Review Panel has accepted applications from Hunan Valin Xiangtan Iron & Steel Co., Ltd (Hunan Valin), Jiangsu Shagang Group Co., Ltd (Shagang), OneSteel Manufacturing Pty Ltd (Administrators Appointed) (OneSteel) and Vicmesh Pty Ltd (Vicmesh) for review of a decision by the Parliamentary Secretary to publish a dumping duty notice in respect of steel rod in coils (RIC) exported to Australia from the People's Republic of China (the Reviewable Decision).

The Reviewable Decision was published on the Anti-Dumping Commission (ADC) website on 22 April 2016.

The grounds raised in the application for the Reviewable Decision not being the correct or preferable decision include:

- a. The steel billet cost substituted in Hunan Valin's costs of production was not determined in the country of export;
- b. Improper consideration of whether Hunan Valin's records reasonably reflect competitive market costs;
- c. The use of an incorrect cost in the construction of Hunan Valin's normal value;
- d. Failure to adjust Hunan Valin's costs for cost offsets in the form of verified by-products and cost recoveries;
- e. Error in the amount of profit in Hunan Valin's constructed normal value;
- f. Error in conclusion that there was a particular market situation that justified ignoring Hunan Valin's actual cost to produce billet resulting from, amongst other things, a failure to apply required evidentiary standards, improper methodology in dealing with subsidy allegations as the basis of undue market influence, flawed reasoning on the evidence and conclusions drawn not justified;
- g. Improper normal value calculations for Hunan Valin resulting from, amongst other things, an error in law in allowing a surrogate benchmark for the cost of producing billet, an error in ignoring billet prices but accepting PRC conversion costs, improper change of the surrogate after the SEF and a failure to make required adjustments to the benchmark;
- h. Failure to make appropriate adjustments to normal value for Hunan Valin to make a proper comparison with export price;
- i. Erroneous conclusions in relation to material injury and causal link resulting from, amongst other things, an error in identification of the market and failure to differentiate trade exposed versus non-exposed sectors, incorrect cumulation of imports, error in findings of injury elements, error in assessment of other causes of injury and an error in finding material injury;
- j. Error in rejection of non-injurious price;
- k. Error in finding that a particular market situation existed and that as a consequence, domestic sales of RIC were unsuitable for determining normal values for Shagang;

- l. Error in reliance on market situation assessment and findings to form the view that Shagang's steel billet costs did not reasonably reflect competitive market costs;
- m. Error in interpretation of Regulation 43 by focusing on the costs themselves, rather than the records of Shagang, in rejecting its steel billet production costs;
- n. Failure to undertake a proper assessment of whether Shagang's records reasonably reflect competitive market costs;
- o. Error in making adjustments to constructed normal values for Shagang, for value-added taxes that did not affect price comparability;
- p. Error in determining material injury on the basis of a 'but-for' methodology which as a result incorrectly found that the applicant suffered material injury attributable to the subject goods;
- q. Error in selection of prices based on export market conditions as appropriate benchmark for competitive market costs;
- r. Error in subtracting a rate of profit from the selected benchmark;
- s. Error in failure to apply an alloying adjustment to the selected external billet benchmark.

The goods to which these applications relate are:

Hot rolled rods in coils of steel, whether or not containing alloys, that have maximum cross sections that are less than 14mm.

The goods covered by this application include all steel rods meeting the above description regardless of the particular grade or alloy content.

Goods excluded from this application include hot-rolled deformed steel reinforcing bar in coil form, commonly identified as rod in coil or debar, and stainless steel in coils.

The ADRP proposes to conduct a review of the decision. Interested parties may make submissions to the Panel within **30 days** after the date of publication of this notice.

Submissions may be emailed to [ADRP @industry.gov.au](mailto:ADRP@industry.gov.au), or posted to:
the Anti-Dumping Review Panel
c/o ADRP Secretariat, Legal Services Branch
Department of Industry, Innovation and Science
GPO Box 9839
ACT 2600 Australia.

Persons wishing to make further inquiries about this review should telephone (02) 6276 1781.

Copies of the applications for review, which set out the full grounds for seeking review and other documents are available on the public record of the review at www.adreviewpanel.gov.au

The reports of the original investigation are available on the Anti-Dumping Commission website at www.adcommission.gov.au

Leora Blumberg
Anti-Dumping Review Panel
21 June 2016