



J.BRACIC & ASSOCIATES
TRADE REMEDY ADVISORS

PO Box 3026
Manuka, ACT 2603
Mobile: +61 499 056 729
Email: john@jbracic.com.au
Web: www.jbracic.com.au

20 March 2015

Ms Candy Caballero
Director, Operations 3
Anti-Dumping Commission
1010 La Trobe Street
DOCKLANDS VIC 3008

Investigation into Steel Reinforcing Bar exported from Taiwan

Dear Ms Caballero,

This submission is made on behalf of Power Steel Co., Ltd. (PSCO) in response to the Commissioner's recent decision to publish a preliminary affirmative determination and impose provisional measures applying to exports of steel reinforcing bar exported by PSCO from Taiwan.

Constructed normal values

It is noted that the Commissioner has opted to construct normal values [REDACTED] [REDACTED] [confidential domestic sales information]. In doing so, the Commissioner has used the cost of production of the exported goods plus amounts for selling, general and administrative expenses (SG&A) and profit.

PSCO wishes to highlight a number of issues identified in the calculation of the constructed normal value.

First, the Commissioner appears to have added the domestic unit cost to sell to the export unit cost of production to calculate the constructed cost to make and sell. However, it is important to note that the amounts for SG&A were derived by [REDACTED] [REDACTED] [REDACTED] [allocation methodology]. Therefore, in constructing a normal value, PSCO considers it necessary to apply the [REDACTED] [REDACTED] [allocation methodology].

Second, in calculating a weighted average profit from domestic sales of like goods sold in the ordinary course of trade, PSCO notes that the Commissioner has excluded unprofitable and non-recoverable domestic sales of like model [REDACTED] from the calculation of profit. Given that these sales represent less than [REDACTED]% of the total volume sold of that like model during the investigation period and therefore not in substantial quantities pursuant to s.269TAAD of the Act, PSCO

considers that the Commissioner has erred in excluding these domestic sales for the purposes of determining a rate of profit based on sales made in the ordinary course of trade.

Third, PSCO notes that the Commissioner has not made adjustment to the normal value in accordance with s.269TAC(9) of the Act for factors that would affect the comparison with corresponding export prices. PSCO submits that adjustment is warranted for [REDACTED] [adjustment claim]. This type of adjustment is not uncommon and has been previously considered and accepted by the Commission.

However in calculating PSCO's weighted average normal value, the Commissioner has [REDACTED] [approach to adjustment claim]. This approach does not in any way adequately address the issue of [REDACTED] [different circumstances of sales].

Finally, PSCO notes that in constructing normal values, no adjustment has been made to take account of the [REDACTED] [cost item] incurred on export sales to Australia which are not incurred on domestic sales. The [REDACTED] [cost item] are clearly costs related only to export sales and are in no way relevant to the production or sale of domestic like goods. As such, these cost differences require adjustment to ensure export prices can be properly compared to the constructed normal values.

Conclusion

In conclusion, PSCO requests that the preliminary dumping margin determined by the Commissioner in relation to its exports to Australia be re-assessed in light of the issues raised in this submission and provisional measures revised accordingly.

Yours Sincerely

John Bracic