



# ADRP Conference Summary

## Review No. 130 – Steel Reinforcing Bar exported from the Republic of Korea, Singapore, Spain (except Nervacero S.A.) and Taiwan (except Power Steel Co. Ltd)

Panel Member	Scott Ellis
Review type	Review of Minister's decision
Date	27 January 2021
Participants	Justin Wickes and Jessie Wai, ADC
Time opened	10.30am AEDT (7.30 am AWST)
Time closed	11.30am AEDT (8.30 AWST)

### Purpose

The purpose of this conference was to obtain further information in relation to the review before the Anti-Dumping Review Panel (Review Panel) in relation to Steel reinforcing bar exported from the Republic of Korea, Singapore, Spain (except Nervacero S.A.) and Taiwan (except Power Steel Co. Ltd).

The conference was held pursuant to section 269ZZHA of the *Customs Act 1901* (the Act).

In the course of the conference, I was able to ask parties to clarify any argument, claim or specific detail contained in their application or submission. The conference was not a formal hearing of the review, and was not an opportunity for parties to argue their case before me.

I will only have regard to information provided at this conference to the extent that it relates to relevant information within the meaning of section 269ZZK 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 an application or submission is not something that the Review Panel may have regard to and, therefore, is not reflected in this conference summary.

At the time of the conference, I advised the participants:

- That the conference was being recorded and transcribed by Express Virtual Meetings Pty Ltd, and that the recording would capture everything said during the conference.



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- That the conference was being recorded for the Review Panel to have regard to when preparing a conference summary. The conference summary would then be published on the Review Panel's website.
- Any confidential information discussed during the conference would be redacted from the conference summary prior to publication.

Prior to the conference, participants were provided with a copy of the Review Panel's Privacy Statement. The Privacy Statement outlines who the conference recording and transcript may be disclosed to. The Privacy Statement is available on the Review Panel's website [here](#). The participants indicated that they understood the Privacy Statement and consented to:

- The recording of the conference; and
- The recording being dealt with as set out in the Privacy Statement.

## Discussion

A list of matters about which information might be sought was circulated prior to the conference. A common list was used for conferences with the ADC and subsequent conferences with other participants in the review.

The matters in the list and the further information are set out below.

1. *The normal values and export prices derived from all investigations and reviews (including ADRP Reviews) associated with the measures under review (but not including duty assessments)*

A table setting out the normal values and export prices derived from prior investigations and reviews was provided by the ADC prior to the conference. The contents are confidential to the various entities involved.

2. *What information, if any, did the Commissioner have in relation to the normal value of goods exported from each of Korea and Taiwan (other than the price information provided by InfraBuild and other than the prior determinations of normal value and export price in relation to goods exported from those countries)?*

The ADC was satisfied with the data as to the export price obtained from Daehan.

The ADC had some data from the Australian Border Force database about other Korean exporters and Taiwanese exporters.



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The ADC had data from its S&P Platts subscription service in relation to the East Asia scrap price, which is an import price for scrap into East Asia. It is not specific to Korea or Taiwan.

The ADC also had S&P Platts data relating to steel billet prices exported from China. This information did not assist because Korea and Taiwan were making their own billet. The ADC had S&P South East Asia billet prices, but that did not assist in relation to Korea or Taiwan either. The ADC also had access to the S&P Platts Latin American Billet pricing, which is more geographically remote.

The ADC considered that its export price data was preferable to the above data for the purposes of making a timing adjustment to the normal value because it was more specific.

To manufacture steel billet, Daehan purchases steel scrap from related and unrelated entities. Steel scrap can be of either domestic or overseas origin.

The ADC was in possession of sample domestic price lists in respect of Daehan, but was of the view that they were not sufficiently comprehensive for the purposes of a normal value.

Using the scrap pricing and the billet pricing from S&P Platts showed a decrease in the price (i.e. the normal value) of about [REDACTED]. This would have led to a decrease between the two periods. Daehan was unable to satisfy the ADC of the reliability of its normal value data. Use of the export price had the effect that the dumping margin stayed the same.

There is currently a further review of measures under way in respect of the goods.

The ADC is not familiar with [REDACTED].

- 3. Does the Commission have arrangements in place which permit it to use the price information from commercial information providers contained in Confidential Attachments A and B to InfraBuild's application?*

The ADC has access to certain of S&P Platt's services but is not familiar with [REDACTED].

- 4. What would the dumping margins for Daehan, other Korean exporters and Taiwanese exporters have been had the normal value been adjusted using the*



*changes in domestic prices identified by InfraBuild in its application and in its application for review?*

On the basis of a preliminary look, using the [REDACTED] data that was provided by InfraBuild would have the effect that the dumping margin for Daehan, would increase from roughly 4% [REDACTED]<sup>1</sup> (the difference is affected by whether one makes an adjustment for timing of purchases). For Taiwan, the margin, which was -0.9%, goes to [REDACTED] using InfraBuild's information.

5. *The breakdown of purchases by BestBar between its various sources (InfraBuild, NatSteel and the domestic suppliers), including by (Australian) dollar value.*

As far as the ADC could tell, the breakdown of purchases by Best Bar was:

- [REDACTED];
- [REDACTED];
- [REDACTED].

These figures were based on available supplier sales data gathered during the continuation inquiry.

6. *Details in respect of the operation and calculation of the factoring and domestic credit allowances of NatSteel*

NatSteel had monthly ledgers of the factoring costs, which generally relate to most domestic sales of all products. These costs were allocated to domestic sales of steel reinforcing bar.

The domestic credit charges were determined on the basis of the verified interest rate and the contractual payment terms as sighted on sales invoices.

The ADC was asked whether the essence of the factoring arrangement was that the bank (or factor) paid NatSteel a percentage of the invoice sum, with the factor being left to collect the debt.

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<sup>1</sup> The ADC has subsequently indicated a slightly different figure - [REDACTED]



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7. *Details of the exports of the goods to Australia by Celsa in 2020.*

The details of exports to Australia by Celsa are shown in Confidential Attachment 6 to REP 546, at tab d(iv), EP & Vol to June 2020. It was about [REDACTED] tonnes in the second quarter of 2020 and, compared to Celsa's exports to other countries during the inquiry period, it was quite high.

8. *What is the 'actual commercial information' referred to at page 13 of the review application by Celsa that supported the contentions in the bullet points on that page.*

This was a matter for Celsa. Their utilisation was [REDACTED]

9. *The extent to which straights and coil are interchangeable products.*

The two products are interchangeable. If coil is uncoiled and cut into 12m lengths it is indistinguishable from straights. However, the coils need an uncoiling machine to be used. Coil can be cut into the lengths required for particular jobs, whereas, with straights, it is necessary to match lengths used to the 12m lengths, which might lead to greater waste. Waste is sold for scrap, but there is still some cost. However, the production of coil involves an additional process and is slightly more expensive. Companies which use a lot of bar and have an uncoiling machine will tend to use coil.

Turkey does not sell much coil to Australia, possibly because it is a bit more of a sophisticated manufacturing process.

In addition, the issue of the use by the ADC of information derived from commercial information providers was discussed. I raised the issue that s.269ZHF(3) provides that the Commissioner 'must' have regard to the application, which could cover the proprietary information included in the application. It might override any objection to the use of the proprietary information by the provider of that information. I undertook to provide references to a couple of relevant cases to the ADC. [The references were provided after the conference and are: *Denlay v FCT* (2011) 193 FCR 412; *FCT v Donoghue* (2015) 237 FCR 316]. Section 183 of the *Copyright Act, 1968* is also relevant. Mr Wickes indicated that sometime ago [REDACTED] had declined to renew the ADC subscription because of an adverse comment by a third party about [REDACTED] data. The ADC did not rely on the data from [REDACTED] included in InfraBuild's application when making its recommendations because [REDACTED] did not consent to its use by the ADC.



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Scott Ellis

Member

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9 February 2021