



Australian Government

Anti-Dumping Review Panel

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By EMAIL:

Mr D Seymour
Anti-Dumping Commissioner
Anti-Dumping Commission (ADC)
55 Collins Street
Melbourne VIC 3000

Dear Mr Seymour

STEEL REINFORCING BAR EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

I am currently conducting a review of the Parliamentary Secretary's decision to publish a dumping duty notice regarding steel reinforcing bar (rebar) exported from the People's Republic of China. The applicants are:

- Hunan Valin Xiangtan Iron & Steel Co Ltd (Hunan Valin);
- Jiangsu Yonggang Group Co (Yonggang);
- Shandong Shiheng Special Steel Co Ltd (Shiheng); and
- OneSteel Manufacturing Pty Ltd (OneSteel).

Pursuant to section 269ZZL of the *Customs Act 1901* (the Act), I require the reinvestigation of the following findings in Report No 300-

1. In constructing the normal value under section 269TAC(2)(c) of the Act for Hunan Valin, the amount of profit was calculated under regulation 45(3)(b) of the *Customs (International Obligations) Regulation 2015* (the Regulations). Report 300 states that the amount of profit was worked out by adding 'data related to the arms-length sales of like goods in the ordinary course of trade'.

Regulation 45(3)(b) provides:

(b) identifying the weighted average of the actual amounts realised by other exporters or producers from the sale of like goods in the domestic market of the country of export.

It would appear that the profit has not been calculated in accordance with regulation 45(3)(b) of the Regulations. I require the ADC to recalculate the profit in accordance with regulation 45(3)(b), that is, by including the actual amounts realised by other exporters, without the application of the ordinary course of trade test. This aspect is covered in more detail in Ground three, page 20, of the Hunan Valin application for review. Following the re-

determination of the profit, and on the basis that it will change, it will be necessary to re-construct the normal value for Hunan Valin.

2. Any consequential amendments to the dumping margin (and ascertained normal value) for Hunan Valin as a result of the recalculated normal value.

3. The normal value for Shiheng was constructed under section 269TAC(2)(c) of the Act and there were adjustments under section 269TAC(9) relating to export bank charges as well as other adjustments. The Selling General and Administrative expenses (SG&A), including financial expenses, used in the construction of the normal value appears to include both domestic and export bank charges. In order to undertake a proper comparison with the export prices, it is necessary to remove any element of export bank charges included in the domestic SG&A used in the construction of the normal value under section 269TAC(2)(c). I require the reinvestigation of this finding to ensure that any export bank charges are removed from the domestic SG&A. Once this has been undertaken and assuming the domestic SG&A has been modified, the ADC is to construct the normal value under section 269TAC(2)(c) with appropriate adjustments under section 269TAC(9).

4. Any consequential amendments to the dumping margin (and ascertained normal value) for Shiheng as a result of the recalculated normal value.

5. The normal value for Yonggang was constructed under section 269TAC(2)(c) of the Act and there were a number of adjustments under section 269TAC(9). In relation to the ordinary course of trade test and also the determination of a profit rate to be used in the constructed normal value. I require the reinvestigation of these assessments using the monthly cost to make and sell of rebar rather than a quarterly cost to make and sell. This will align these assessments with other comparisons undertaken on a monthly basis by the ADC. If through this process, a different profit rate is determined, the ADC is to re-construct the normal value with this re-determined profit.

6. In addition, Yonggang claims that the SG&A, including financial expenses, used in the construction of the normal value includes both domestic and export bank charges. I require the reinvestigation of this finding to ensure that any export bank charges are removed from the domestic SG&A. If export bank charges have been included in the domestic SG&A, please modify the SG&A and re-construct the normal value under section 269TAC(2)(c).

7. In relation to the adjustments under section 269TAC(9) of the Act, I require the ADC to re-investigate the adjustment shown as 'export cost of capital' in REP 300. Yonggang has submitted that this adjustment is one for export credit terms. I require reinvestigation of the nature of this adjustment to ensure that it is required to enable the normal value to be properly compared with the export price.

8. I require the ADC to undertake a reassessment of the normal value in light of the findings referred to in paragraphs 5 - 7 above.

9. Any consequential amendments to the dumping margin (and ascertained normal value) for Yonggang as a result of the recalculated normal value.

I have noted that the changed profit rate mentioned above for Hunan Valin may impact the normal value calculation of other exporters. These are not part of the "reviewable decision" being considered by the Review Panel. However it may be appropriate for the ADC to assess whether any further action is required in relation to these other exporters.

Given this request requires the reinvestigation of the normal values for three applicants, I have provided additional time.

Please report the result of the reinvestigation within 60 days, that is, 12 October 2016.

Thank you for your assistance.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Jaclyne Fisher". The signature is written in a cursive style with a large, sweeping initial "J".

Jaclyne Fisher
Member
Anti-Dumping Review Panel

14 August 2016