

駐澳大利亞代表處經濟組 函

受文者：經濟部國際貿易署

發文日期：中華民國113年7月24日

發文字號：澳經發字第1130000327號

速別：普通件

密等及解密條件或保密期限：

附件：如文（澳經發1130000327_Attach1.pdf）

主旨：有關澳洲反傾銷委員會(ADC)展延公布對自我國等進口之熱軋結構型鋼反傾銷落日複查報告事，報請鑒察。

說明：

- 一、依據ADC本(2024)年7月22日第2024/047號公告辦理。本組本年5月31日澳經發字第1130000237號函諒察。
- 二、本案原訂於本年7月23日前完成基礎事實報告(SEF)，9月24日前完成最後認定報告(final report)，惟因需完成最後數據分析因素，ADC決定展延至本年7月26日前完成SEF，利害關係人得於SEF公布後20日內提交書面意見，ADC訂於本年9月27日前提出最後認定報告與建議。
- 三、倘對本案有相關詢問，可逕聯繫ADC，電話：03-8539-2525；電郵：investigations3@adcommission.gov.au
- 四、檢陳ADC公告一份如附件，併請鑒參。

正本：經濟部國際貿易署

副本：經濟部國際貿易署雙邊貿易一組



駐澳大利亞代表處經濟組 函

受文者：經濟部國際貿易署

發文日期：中華民國113年7月30日

發文字號：澳經發字第1130000335號

速別：普通件

密等及解密條件或保密期限：

附件：如文（澳經發1130000335_Attach1.pdf）

主旨：有關澳洲反傾銷委員會(ADC)公布對自我國等進口之熱軋結構型鋼反傾銷落日複查基礎事實報告事，報請鑒察。

說明：

- 一、依據ADC本(113)年7月26日旨案(案號637)基礎事實報告(SEF)辦理。本組同年7月24日澳經發字第1130000327號函諒察。
- 二、ADC上(112)年11月21日公告對自日本、南韓、臺灣(我業者豐興、志成及東和除外)與泰國進口之熱軋結構型鋼(hot rolled structural steel sections)產品展開反傾銷落日複查。產品稅則號列：HS7216.31.00、HS7216.32.00、HS7216.33.00、HS7216.40.00、HS7228.70.00。
- 三、有關ADC公布基礎事實報告內容要點略以：
 - (一)ADC認定倘對我商實施之反傾銷措施落日，可能致傾銷行為繼續發生，對國內同類產品造成實質損害。
 - (二)建議續實施反傾銷措施。我商中龍稅率為9.0%、其他出口商稅率為12.3%。

電子文
文騎



(三)倘本案利害關係人對SEF報告有意見，應於本年8月15日前，依下列任一方式提交書面意見：

1、電郵：investigations3@adcommission.gov.au

2、郵寄：Director, Investigations 3, Anti-Dumping Commission, GPO Box 2013, Canberra ACT 2601, Australia

(四)本案訂於本年9月27日前向澳洲產業暨科學部長提出最後認定報告與建議。

四、檢送本案SEF一份如附件，併請鑒參。

正本：經濟部國際貿易署

副本：經濟部國際貿易署雙邊貿易一組





ANTI-DUMPING NOTICE 2024/047

Continuation Inquiry 637 in relation to Hot Rolled Structural Steel

**Exported from Japan, Taiwan, the Kingdom of Thailand and the
Republic of Korea**

Extension of time granted to issue the Statement of Essential Facts and Final Report

Customs Act 1901 – Part XVB

The Acting¹ Commissioner of the Anti-Dumping Commission (the Commissioner) has extended the due date to publish the Statement of Essential Facts (SEF) and provide the final report and recommendation to the Minister about the above case.²

New milestone dates

SEF – The SEF is now due to be placed on the public record on, or before, **26 July 2024**.

Response to SEF – Interested parties are invited to make submissions in response to the SEF within 20 days of the SEF being placed on the public record.

Final Report – A recommendation to the Minister will be made in a final report which is now due on, or before, **27 September 2024**.

The previous due date for the SEF was 23 July 2024. The previous due date for the final report was 24 September 2024.

¹ References in this document to individuals holding positions within the Anti-Dumping Commission are references to whoever occupies the position at the time. This includes when the position is held in an acting capacity.

² They do so under section 269ZHI(3) of the *Customs Act 1901*. On 19 January 2017, the Parliamentary Secretary to the Minister for Industry, Innovation and Science delegated the powers and functions of the Minister under section 269ZHI of the Act to the Commissioner. See Anti-Dumping Notice 2017/10 for further information.

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Basis for extension

I, Matthew Williams, am the Deputy Commissioner Investigations, Anti-Dumping Commission (the commission). I requested the extension of the due date to publish the SEF and to provide the final report and recommendation to the Minister.

I requested the extension for the commission to finalise analysis of the relevant data.

Further information and enquiries

The commission's website (www.adcommission.gov.au) contains all public records for commission cases. The public record for each case includes the initiating notice and also notices of any previously granted extensions of time. Initiating notices contain full case details, including original milestone dates and a description of the goods.

You can enquire about this notice by contacting the Case Manager on 03 8539 2525 or email at investigations3@adcommission.gov.au.

Matthew Williams
Deputy Commissioner
Anti-Dumping Commission
22 July 2024



CUSTOMS ACT 1901 - PART XVB

STATEMENT OF ESSENTIAL FACTS
NO 637

INQUIRY INTO THE CONTINUATION
OF ANTI-DUMPING MEASURES ON
HOT ROLLED STRUCTURAL STEEL SECTIONS

EXPORTED TO AUSTRALIA FROM
JAPAN, THE REPUBLIC OF KOREA,
TAIWAN (EXCEPT BY FENG HSIN STEEL CO LTD,
TS STEEL CO LTD AND TUNG HO STEEL ENTERPRISE
CORPORATION) AND THE KINGDOM OF THAILAND

26 July 2024

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ABBREVIATIONS

the Act	<i>Customs Act 1901</i>
ABF	Australian Border Force
ACRS	Australasian Certification Authority for Reinforcing and Structural Steels
AND	Anti-Dumping Notice
the Commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
CON 505	<i>Continuation Inquiry 505</i>
CTMS	cost to make and sell
DDP	delivered duty paid
Dragon Steel	Dragon Steel Corporation
DISR	Department of Industry, Science and Resources
EPR	electronic public record
EU	European Union
Feng Hsin	Feng Hsin Steel Co Ltd
FOB	free on board
FY	financial year, 1 July to 30 June
HRSS, or the goods	hot rolled structural steel sections
Hyundai Steel	Hyundai Steel Company
IDD	interim dumping duty
INV 223, the original investigation	<i>Investigation 223</i>
IPP	import parity price
inquiry period	1 October 2022 to 30 September 2023
Liberty Primary	OneSteel Manufacturing Pty Ltd trading as Liberty Primary Steel
MCC	model control code
the Minister	the Minister for Industry and Science
MPa	Megapascals
NIP	non-injurious price
REP 223	<i>Anti-Dumping Commission Report 223</i>
REV 465	<i>Review 465</i>
REV 499	<i>Review 499</i>
R&D	research and development
ROI	return on investment
SEF	statement of essential facts
SSG	Southern Steel Group
TCO	tariff concession order

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Thailand	the Kingdom of Thailand
TS Steel	TS Steel Co Ltd
Tung Ho	Tung Ho Steel Enterprise Corporation
USA	United States of America
USP	unsuppressed selling price

1 SUMMARY AND RECOMMENDATIONS

1.1 Introduction

This statement of essential facts (SEF) concerns an inquiry into whether to continue the anti-dumping measures (the measures) on hot rolled structural steel sections (HRSS or 'the goods') exported to Australia from Japan, the Republic of Korea (ROK), Taiwan (except for exports by Feng Hsin Steel Co Ltd (Feng Hsin), TS Steel Co Ltd (TS Steel) and Tung Ho Steel Enterprise Corporation (Tung Ho))¹ and the Kingdom of Thailand (Thailand) (the subject countries). The measures are a dumping duty notice for the subject countries. They are due to expire on 20 November 2024.²

This SEF sets out the facts on which the Commissioner of the Anti-Dumping Commission (the Commissioner) proposes to base their recommendations to the Minister for Industry and Science (the Minister).

The Commissioner's final recommendations to the Minister will be contained in a report due by **27 September 2024**.³

Interested parties should note that the SEF may not represent the final views of the Commissioner. The Commissioner invites interested parties to make submissions in response to the SEF (see section 1.5).

1.2 Proposed recommendations

The Commissioner is preliminarily satisfied that the expiry of the measures on HRSS exported to Australia from the subject countries would be likely to lead to a continuation or recurrence of dumping and the material injury that the measures are intended to prevent.

The Commissioner proposes to recommend the notice have effect in relation to Hyundai Steel Company (Hyundai Steel) from the ROK as if different variable factors had been ascertained.⁴

The Commissioner proposes to recommend the notice remains unaltered in relation to all exporters from Japan, all exporters other than Hyundai Steel from the ROK, all exporters from Taiwan, and all exporters from Thailand.⁵

¹ References to Taiwan in this report should be read to exclude these 3 exempt exporters, unless otherwise specified.

² Section 269TM of the *Customs Act 1901* (the Act). All legislative references are to the *Customs Act 1901*, unless otherwise specified.

³ ADN 2024/047, [EPR 637](#), no 16.

⁴ Section 269ZHF(1)(a)(iii).

⁵ Section 269ZHF(1)(a)(i).

1.3 Background to the inquiry (chapter 2)

1.3.1 Application and initiation

OneSteel Manufacturing Pty Ltd trading as Liberty Primary Steel (Liberty Primary) is the applicant seeking to continue the measures.⁶

The Commissioner initiated this inquiry on 22 November 2023 and established an inquiry period of **1 October 2022 to 30 September 2023** (the inquiry period).⁷

1.3.2 Conduct of the inquiry

The Anti-Dumping Commission (commission) is assisting the Commissioner to conduct the inquiry, pursuant to the commission's function specified in section 269SMD.

The Commissioner notified interested parties of the initiation of this inquiry in Anti-Dumping Notice (ADN) 2023/082, published on 22 November 2023. The exporters and importers of HRSS from the subject countries were also invited to provide information by completing a questionnaire relevant to the inquiry.

The commission conducted a verification visit of Liberty Primary's premises in Australia in relation to its application.⁸ The commission conducted a verification visit of Hyundai Steel's premises in the ROK in relation to its questionnaire response.⁹

In preparing this SEF, the Commissioner has had regard to:

- the application seeking the continuation of the measures
- exporter questionnaire responses received from Hyundai Steel from the ROK and Dragon Steel Corporation (Dragon Steel) from Taiwan
- submissions received within sufficient time to be considered prior to the publication of this SEF
- further information obtained during verification visits to Liberty Primary and Hyundai Steel
- other information as referenced in this SEF.

Further information on the conduct of this inquiry is included in chapter 2 of this SEF.

⁶ [EPR 637](#), no 1.

⁷ ADN 2023/082 on the electronic public record (EPR) for case 637, [EPR 637](#), no 2.

⁸ [EPR 637](#), no 10.

⁹ [EPR 637](#), no 14.

1.4 Summary of key preliminary findings

The Commissioner's preliminary findings and conclusions in this SEF rely on the information available at this stage of the inquiry. The paragraphs below provide a summary of these findings, which are set out in further detail throughout the SEF.

1.4.1 The goods, like goods and the Australian industry (chapter 3)

The Commissioner finds locally produced HRSS are 'like' to the goods the subject of the application. The Commissioner is satisfied that there is an Australian industry, comprised of Liberty Primary, producing those like goods.

1.4.2 Australian market (chapter 4)

The Australian HRSS market is supplied by several distributors that source products from the Australian industry or from overseas suppliers. Most of the distributors' HRSS sales are to end users who further process the goods into other products. These end users are in the construction, manufacturing, and mining industries.

The key market segments are distributors, resellers, and end users. Structural end uses in the residential, commercial, industrial, transport, infrastructure, and energy sectors.

Australian industry sells the goods directly to a network of national, regional, and state distributors who then on-sell to resellers or directly to end users.

Demand is primarily driven by public infrastructure spending and private capital expenditure (including investment in warehouses and office buildings), interest rates, land prices, labour utilisation and participation (employment) rates, population, and immigration changes (current and forecast).

The Australian industry's selling prices are determined based on the import parity pricing (IPP) model plus a local premium. The local premium reflects the benefits of local manufacturing and supply capacity. Liberty Primary's IPP model uses a combination of import prices and an analysis of input and production costs to determine the price.

1.4.3 Economic condition of the Australian industry (chapter 5)

The Commissioner assessed the economic condition of the Australian industry from September 2013 to September 2023 to analyse trends in the market for HRSS and assessing potential injury factors. The Commissioner found the following:

- Following *Continuation Inquiry 505* (CON 505) in November 2019, Liberty Primary's sales volumes peaked in year ending September 2021. However, Liberty Primary's sales volumes have now begun to decline.
- Liberty Primary's market share has remained relatively stable since CON 505.
- ROK's market share has remained stable however market share from the other subject countries has significantly decreased since CON 505. A minor market share for Thailand reappeared in 2023.
- Market share from countries and exporters not subject to measures has increased since CON 505.

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- Liberty Primary's has increased its revenue since September 2020. However, its costs have also increased. This has led to the emergence of price suppression.
- Liberty Primary improved its net profit and profitability from September 2020 to September 2022 however this declined in September 2023.
- Since financial year (FY) 2020 Liberty Primary's research and development (R&D) expenditure has increased however since FY 2019 it has experienced a decrease in the level of investment and value of assets.
- Liberty Primary's return on investment (ROI) has been consistently negative, excluding a positive return in FY2022.

1.4.4 Assessment of dumping during the inquiry period (chapter 6)

For the purposes of this continuation inquiry, the commission has used the information before it to assess whether exports in the inquiry period were dumped, or likely to have been dumped.

Two exporters, Hyundai Steel and Dragon Steel, provided data in the form of a completed exporter questionnaire. The commission has used the data from these companies in assessing whether there was dumping in the inquiry period.

The commission did not receive any exporter questionnaire responses from exporters from Japan or Thailand. The commission has used the best available information in relation to exports from these countries to assess whether there was dumping in the inquiry period.

The commission's preliminary assessment of dumping in the inquiry period is set out in Table 1. As Dragon Steel did not export during the inquiry period, the commission has only assessed the normal value for Dragon Steel.

Country	Exporter	Dumping margin
Japan	All exporters	18.6%
ROK	Hyundai Steel	5.2%
Taiwan	Dragon Steel	N/A
Thailand	All exporters	22.5%

Table 1: Preliminary assessment of dumping margins

1.4.5 Likelihood of dumping and material injury continuing or recurring (chapter 7)

The Commissioner's preliminary view is that the expiry of the measures would lead, or would be likely to lead, to a continuation or recurrence of the dumping and material injury that the measures are intended to prevent.

The Commissioner has reached this view based on the following findings.

Hyundai Steel was the only exporter from the ROK during the inquiry period. The commission has used Hyundai Steel as the basis to assess whether measures should continue in relation to the ROK.

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There were no exports from Taiwan subject to measures during the inquiry period. Dragon Steel provided an REQ although it did not export. The commission has used Dragon Steel as a basis to assess whether measures should continue in relation to Taiwan. This is because Dragon Steel maintains Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) certification and has previously exported to Australia. The commission is not aware of any other producers of HRSS in Taiwan that are subject to the measures.

The commission did not receive any information from exporters from Japan or Thailand. The commission has used the best available information, including information from Australian Border Force (ABF) import data, to assess whether measures should continue in relation to Japan and Thailand.

Likelihood of future exports (section 7.5)

The commission considers that exports from the subject countries are likely to continue if the measures expire. This finding is based on the following facts and considerations:

- Exports of the goods subject to measures from Japan, the ROK, and Thailand have continued since the continuation of the measures in 2019.
- Exporters from the subject countries have maintained, or are able to readily establish, distribution links in the Australian market.
- Exporters from the subject countries have excess production capacity that could be directed towards Australia.
- Exporters from the ROK, Taiwan, and Thailand maintain ACRS certification.

Likelihood of dumping (section 7.6)

The commission considers that exporters from the subject countries would likely continue or resume dumping if the measures expire. This finding is based on the following facts and considerations:

- The commission estimates that goods exported from Japan and Thailand during the inquiry period were likely dumped, based on the best available information, being ABF import data and domestic steel price data.
- The commission has calculated that goods exported from Hyundai Steel from the ROK during the inquiry period were dumped, based on verified information.
- The commission considers that exporters from Taiwan that are subject to the measures are likely to export at dumped prices if the measures expire. This is based on an analysis of exports from Taiwan that are not subject to the measures.
- The commission found that if Dragon Steel was to export at the same prices as exports from Taiwan not subject to measures, its exports are not likely to be dumped by a small margin. However, Dragon Steel's competition with exporters from Taiwan that are not subject to measures would likely lead to Dragon Steel reducing its prices below its normal value to win sales volume. A small reduction in export price, which the commission considers would be likely given the price sensitive nature of the Australian market, would lead to a recurrence of dumping.
- The goods exported from the subject countries were dumped in the original investigation and the period examined in *Review 499* (REV 499), being

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1 January 2018 to 31 December 2018.

- The price sensitive nature of the Australian HRSS market promotes a high level of competition between exports from the subject countries. This price competition means that there will be increased downwards pressure on export prices if the measures expire. A decrease in export prices means that dumping is likely to continue or recur.

Likelihood of material injury (section 7.6)

The commission considers that exports of the goods from the subject countries at dumped prices are likely to continue to cause material injury if the measure expire. This finding is based on the following facts and considerations:

- Exports from the subject countries have undercut Liberty Primary's selling prices.
- Liberty Primary has considerable regard to import prices through its IPP model.
- The expiry of measures would provide exporters from the subject countries with a price advantage in a price sensitive market.
- A reduction in import prices as exporters seek to compete in a market absent of measures would result in an associated increase in import volumes.
- The decrease in import prices and increase in import volumes would cause material injury to Liberty Primary.

1.4.6 Variable factors¹⁰

Export price and normal value (chapter 8)

The Commissioner recommends ascertaining new variable factors of export price and normal value for Hyundai Steel based on Hyundai Steel's verified data.

The Commissioner is not recommending a change to the variable factors for:

- all exporters from Japan
- all other exporters from the ROK
- all exporters from Taiwan
- all exporters from Thailand.

The commission does not have verified information that is relevant for the determination of the variable factors for those exporters.

This is not affected by the fact that some exporters exported the goods during the inquiry period, or the fact that the commission assessed dumping for some exporters as part of the inquiry.

¹⁰ The variable factors in relation to a dumping duty notice are the export price, normal value, and NIP.

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Non-injurious price (chapter 9)

The Commissioner does not recommend that the Minister apply the lesser duty rule. This is because the non-injurious price (NIP) for Hyundai Steel is higher than the normal value.

The commission calculated the NIP by deducting verified post-importation costs, and importer SG&A and profit from REV 499¹¹ from the unsuppressed selling price (USP) determined in this inquiry. The commission calculated the USP using Liberty Primary's verified cost to make and sell (CTMS), plus an amount for profit.

1.4.7 Form of measures (chapter 10)

The Commissioner recommends that the interim dumping duty (IDD) payable on the goods exported by Hyundai Steel continues to be worked out using the combination fixed and variable duty method.

This is because the same or similar circumstances exist as did previously when assessed in *Review 465* (REV 465) and REV 499, being the:

- lack of significant price differences between models
- current indications that the Australian HRSS market is rising.

The Commissioner does not recommend any change to the form of measures for other exporters subject to the measures for the same reason that they do not recommend a change to the variable factors.

¹¹ The commission did not receive any importer participation in this inquiry and therefore has relied on the best information available in relation to these inputs to the NIP calculation.

1.5 Responding to this SEF

The SEF may not represent the Commissioner's final views. The commission invites interested parties to make written submissions in response to this SEF for the Commissioner's consideration.

Interested parties who wish to make written submissions in response to this SEF must do so no later than **15 August 2024**, which is within 20 days after the SEF being placed on the public record.¹²

The Commissioner is not obliged to have regard to any submission made in response to the SEF received after this date if to do so would, in the opinion of the Commissioner, prevent the timely preparation of the report to the Minister.¹³

Submissions may be lodged by email to investigations3@adcommission.gov.au.

Alternatively, interested parties may post submissions to:

Director, Investigations 3
Anti-Dumping Commission
GPO Box 2013
CANBERRA ACT 2601
AUSTRALIA

Confidential submissions must be clearly marked as 'OFFICIAL: Sensitive'. A non-confidential version of the submission, marked 'PUBLIC RECORD', is required for the public record. A guide for making submissions is available on the commission's website.¹⁴

The EPR contains non-confidential submissions from interested parties, non-confidential versions of the commission's verification reports and other publicly available documents.

Interested parties should read this SEF in conjunction with other documents on the EPR.

1.6 Final report to the Minister

The Commissioner must report to the Minister by no later than **27 September 2024**.¹⁵ The final report will contain the Commissioner's final recommendations about the continuation of the measures.

¹² Section 269ZHE(3).

¹³ Section 269ZHE(4).

¹⁴ A guide for making submissions is available on the commission's website: [How to lodge a submission in response to an anti-dumping or countervailing case](#).

¹⁵ Refer to ADN 2024/047, [EPR 637](#), no 16.

2 BACKGROUND

2.1 Framework

The procedures to be followed by the Commissioner in an application for the continuation of anti-dumping measures are set out in Division 6A of Part XVB of the *Customs Act 1901* (the Act).

2.1.1 Legislative test

Under section 269ZHF(2), the Commissioner must not recommend that the Minister take steps to secure the continuation of the anti-dumping measures unless the Commissioner is satisfied that the expiration of the anti-dumping measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the anti-dumping measure is intended to prevent.

2.1.2 Statement of essential facts

Section 269ZHE(1) requires the Commissioner to publish a statement of the facts on which they propose to base their recommendations to the Minister about the continuation of the measures. This is referred to as the SEF.

Section 269ZHE(2) requires the Commissioner, in formulating the SEF, to have regard to the application and any submissions received within 37 days of the initiation of the inquiry. Under section 269ZHE(3), the Commissioner is not obliged to have regard to any submissions relating generally to the inquiry that are received by the Commissioner after the 37 days if to do so would, in the Commissioner's opinion, prevent the timely placement of this SEF on the EPR.

The Commissioner may also have regard to any other matters they consider relevant.

2.1.3 Final report

Section 269ZHF(1) requires the Commissioner, after conducting an inquiry, to give the Minister a report which recommends that the relevant notice:

- remain unaltered
- cease to apply to a particular exporter or to a particular kind of goods
- have effect in relation to a particular exporter or to exporters generally as if different variable factors had been ascertained, or
- expire on the specified expiry day.

2.2 Application and initiation

On 20 September 2023, the Commissioner published a notice on the commission's website inviting the following persons to apply for the continuation of the measures:¹⁶

¹⁶ In accordance with section 269ZHB(1).

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- The person whose application under section 269TB resulted in the measures.¹⁷
- Persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the measures.¹⁸

On 16 October 2023, Liberty Primary lodged an application for the continuation of the measures on the goods exported to Australia from Japan, ROK, Taiwan (except for exports by Feng Hsin, TS Steel and Tung Ho) and Thailand.¹⁹ Liberty Primary is the person whose application under section 269TB resulted in the measures.²⁰

The Commissioner was satisfied that:

- the application complied with section 269ZHC (content and lodgement requirements)²¹
- there appeared to be reasonable grounds for asserting that the expiry of the measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.²²

The Commissioner therefore decided not to reject the application and published ADN 2023/082 initiating the inquiry on 22 November 2023.²³

¹⁷ Section 269ZHB(1)(b)(i).

¹⁸ Section 269ZHB(1)(b)(ii).

¹⁹ Under section 269ZHC. A non-confidential version of the application is available on the commission's website. [EPR 637](#), no 1.

²⁰ [EPR 223](#), no 1.

²¹ Section 269ZHD(2)(a).

²² Section 269ZHD(2)(b).

²³ [EPR 637](#), no 2.

2.3 Current measures

2.3.1 The measures

The measures were initially imposed by public notice on 20 November 2014 by the relevant Minister following *Investigation 223* (INV 223, the original investigation). The findings of INV 223 are detailed in *Anti-Dumping Commission Report 223* (REP 223).²⁴

Table 2 summarises the measures currently applying to exports of the goods to Australia from the subject countries.

Country	Exporter	Dumping notice	
		Method	Fixed IDD ²⁵ rate
Japan	All Exporters	Combination fixed and variable duty method	12.2%
ROK	Hyundai Steel Company	Combination fixed and variable duty method	4.7%
	All Other Exporters	Combination fixed and variable duty method	7.9%
Taiwan	Dragon Steel Corporation	Combination fixed and variable duty method	9.0%
	Feng Hsin Steel Co Ltd	Exempt	Exempt
	TS Steel Co Ltd	Exempt	Exempt
	Tung Ho Steel Enterprise Corporation	Exempt	Exempt
	All Other Exporters	Combination fixed and variable duty method	12.3%
Thailand	Siam Yamato Steel Co Ltd	Combination fixed and variable duty method	7.8%
	All Other Exporters	Combination fixed and variable duty method	7.7%

Table 2: Current measures applying to exports of the goods

²⁴ [EPR 223](#), no 96.

²⁵ Interim dumping duty (IDD).

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Further detail about these measures can be found on the Dumping Commodity Register (DCR) on the commission's website.²⁶

2.3.2 Past cases

The commission has conducted numerous cases relating to HRSS. An overview of these cases is set out in Table 3. Further details can be found on the commission's website.

Case number	ADN number	Date published	Country of export	Findings
Investigation 223	2014/127	20 November 2014	Japan ROK	Measures imposed (excluding on Feng Hsin)
	Public Notice – Parliamentary Secretary's Decision	7 August 2015	Taiwan Thailand	Change to variable factors for Siam Yamato Steel Co Ltd
Accelerated Review 359	2016/097	18 October 2016	Taiwan	Form of measures changed for Dragon Steel Corporation
Review 345 and 346	2016/098	19 October 2016	Taiwan Thailand	Change to variable factors for certain exporters
Review 465	2018/167	14 December 2018	ROK	Change to variable factors for exporters from the ROK
Exemption EX0077	2019/153	20 December 2019	Japan ROK Taiwan Thailand	Exemption granted for goods under TCO no 19104997
Review 499	2019/125	11 November 2020	Japan ROK	Change to variable factors for certain exporters
	Public Notice – Minister's Decision	6 April 2021	Taiwan Thailand	Change to variable factors for certain exporters
Continuation 505	2019/126	11 November 2019	Japan ROK	Continuation of measures for certain exporters Expiry of measures for Tung Ho Steel Enterprise Corporation
	Public Notice – Minister's Decision	6 April 2021	Taiwan Thailand	Continuation of measures and change of variable factors for certain exporters Expiry of measures for TS Steel Corporation

Table 3: History of measures

²⁶ [Current measures in the dumping commodity register.](#)

2.4 Conduct of the inquiry

The inquiry period for this continuation is 1 October 2022 to 30 September 2023. The commission invited exporters and importers of HRSS to provide information relevant to this period.

To analyse the performance of the Australian industry in the years before and after measures were imposed, the commission has examined the period from September 2013 to September 2023.

2.4.1 Questionnaires and verification

Australian industry

The Commissioner is satisfied that the applicant, Liberty Primary, is the sole member of the Australian industry producing like goods to the goods the subject of this inquiry.²⁷

The commission conducted a verification visit to Liberty Primary's premises in February 2024. The resulting verification report is available on the EPR.²⁸

Importers

The commission identified importers from the ABF import database that imported HRSS from the subject countries during the inquiry period. The commission sent a questionnaire to Southern Steel Trading Pty Ltd (Southern Steel).

The commission also placed a copy of the importer questionnaire on the commission's website for completion by other importers who were not contacted directly.

The commission did not receive any responses to the importer questionnaire (RIQ).

Exporters

The commission identified the largest suppliers of HRSS from the ROK and Thailand during the inquiry period as reported in the ABF import database. The commission sent questionnaires to the following identified exporters:

- Hyundai Steel
- Siam Yamato Steel Co Ltd

The commission also placed a copy of the exporter questionnaire on the commission's website for completion by other exporters who were not contacted directly.

²⁷ See chapter 3.

²⁸ [EPR 637](#), no 10.

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The commission received two responses to the exporter questionnaire (REQ) listed in Table 4. The non-confidential versions of the REQs and the verification reports (if applicable) are available on the commission's website.²⁹

EPR number	Interested party	Country	Date received
5	Dragon Steel	Taiwan	30 January 2024
6	Hyundai Steel	ROK	29 January 2024

Table 4: Exporter questionnaire responses received

The commission did not receive any REQs from exporters from Japan or Thailand.

2.4.2 Submissions received from interested parties

The commission received the submissions listed in Table 5 before publishing this SEF. Non-confidential versions of these submissions are available on the EPR.

EPR number	Interested party and topic of submission	Date received
3	Sanwa Pty Ltd – Response to Liberty Primary's application	10 January 2024
7	Liberty Primary – Response to Hyundai Steel and Dragon Steel's REQ	4 March 2024
8	Liberty Primary – Exporter visit briefing	11 March 2024
12	Southern Steel Group (SSG) – Liberty Primary's production shutdown	17 June 2024
13	Dragon Steel Corporation – Likelihood of material injury	23 June 2024
15	Liberty Primary – Response to SSG's submission dated 17 June 2024.	2 July 2024

Table 5: Submissions received prior to SEF

The Commissioner has had regard to all submissions in Table 5 in making their preliminary findings outlined in this SEF. The submissions are addressed throughout this report.

²⁹ [EPR 637](#), no's 5 and 6.

3 THE GOODS, LIKE GOODS AND THE AUSTRALIAN INDUSTRY

3.1 Preliminary finding

The Commissioner finds that:

- locally manufactured HRSS are 'like' to the goods subject to the measures
- there is an Australian industry, of which Liberty Primary is the sole member, producing like goods
- the like goods are wholly or partly manufactured in Australia.

3.2 Legislative framework

To be satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation or recurrence of dumping and the material injury that the measure is intended to prevent, the Commissioner firstly determines whether the goods produced by the Australian industry are 'like' to the imported goods.

Section 269T(1) defines like goods as:

...goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.

The definition of like goods is relevant in the context of this inquiry in determining the Australian industry and whether the expiry of the measures would lead to a continuation of, or a recurrence of, the dumping and material injury that the measures are intended to prevent. The commission's framework for assessing like goods is outlined in chapter 2 of the *Dumping and Subsidy Manual* (the Manual).³⁰

Where the locally produced goods and the imported goods are not alike in all respects, the Commissioner assesses whether the respective goods have characteristics closely resembling each other. The Commissioner considers:

- physical likeness
- commercial likeness
- functional likeness
- production likeness.

The Commissioner must also consider whether the Australian industry manufactures 'like' goods in Australia. Section 269T(2) specifies that for goods to be regarded as being produced in Australia, they must be either wholly or partly manufactured in Australia. Under section 269T(3), to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

³⁰ Available [here](#) on the commission's website.

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The following analysis therefore establishes the scope of the commission's inquiry.

3.3 The goods subject to the measures

3.3.1 Definition of the goods

ADN 2023/082 defines the goods subject to the measures as follows:

Hot rolled structural steel sections in the following shapes and sizes, whether or not containing alloys:

- universal beams (I sections), of a height greater than 130 mm and less than 650 mm
- universal columns and universal bearing piles (H sections), of a height greater than 130 mm and less than 650 mm
- channels (U sections and C sections) of a height greater than 130 mm and less than 400mm
- equal and unequal angles (L sections), with a combined leg length of greater than 200 mm.

Sections and/or shapes in the dimensions described above, that have minimal processing, such as cutting, drilling or painting do not exclude the goods from coverage of the investigation.

The goods subject to the measures do not include:

- hot rolled 'T' shaped sections, sheet pile sections and hot rolled merchant bar shaped sections, such as rounds, squares, flats, hexagons, sleepers and rails
- sections manufactured from welded plate (e.g. welded beams and welded columns).

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3.3.2 Tariff classification

The goods are generally classified according to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:³¹

Tariff code	Description		
7216	ANGLES, SHAPES AND SECTIONS OF IRON OR NON-ALLOY STEEL:		
7216.3	U, I or H sections, not further worked than hot-rolled, hot-drawn or extruded, of a height of 80 mm or more:		
	Statistical code	Unit	Description
7216.31.00	30	tonnes (t)	U sections
7216.32.00	31	t	I sections
7216.33.00	32	t	H sections
7216.40.00	33	t	L or T sections, not further worked than hot-rolled, hot-drawn or extruded, of a height of 80 mm or more

Table 6: Tariff classification of the goods

Goods identified as hot rolled alloy steel sections, as per the shapes and sizes described above, are classified to tariff subheading 7228.70.00 (statistical codes 11 and 12) in schedule 3 of the *Customs Tariff Act 1995*.

³¹ These tariff classifications and statistical codes may include goods that are both subject and not subject to the measures. The listing of these tariff classifications and statistical codes is for convenience or reference only and does not form part of the goods description. Please refer to the goods description for authoritative detail about goods subject to the measures.

3.4 Model control codes

3.4.1 Proposed model control code at initiation

The proposed model control code (MCC) structure provided in ADN 2023/082 describes the key characteristics of the goods.

Category	Sub-category	Identifier	Sales data	Cost data
Prime	Prime	P	Mandatory	N/A
	Non-prime	N		
Shape ³²	Universal Beams ('I' sections)	I	Mandatory	Mandatory
	Universal Columns and Universal Bearing Piles ('H' sections)	H		
	Channels ('U' or 'C' sections)	C		
	Angles (Equal and Unequal Angle sections)	A		
Minimum yield strength	Less than 265 MPa	A	Mandatory	Mandatory
	Greater than or equal to 265 MPa	B		
Tensile strength	Less than 400 MPa	A	Optional	Optional
	Greater than or equal to 400 MPa and less than 450 MPa	B		
	Greater than or equal to 450 MPa and less than 500 MPa	C		
	Greater than or equal to 500 MPa	D		
Thickness	Minimum cross-sectional thickness less than 11 mm	1	Optional	Optional
	Minimum cross-sectional thickness greater than or equal to 11 mm	2		
Dimension	Beam or section height less than 230 mm	S	Optional	Optional
	Beam or section height equal to or greater than 230 mm	L		
Weldability	Carbon equivalent value specified in relevant standard	Y	Optional	Optional
	Carbon equivalent value not specified in relevant standard	N		

Table 7: Model control code structure

³² See section 3.4.2 for amendments to the MCC structure for Hyundai Steel only.

3.4.2 Proposed modifications to the MCC structure

Hyundai Steel and Dragon Steel proposed modifications to the MCC structure in relation to their circumstances. The commission considered these modifications below.

Hyundai Steel

Hyundai Steel proposed a modification to the MCC shape category during the verification.

Hyundai Steel reported all sales of universal beam and columns under shape sub-category 'H'. Hyundai Steel explained that it does not consider that there is a price difference between universal beams and columns. Hyundai Steel sells a separate 'I-beam' product on the domestic market, which it classified under the MCC shape category 'I'.

The commission examined Hyundai Steel's domestic and export sales of universal beams and columns and is satisfied that there is little to no difference in the price that would affect comparability. Accordingly, the commission accepts Hyundai Steel's classification of all universal beams/columns in MCC shape category 'H'.

The commission also found that the I-beams that Hyundai Steel sells in its domestic market are distinct from other universal beams and columns. These I-beams are not exported to Australia. The commission accepts Hyundai Steel's classification of I-beams in MCC shape category 'I'.

The commission has assessed the dumping margin for Hyundai Steel using these classifications.

Dragon Steel

Dragon Steel proposed an additional MCC sub-category for thickness to represent a cross-sectional thickness above 25 mm (thickness sub-category '3').

The commission compared selling prices for the models P-H-B-B-2-L-Y and P-H-B-B-3-L-Y to assess whether there was a significant difference in pricing such that it would affect comparability. The commission did not find that the difference in price was substantial enough that the models were not comparable. Accordingly, the commission has included model P-H-B-B-3-L-Y in its calculation of the normal value.

3.5 Like goods

The Commissioner is satisfied that the domestically produced goods are like to the goods under consideration because the following characteristics of each closely resemble each other:

- physical likeness
- commercial likeness
- functional likeness
- production likeness.

The commission has relied on information provided during the conduct of this inquiry and prior cases involving the goods.

3.5.1 Physical likeness

The goods and local HRSS are similar in physical appearance and specification. They also conform to the same Australian/New Zealand Standard. Major exporters and Liberty Primary hold ACRS certification. While ACRS certification is not mandatory, it is generally preferred in the market. ACRS certifies that the product conforms with Australian/New Zealand Standards.

3.5.2 Commercial likeness

In the Australian market, HRSS that Liberty Primary produces competes directly and indirectly with HRSS imported from the subject countries. Liberty Primary and importers sell HRSS to common customers and on similar commercial terms or conditions.

Based on this, the commission considers the locally produced goods to be commercially like to the goods the subject of the measures.

3.5.3 Functional likeness

The HRSS that Liberty Primary produces is highly interchangeable or substitutable with the goods the subject of measures, given that both goods are sold to the same customers and for identical or comparable end uses.

Based on this, the commission considers that the locally produced goods and the goods under consideration perform the same function and are used in the same end-use applications.

3.5.4 Production likeness

The commission considers that the locally produced goods and the goods the subject of the measures are produced using similar production processes and similar raw material inputs to the goods the subject of the measures. This is based on the production processes the commission observed during verification activities and based on the commission's understanding of the production process from previous cases.

3.6 Australian industry – domestic production

Liberty Primary are the sole producers of HRSS in Australia, in addition to other hot rolled products (such as rail).

Liberty Primary manufactures HRSS in a range of shapes, sizes, grades, thicknesses, and lengths at its structural mill in Whyalla, South Australia. The broad categories of HRSS are universal beams and columns (I-beams or H-beams respectively), equal and unequal angles, and parallel flange channels (PFC).

3.6.1 Production process

Liberty Primary currently produces iron for steel making using a blast furnace. For iron produced in a blast furnace, the two main raw materials are iron and coke.

Iron is sourced in the form of iron ore or iron pellets, and coke is either produced from coal or imported. Liberty Primary produced its own coke from coal prior to September 2023.

Stage 1 – Coke making (no longer in operation)

Coking coal is converted to coke through a heating process in coke ovens. A hot car with baked coke is loaded into the quenching tower and cooled with water. After cooling it is crushed and subject to screening. The coke is then transported by conveyor to the blast furnace to be used in the production of iron.

Stage 2 – Iron making

Molten pig iron is made in a blast furnace from pellets and lumps of iron ore and coke. This is a systematic 'charging' process where the blast furnace is charged with the 'ingredients' (primarily iron and coke). The blast furnace is heated through the addition of oxygen enriched air which helps the coke to burn at the required temperatures. Liquid iron then sinks to the bottom of the blast furnace due to being a higher density than the other materials. The liquid iron is then removed from the furnace by drilling a hole in certain locations (tapping), which allows the liquid iron to flow out into troughs. Any slag (impurities produced during the process) that also flows out is taken away to landfill or processed to remove any residual iron. Liquid iron produced at this stage contains high levels of carbon.

Stage 3 – Steel making

First, the molten pig iron is transferred via a rail car to the Basic Oxygen Steelmaking (BOS) vessel to produce raw steel. Scrap steel is also added. Oxygen is injected at supersonic speeds to remove carbon and other impurities from the raw steel. Primary alloys are also added at this stage. Slag is also produced and discarded, in a similar process as for iron making.

The raw steel is then moved to a secondary treatment. This stage is where the chemical composition of the steel is finalised to meet the grade specifications. Additional alloys are added to ensure that the specifications are met.

Once the required specifications are met, the steel is sent to the caster.

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Stage 3 – Casting

The molten steel is poured into a combi-caster which produces slabs, blooms or billets in various lengths, widths, and heights. Blooms are the feed for the rolling mill and are stored in the bloom yard until required.

Stage 4 – Rolling mill

Blooms are heated in a furnace to the required temperature prior to rolling. Blooms are extracted from the reheat furnace, descaled and transferred to the rolling stands. Rolling stands contain a combination of horizontal and/or vertical rolls that are used to shape the products. The rolls are unique for each section, being the primary rougher, secondary rougher, universal forming, and finishing mill. After passing through each stand, the sections are cut to intermediate length with a 'hot saw' and then moved to cooling beds.

Each product shape will use a different set of rollers. Due to this, a large production run is typically completed before a rolling change.

Liberty Primary explained during the visit that the rolls will wear out regularly. As the rolls wear, they need to be machined back to a useable state. In this way, larger rolls may be machined as they wear to be reused for smaller shapes.

Stage 5 – Shapes finishing end

After the intermediate sections are cooled, they are finished by passing through a straightening stand. Each section is then marked with identifiers and the product is inspected. The product is then cut to the customer's length with a cold saw. After cutting, the product is bundled and labelled. The label contains information on shape, size, grade, and metre weight.

3.6.2 The commission's finding

Based on the information obtained from verification visits the Commissioner is satisfied that:

- the like goods were wholly or partly manufactured in Australia
- there is an Australian industry which produces like goods in Australia.

4 AUSTRALIAN MARKET

4.1 Preliminary finding

The Australian HRSS market is supplied by several distributors that source products from the Australian industry or from overseas suppliers. Most of the distributors' HRSS sales are to end users who further process the goods into other products. These end users are in the construction, manufacturing, and mining industries.

4.2 Approach to analysis

The analysis in this chapter is based on verified financial information submitted by Liberty Primary and data captured in the ABF import database.

4.3 Market structure

The key market segments are distributors, resellers, and end users. HRSS is utilised in the residential, commercial, industrial, transport, infrastructure, and energy sectors.

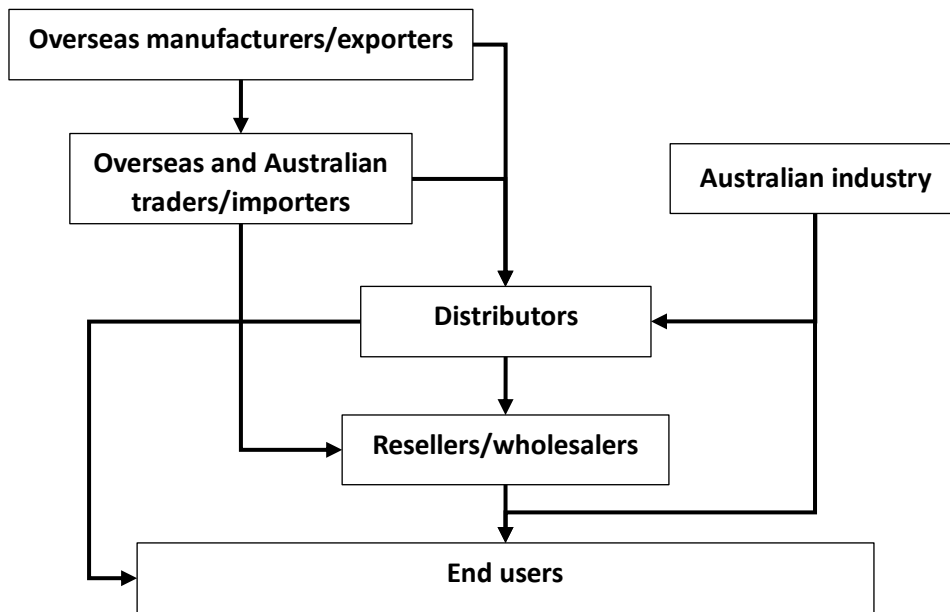


Figure 1: Australian market structure for HRSS

The Australian industry sells the goods directly to a network of national, regional, and state distributors who then on-sell to resellers or directly to end users.

4.4 Key drivers of demand

Demand for HRSS is primarily driven by public infrastructure spending and private capital expenditure (including investment in warehouses and office buildings). This is primarily seen through the non-residential construction and engineering construction sectors.

Indirect drivers of demand include interest rates, land prices, labour utilisation and participation (employment) rates, population, and immigration changes (current and forecast).

4.5 Market competition

HRSS used in Australia is predominantly manufactured to the same standard (AS/NZS 3679.1) and used in the same applications (primarily construction). There is little to differentiate HRSS from different suppliers if it is to be used in the same application.

Price (including any inland transport) is the primary differentiating characteristic that HRSS suppliers can offer in the Australian market. Customers frequently purchase from multiple different suppliers (including Liberty Primary and exporters) and will reference pricing from different suppliers to obtain the best price.

As depicted in Figure 1, Liberty Primary competes with overseas manufacturers, exporters and traders, and Australian traders and importers for the sale of HRSS.

4.6 Market pricing

The commission has previously found that the Australian market for HRSS is price sensitive with a high degree of price elasticity.³³ The commission considers that this remains the case, as:

- due to HRSS being produced to the Australian Standard, there is little to no differentiation other than price
- pricing from various sources is relatively transparent, with customers having visibility of market offers
- landed import prices follow a similar pattern and fall within a small range
- the volume of imports increases as the price decreases
- Liberty Primary continues to set its prices using an IPP model.

Liberty Primary's selling prices are determined based on the IPP model plus a local premium. The local premium reflects the benefits of local manufacturing and supply capacity. Liberty Primary's IPP model uses a combination of import prices and an analysis of input and production costs to determine the price.

4.7 Market size

The commission has estimated the size of the Australian market using verified data from Liberty Primary and data from the ABF import database.

The data for the commission's estimation of the Australian market is at **Confidential Attachment 1**.

³³ Anti-Dumping Commission *Final Report no 223* ([EPR 223](#), no 96) and *Report no 505* ([EPR 505](#), no 59).

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Figure 2 depicts the volume of the Australian HRSS market with respect to the Australian industry, exporters subject to measures, and all other sources not subject to measures.

Liberty Primary’s volume has increased since CON 505 in 2019. ROK’s volumes have remained stable, while volumes from the other subject countries have significantly decreased. A minor volume from Thailand reappeared in 2023. Volume from countries and exporters not subject to measures has increased since CON 505.

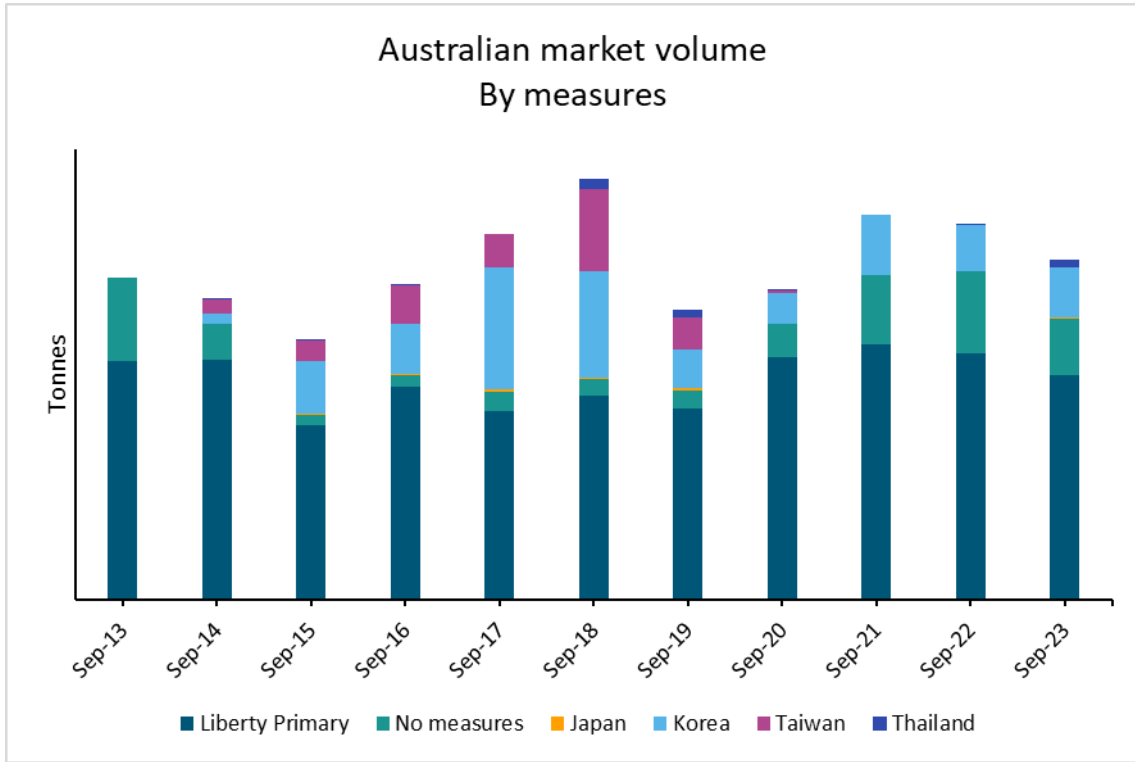


Figure 2: Volume of the Australian market by measures

5 ECONOMIC CONDITION OF THE INDUSTRY

5.1 Preliminary finding

The commission finds that Liberty Primary's economic condition was improving in relation to price and profits, partially due to favourable trading conditions because of the COVID-19 pandemic. However, Liberty Primary has experienced a recent decline in its economic condition within the inquiry period.

5.2 Approach to analysis

This chapter considers the economic condition of the Australian industry since the measures were imposed. This examination provides the basis for the commission's analysis in chapter 7 of whether material injury is likely to continue or recur.

The commission has assessed the economic condition of Liberty Primary from September 2013, using the verified information provided by Liberty Primary in this inquiry and CON 505, and data from the ABF import database.

5.3 Findings in the original investigation

REP 223 found that the Australian industry had experienced injury in the form of:

- price depression
- price suppression
- reduced profits and profitability
- reduced revenues.

In REP 223, the commission did not accept that price pressures arising from price undercutting and the IPP process will necessarily result in a loss of sales volume. The commission stated there may be a range of market-based factors other than price which result in market share being maintained. In section 9.9.5 of REP 223, the commission highlighted exclusivity arrangements as a factor which limited Liberty Primary's ability to increase its volume.

In addition, the Commission had insufficient information to conclude that reduced capacity utilisation and reduced employment suffered by Liberty Primary had contributed to injury caused by dumping. The Commission also considered that it was inconclusive whether the other injury factors claimed by Liberty Primary were caused by dumping or caused by other factors.

5.4 Volume effects

5.4.1 Sales volume

Figure 3 depicts Liberty Primary’s sales of like goods since year ending September 2013. Following the continuation of measures in November 2019, Liberty Primary’s sales volumes peaked in year ending September 2021. However, Liberty Primary’s sales volumes have now begun to decline.

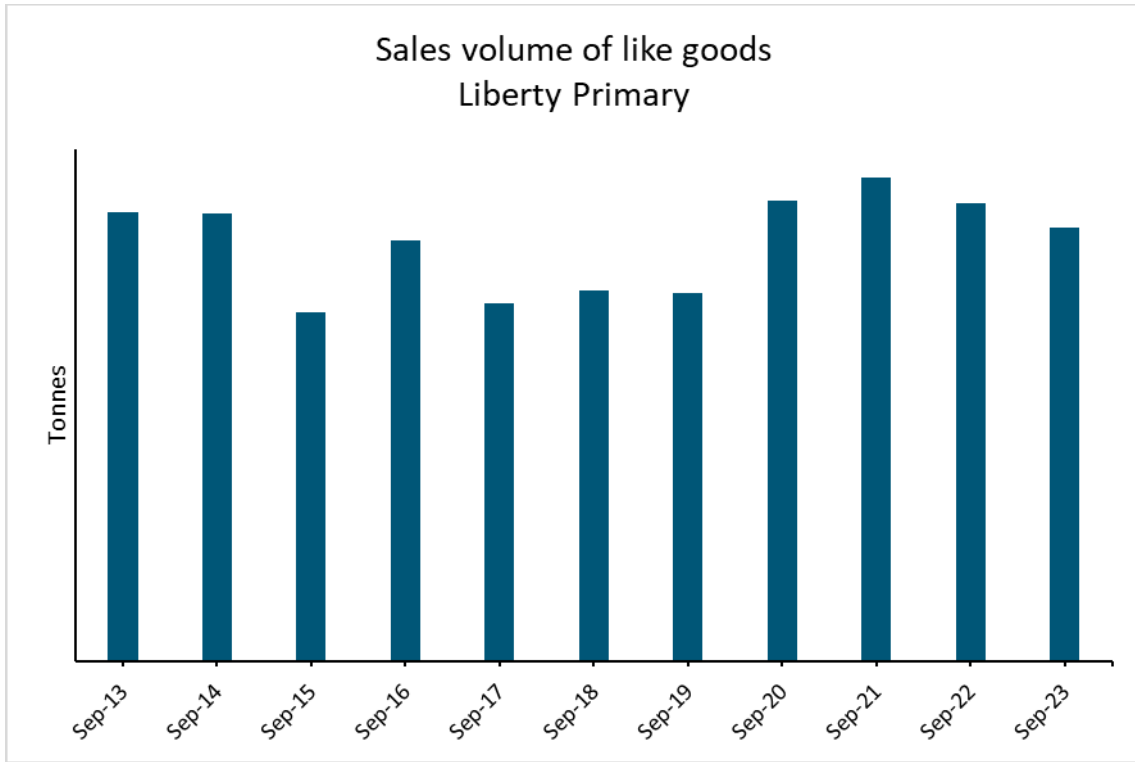


Figure 3: Liberty Primary’s sales volume of like goods

5.4.2 Market share

Figure 4 depicts Australian market share. Liberty Primary’s market share has remained relatively stable since CON 505 (November 2019). ROK’s market share has also remained stable however market share from the other subject countries has significantly decreased since CON 505. A minor market share for Thailand reappeared in 2023. Market share from countries and exporters not subject to the measures has increased since CON 505. This coincides with TS Steel and Tung Ho being made exempt from the measures.

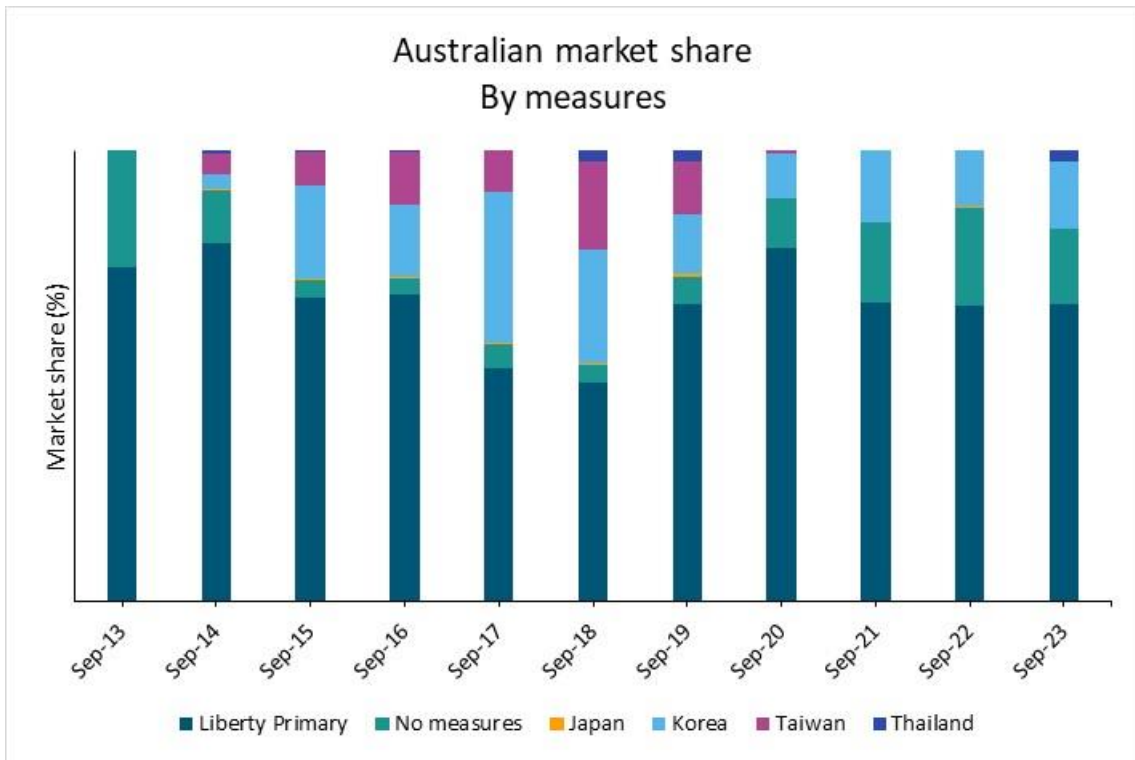


Figure 4: Australian market share by measures

5.5 Price effects

5.5.1 Price depression and suppression

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise might have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs.

Figure 5 depicts Liberty Primary’s unit revenue and CTMS for like goods since year ending September 2013. Liberty Primary’s revenue remained relatively stable between Sep-13 and Sep-18, before slowly increasing from Sep-19. However, during this time Liberty Primary’s CTMS increased at a greater rate, and it was not until Sep-21 that Liberty Primary was able to close the gap. Liberty Primary’s revenue exceeded costs in Sep-22. These price gains were in part driven by favourable trading conditions following the COVID-19 pandemic. As those conditions eased, Liberty Primary experienced a decrease in revenue and an increase in costs.

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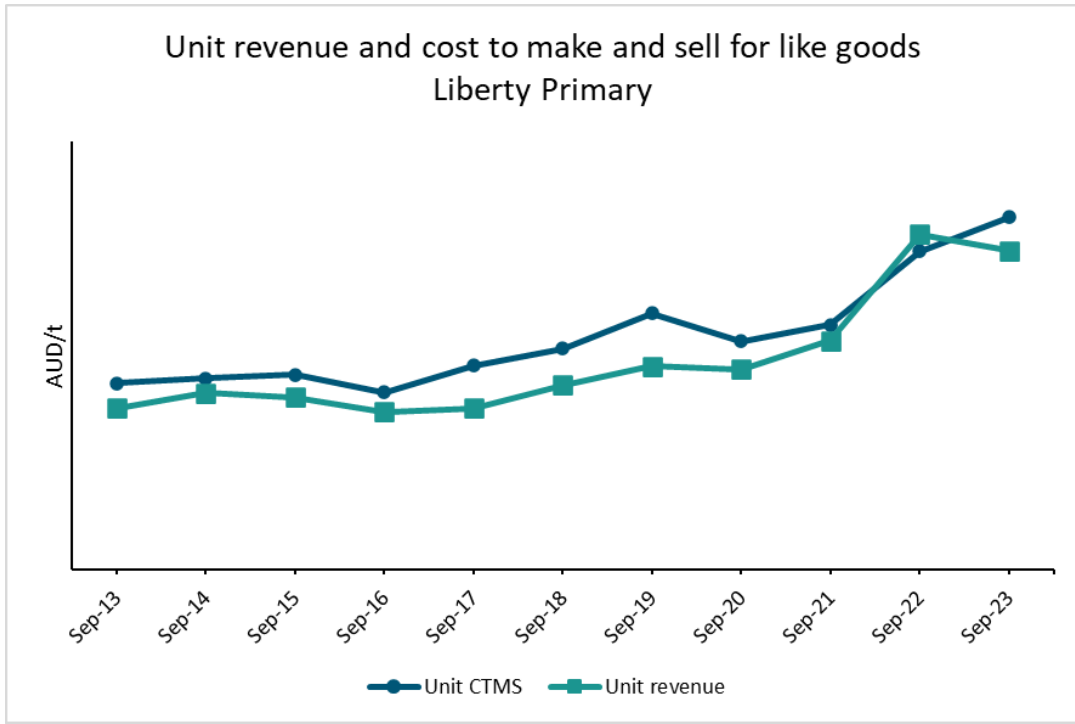


Figure 5: Liberty Primary’s unit revenue and CTMS of like goods

5.6 Profits and profitability

Figure 6 depicts Liberty Primary’s net profit and profitability for like goods since September 2013. Liberty Primary experienced a recovery in its net profit and profitability from Sep-20 to Sep-22, before declining again in Sep-23.

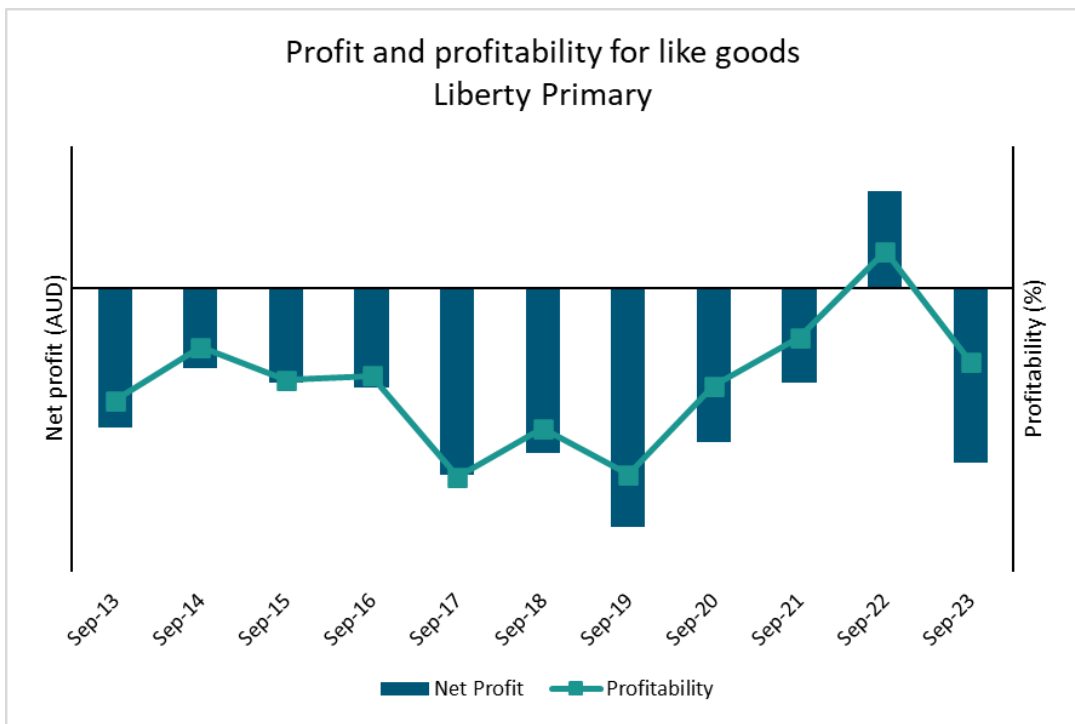


Figure 6: Liberty Primary’s profit and profitability for like goods

5.7 Other economic factors

5.7.1 Assets

Figure 7 depicts the value of Liberty Primary’s assets used in the production of like goods. The value of assets decreased sharply from FY20 to FY21 and has remained relatively stable since.

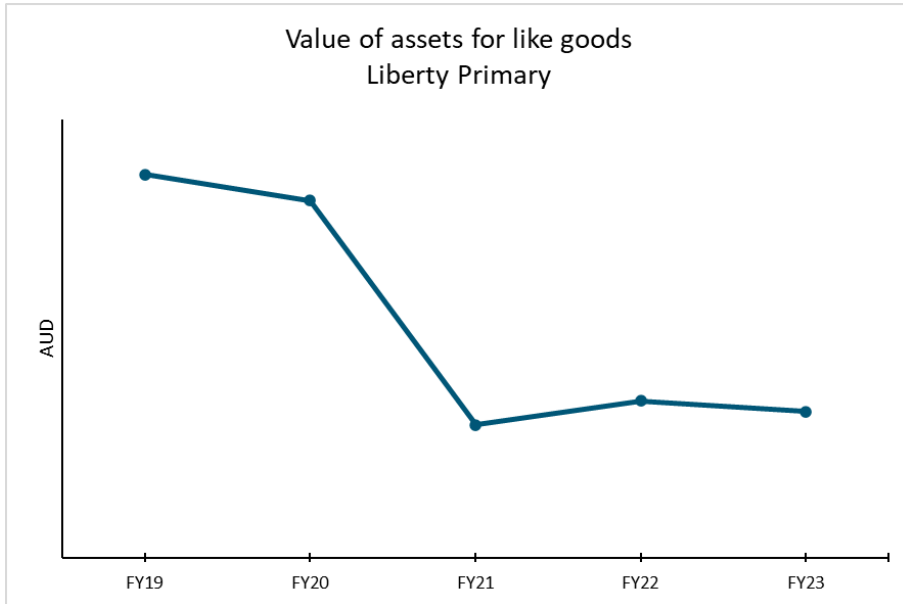


Figure 7: Liberty Primary’s value of assets for like goods

5.7.2 Capital investment

Figure 8 depicts Liberty Primary’s capital investment relating to like goods. The level of investment decreased sharply from FY19 and has continued to decrease slightly.

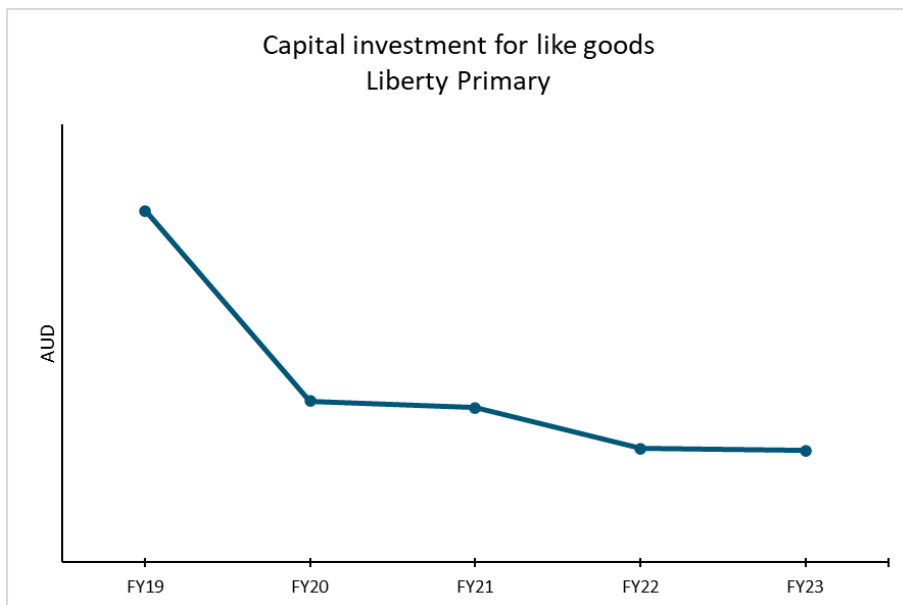


Figure 8: Liberty Primary’s capital investment for like goods

5.7.3 Research and development

Figure 9 depicts Liberty Primary’s R&D expenditure. Liberty Primary’s R&D expenditure has increased steadily since FY20.

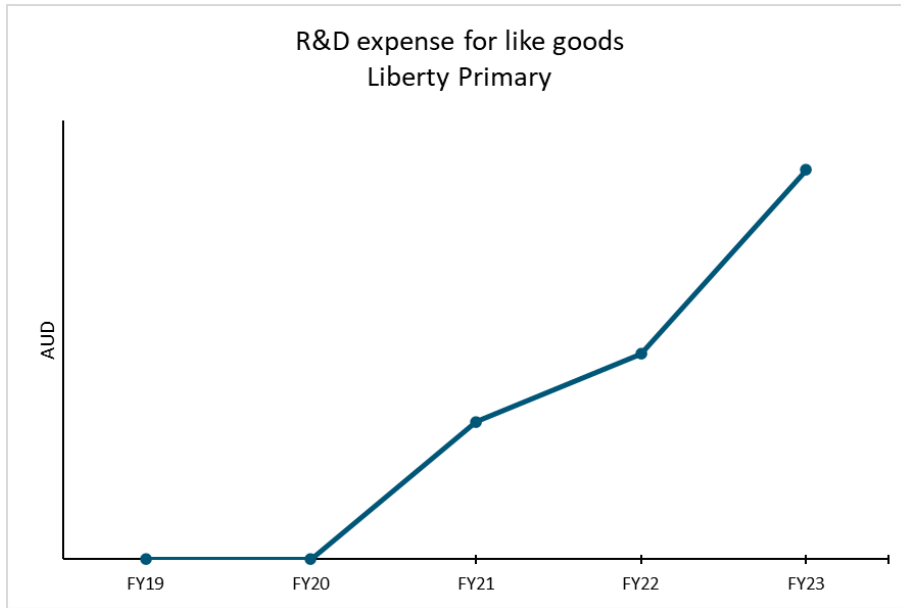


Figure 9: Liberty Primary’s R&D expense for like goods

5.7.4 Revenue

Figure 10 depicts Liberty Primary’s revenue for like goods. Liberty Primary’s revenue has increased since FY19, with a large increase occurring in FY22.

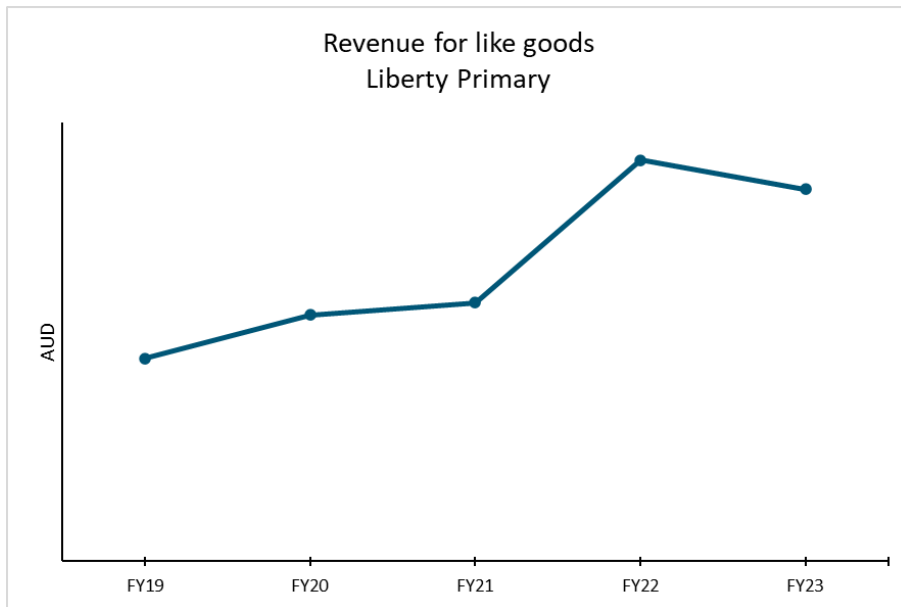


Figure 10: Liberty Primary’s revenue for like goods

5.7.5 Return on investment

Figure 11 depicts Liberty Primary’s ROI for like goods. Liberty Primary’s ROI has been consistently negative, excluding a positive return in FY22. ROI has been expressed as net profit divided by value of assets.

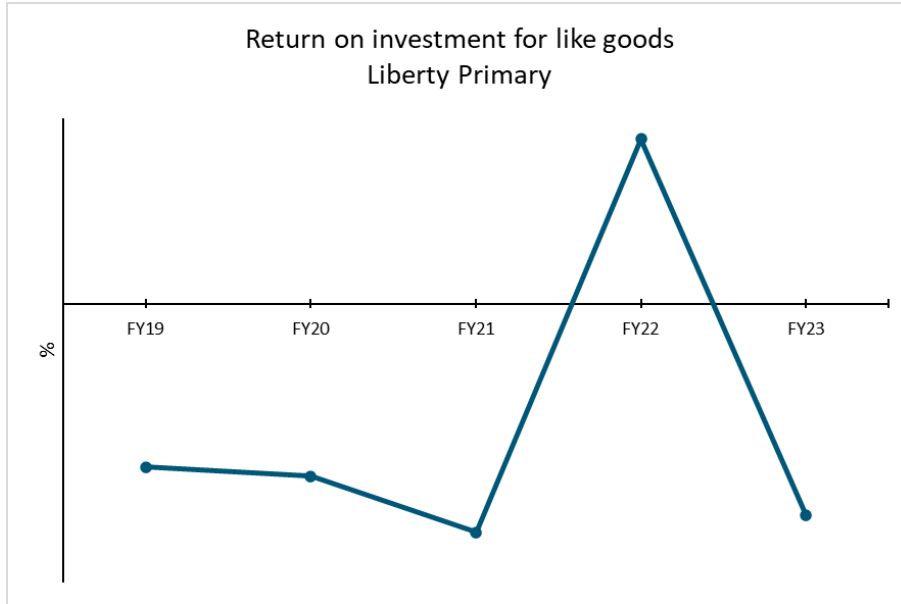


Figure 11: Liberty Primary’s ROI for like goods

5.7.6 Capacity utilisation

Figure 12 depicts Liberty Primary’s capacity utilisation as it relates to like goods. Liberty Primary’s capacity utilisation has remained steady since FY20, following an increase from FY19.

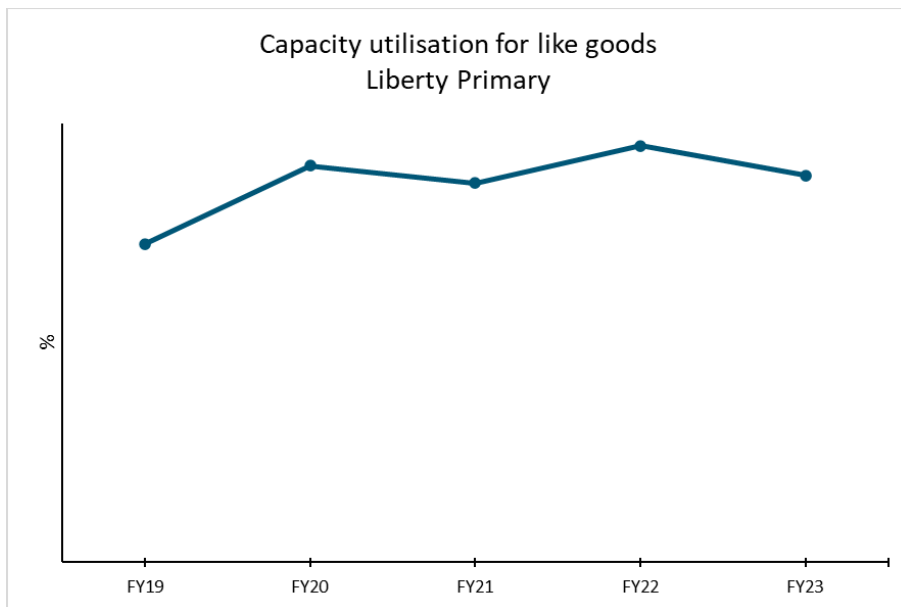


Figure 12: Liberty Primary’s capacity utilisation for like goods

5.7.7 Employment

Figure 13 shows that the number of employees involved in the production of like goods has remained steady over the analysis period.

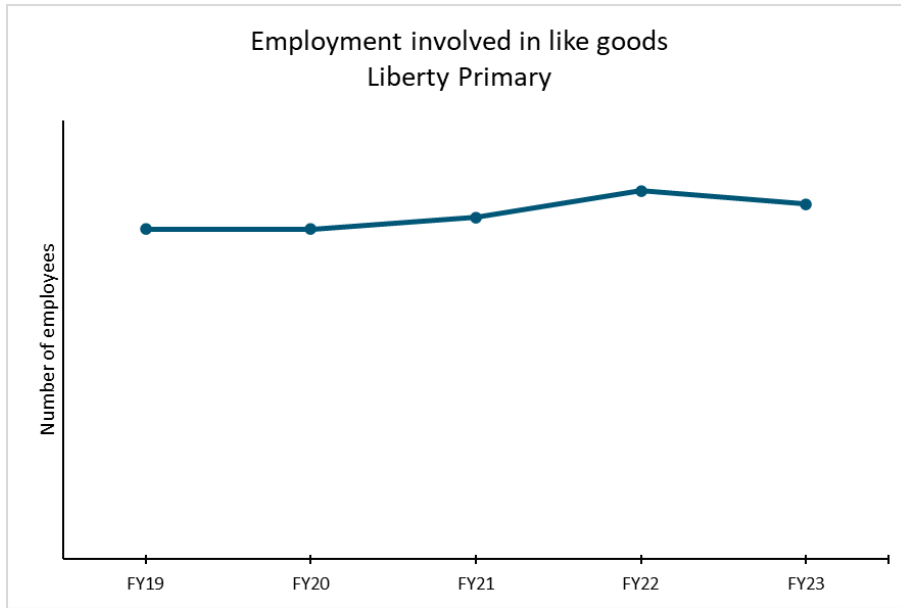


Figure 13: Liberty Primary’s employment involved in like goods

5.7.8 Productivity

Figure 14 depicts Liberty Primary’s productivity for like goods. Productivity increased from FY19 to FY22, before decreasing in FY23. However, productivity has increased overall from FY19 to FY23.

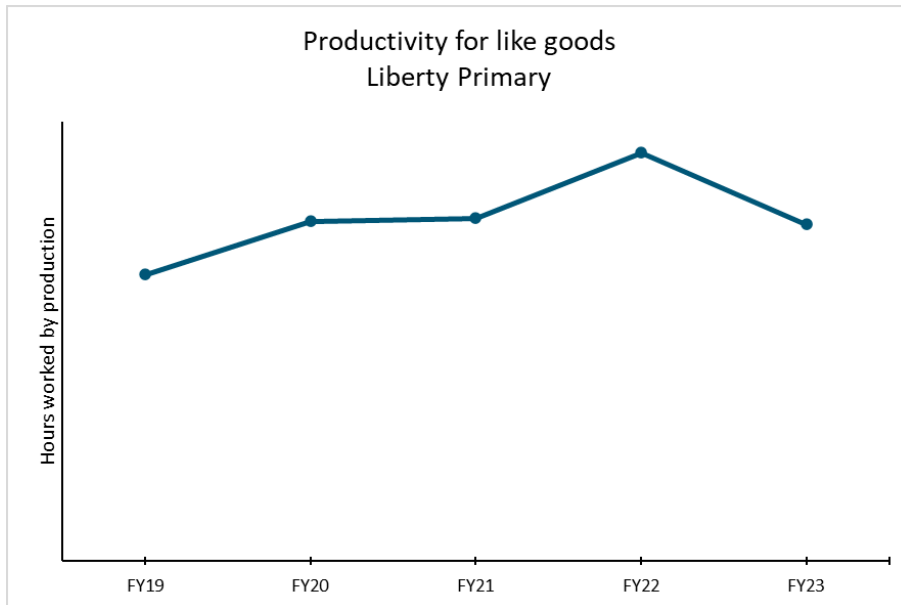


Figure 14: Liberty Primary’s productivity for like goods

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5.7.9 Average wages

Figure 15 depicts the average wages per employee for Liberty Primary. The average wages have increased year on year from FY19 to FY20.

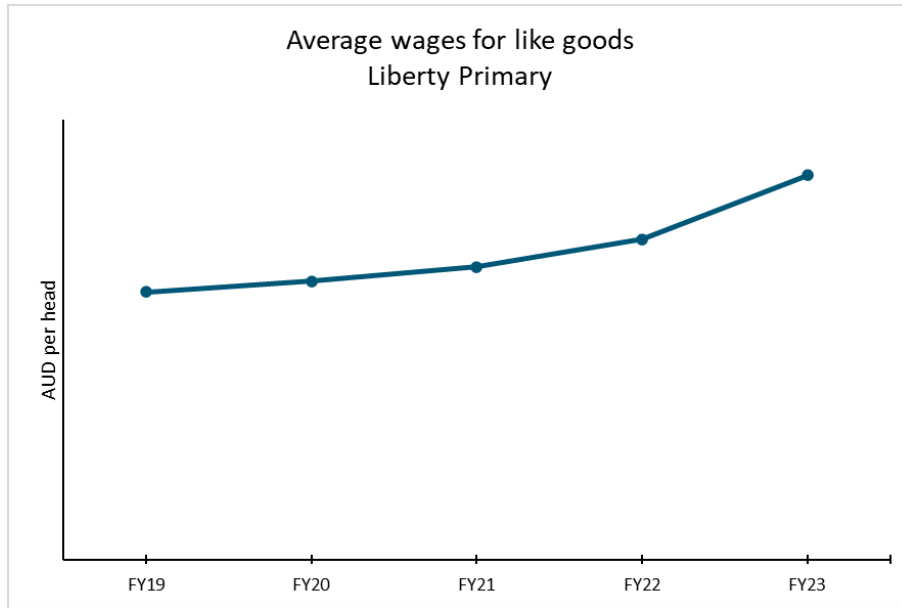


Figure 15: Liberty Primary's average wages for like goods

6 ASSESSMENT OF DUMPING DURING THE INQUIRY PERIOD

6.1 Preliminary finding

To assess whether dumping is likely to continue or recur, the commission has examined whether exports in the inquiry period were dumped. The commission has preliminarily determined dumping margins as summarised in Table 8.

Country	Exporter	Dumping margin
Japan	All exporters	18.6%
ROK	Hyundai Steel	5.2%
Taiwan	Dragon Steel	N/A
Thailand	All exporters	22.5%

Table 8: Summary of estimated dumping margins (inquiry period)

Dragon Steel from Taiwan did not export the goods to Australia during the inquiry period. The commission has only determined the normal value for Dragon Steel.

6.2 Legislative framework

Under section 269ZHF(2), the Commissioner must not recommend that the Minister take steps to secure the continuation of anti-dumping measures unless the Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, dumping. The existence of dumping during the inquiry period may be an indicator of whether dumping may occur in the future.

Dumping occurs when a product from one country is exported to another country at a price less than its normal value.

6.3 Assessment of level of dumping

The commission assessed the level of dumping over the inquiry period. The following sections outline the assessment for:

- Hyundai Steel (ROK)
- Dragon Steel (Taiwan)
- exports from Japan
- exports from Thailand.

6.3.1 Hyundai Steel

Hyundai Steel was the only exporter from the ROK during the inquiry period.

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The commission completed an on-site verification of the information Hyundai Steel provided in its REQ.³⁴

Export price

The commission considers Hyundai Steel to be the exporter of the goods, as Hyundai Steel is:

- the manufacturer of the goods
- named on the commercial invoice as the supplier
- named as consignor on the bill of lading
- arranges and pays for the inland transport to the port of export
- arranges and pays for the port handling charges at the port of export
- arranges and pays for the ocean freight and marine insurance.

The commission is satisfied that for all Australian export sales during the period, Hyundai Steel was the exporter of the goods.³⁵

Hyundai Steel made Australian export sales on free on board (FOB) and delivered duty paid (DDP) terms during the inquiry period.

The commission considers that for the minor volume of Australian export sales on FOB terms, Hyundai Steel's Australian customer is the importer of the goods.

For Hyundai Steel's Australian export sales on DDP terms, the commission has found:

- the Australian customer is named as the buyer on the sales order contract and commercial invoice
- Hyundai Steel is named as the shipper on the bill of lading
- the consignee on the bill of lading is listed as 'to the order of shipper' (as export sales are arranged on letter of credit)
- the Australian customer is named as the notify party on the bill of lading
- the letter of credit is payable on sight of the bill of lading (payable when the goods are exported)
- Hyundai Steel pays for all post-exportation charges (excluding marine insurance where applicable) up to and including Australian customs clearance fees
- Hyundai Steel pays for the IDD.

³⁴ [EPR 637](#), no 14.

³⁵ The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

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Based on the above findings, the commission considers that Hyundai Steel was also the beneficial owner of the goods at the time of their arrival in Australia and therefore the importer of the goods.³⁶ Although the Australian customer pays for the goods under the letter of credit on sight (at the time of export), it cannot benefit from the goods until they are released from Australian customs which is the responsibility of Hyundai Steel.

In respect of the Australian sales of the goods during the inquiry period, the commission found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than their price
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated, or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

The commission therefore considers that all export sales to Australia made by Hyundai Steel during the period were arms length transactions.

For Hyundai Steel's sales at FOB terms, the commission has determined the export price under section 269TAB(1)(a). For these sales, the goods have been exported to Australia by Hyundai Steel and purchased by an unrelated importer in an arms length transaction.

For Hyundai Steel's sales at DDP terms, Hyundai Steel acts as both the exporter and the importer. As sections 269TAB(1)(a) or 269TAB(1)(b) require the goods to have been purchased by the importer from the exporter, the commission cannot determine the export price under these sections. Accordingly, the commission has determined Hyundai Steel's export price for DDP sales under section 269TAB(1)(c), having regard to all the circumstances of the exportation. Specifically, the commission has determined the export price at FOB terms, based on the commercial invoice price less:

- ocean freight
- marine insurance (where applicable)
- Australian Customs brokerage charges
- IDD or final duty payable (where applicable).

Treatment of dumping duty

The commission considers that IDD and final duty payable are relevant circumstances of exportation under section 269TAB(1)(c).

³⁶ 'Importer' is defined in section 269T(1).

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IDD and final duty payable are relevant deductions under section 269TAB(2)(a).³⁷ Section 269TAB(2) relates to deductions made to an export price determined under section 269TAB(1)(b). However, it is still a relevant consideration for an export price determined under section 269TAB(1)(c) where a deductive approach is taken, as in this case.

The commission will deduct IDD in circumstances where no duty assessment has been finalised.

If a duty assessment has been finalised within the period examined, the commission will instead deduct the final duty payable.

The commission's calculation of Hyundai Steel's export price is at **Confidential Attachment 5**.

Date of Sale

Hyundai Steel has claimed that the sales order date should be taken as the date of sale because it best reflects the time at which the material terms of the contract (being the contract terms relating to the price and quantity of the sale) are established.

The date of sale, for the purpose of calculating the export price under section 269TAB(1), is the date a sales transaction best establishes the material terms of the sale of the exported goods.

The Manual states that the commission will normally establish the date of sale using invoice date. The commission considers that the invoice date generally best reflects the material terms of the sale and approximates the shipment date for the goods exported. However, where a claim is made that a date other than the date of invoice better reflects the date of sale, the commission will examine the evidence provided.³⁸

In *Anti-Dumping Commission Report 499*, the commission found that Hyundai Steel's sales order date best reflected the material terms of the sale. Based on the commission's analysis at the time, it determined that there was no variance in price and no evidence of continuing negotiation between the sales order date and commercial invoice date.

The commission has examined the evidence before it as part of this inquiry. In determining what date best reflects the time material terms of the sale of the exported goods, the commission has found the following:

- The unit invoice value on the commercial invoice did not match the unit invoice value on the sales order for most of the selected invoices.
- The net invoice value on the commercial invoice matches the revenue recorded in Hyundai Steel's accounting system.
- The sales order contract indicated that certain terms could be changed before the invoice date.

³⁷ Department of Industry, Science and Resources (DISR), [ADRP Report No. 129](#), Anti-Dumping Review Panel, Australian Government, 2021, p 20 (para 62).

³⁸ [The Manual](#), pp 51-52.

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- Certain post-exportation costs changed between the sales order date and the commercial invoice date.

Based on the findings stated above, the commission considers the date of sale to be the commercial invoice date as this best reflects the material terms of sale relevant for the calculation of the export price.

Normal value

Normal values were established in accordance with section 269TAC(1) using Hyundai Steel's domestic sales for like goods sold in the OCOT in arms length transactions.

Table 9 provides a summary of the adjustments that, in accordance with section 269TAC(8), are necessary to ensure a fair comparison of normal values with export prices.

Adjustment Type	Deduction/addition
Domestic credit expenses	Deduction
Domestic inland transport	Deduction
Export inland transport	Addition
Export handling & other costs	Addition

Table 9: Hyundai Steel adjustments to normal value

The commission's calculation of Hyundai Steel's normal value is at **Confidential Attachment 7**.

Dumping margin

The preliminary dumping margin for the goods exported to Australia by Hyundai Steel for the inquiry period is **5.2%**.

The commission's calculation of Hyundai Steel's dumping margin is at **Confidential Attachment 8**.

Submissions regarding Hyundai Steel's variable factors

In its submission of 1 March 2024, Liberty Primary raised concerns with Hyundai Steel's date of sale claims and how the date of sale may be treated as part of the dumping margin calculations.³⁹

The commission has concluded that the appropriate date of sale for Hyundai Steel's export sales is the invoice date. Accordingly, the commission has followed its usual process for determining the export price and dumping margin, by comparing the weighted average export price over the whole of the inquiry period with the weighted average of corresponding normal values over the whole of the inquiry period.

³⁹ [EPR 637](#), no 7, pp 2-5.

6.3.2 Dragon Steel

Dragon Steel did not export the goods to Australia during the inquiry period. During the inquiry period there were no exports from Taiwan subject to measures.

Dragon Steel provided a completed REQ to the commission.⁴⁰ The commission assessed Dragon Steel's REQ and did not find any deficiencies. Although the commission did not conduct a verification of Dragon Steel's REQ, it considers that the information is sufficient to determine Dragon Steel's normal value. This is because Dragon Steel provided relevant information, including:

- a domestic sales listing including related and unrelated parties
- CTMS for the like goods sold domestically
- information (including the relevant standards) that would allow the commission to apply the model matching criteria.

Export price

As Dragon Steel did not export the goods to Australia during the inquiry period, the commission has not assessed Dragon Steel's export price. The commission considers that the information before it is not sufficient to determine an export price for Dragon Steel. The commission considered the following factors:

- All exports of the goods from Taiwan during the period were exempt from the measures. This means that an export price estimated using ABF import data may not reflect actual trading conditions for exporters subject to the measures.
- The commission did not have sufficient information to determine appropriate third country export sales.

Normal value

Dragon Steel provided information in its REQ that enabled the commission to calculate a normal value.

Dragon Steel sold 32 models in its domestic market during the inquiry period. Dragon Steel's catalogue provides information on HRSS that it produces to Australian/New Zealand Standard 3679.1.⁴¹ Based on that information, the commission considers that the following models would be comparable if Dragon Steel were to export to Australia:

- P-H-B-B-1-L-Y
- P-H-B-B-1-S-Y
- P-H-B-B-2-L-Y
- P-H-B-B-2-S-Y
- P-H-B-B-3-L-Y

⁴⁰ [EPR 637](#), no 5.

⁴¹ Dragon Steel Corporation, [DSC Catalogue – Specification](#), Dragon Steel Corporation website, n.d., accessed 17 May 2024.

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These are models with a:

- minimum yield strength greater than or equal to 265 MPa
- tensile strength greater than or equal to 400 MPa and less than 450 MPa
- carbon equivalent value specified in relevant standard.

Dragon Steel made domestic sales to related and unrelated customers during the inquiry period. The commission compared domestic selling prices to related and unrelated customers to assess whether Dragon Steel's sales to its related customers were arms length. The commission found that on average and for each MCC, Dragon Steel's price to its related domestic customers were higher. Accordingly, the commission was satisfied that Dragon Steel's sales to its domestic related customers were arms length.

The commission is satisfied that there were sufficient volumes of sales of the above models:

- sold for home consumption in the country of export
- sold in arms length transactions
- at prices that were within the OCOT.

As these conditions are satisfied, the commission has determined the normal value for Dragon Steel under section 269TAC(1).

Table 10 provides a summary of the adjustments that, in accordance with section 269TAC(8), are necessary to ensure a fair comparison of normal values with export prices. The commission did not have sufficient data to calculate an export credit adjustment.

Adjustment Type	Deduction/addition	Basis
Domestic credit expenses	Deduction	Actual cost incurred
Domestic packaging expense	Deduction	Actual cost incurred
Domestic inland transport	Deduction	Actual cost incurred
Export costs from EXW to FOB	Addition	Weighted average difference in EXW and FOB export sales to third countries
Export packaging expense	Addition	Export packaging expense

Table 10: Dragon Steel adjustments to normal value

The commission's calculation of Dragon Steel's normal value is at **Confidential Attachment 11**.

Dumping margin

As the commission could not determine an export price for Dragon Steel during the inquiry period, the commission has not calculated a dumping margin.

The commission has further assessed the likelihood of a recurrence of dumped exports from Dragon Steel (and Taiwan) in sections 7.5 and 7.6.

6.3.3 Exports from Japan

The commission did not receive any completed REQs from exporters from Japan. The commission has therefore used the best available information to estimate the dumping margin for exports of the goods from Japan in the inquiry period.

Export price

The commission has used ABF import data to ascertain the weighted average FOB value for imports from Japan over the inquiry period.

Normal value

The commission has used confidential steel pricing data relating to domestic prices for HRSS in Japan over the inquiry period.

Dumping margin

The commission has calculated an estimate of dumping by deducting the export price from the normal value.

The commission has estimated a dumping margin for exports from Japan of **18.6%**.

The commission's assessment of dumping from Japan is at **Confidential Attachment 3**.

6.3.4 Exports from Thailand

The commission did not receive any completed REQs from exporters from Thailand. The commission has therefore used the best available information to estimate the dumping margin for exports of the goods from Thailand in the inquiry period.

Export price

The commission has used ABF import data to ascertain the weighted average FOB value for imports from Thailand over the inquiry period.

Normal value

The commission does not have steel pricing data relating to domestic prices for HRSS in Thailand over the inquiry period.

The commission has instead used information provided by Liberty Primary in its application to estimate the normal value for exports from Thailand. Information was provided up to the Mar-23 quarter.

Where information was not available, the commission has adjusted the historical prices by movements in steel scrap prices. The commission considers that the movements in steel scrap prices (a major raw material input for HRSS) is an appropriate measure where more detailed information is not available.

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Dumping margin

The commission has calculated an estimate of dumping by deducting the export price from the normal value.

The commission has estimated a dumping margin for exports from Thailand of **22.5%**.

The commission's assessment of dumping from Thailand is at **Confidential Attachment 3**.

7 LIKELIHOOD THAT DUMPING AND MATERIAL INJURY WILL CONTINUE OR RECUR

7.1 Preliminary finding

Based on the evidence obtained during this inquiry, the Commissioner is satisfied that the expiration of the measures applying to the goods exported to Australia from the subject countries would lead, or would be likely to lead, to a continuation of, or recurrence of dumping and the material injury that the measures are intended to prevent.

After considering the commission's analysis and findings, the Commissioner is preliminarily satisfied that the following would be likely to occur if the measures expire.

Exports of the goods from the subject countries will continue because:

- exporters from the subject countries have changed behaviour in response to changes in the level of measures
- exporters from the subject countries have maintained, or are able to readily establish, distribution links in the Australian market
- exporters from the subject countries have excess production capacity that could be directed towards Australia
- excess production capacity in China is influencing market conditions in the subject countries, placing pressure on exporters to seek out export markets, including Australia
- trade measures in the United States of America (USA) and European Union (EU) make Australia a more attractive export market for exporters from the subject countries
- exporters from ROK, Taiwan and Thailand maintain ACRS certification.

Those exports will be dumped because:

- the goods exported from Japan and Thailand during the period were estimated to be dumped
- exports from the ROK have been calculated to have been dumped during the period
- if exports from Taiwan not subject to measures were to resume, they would likely be at dumped prices to compete with exports from Taiwan that are not subject to measures
- the goods exported from all subject countries were dumped in the original investigation, and the period examined in REV 499
- the price sensitive nature of the Australian HRSS market promotes a high level of competition between exports from the subject countries.

The continuation or recurrence of dumping will cause material injury to Liberty Primary because:

- exporters from the subject countries have demonstrated changes in exporting behaviour in response to the measures
- exports from the subject countries have undercut Liberty Primary's selling prices

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- Liberty Primary has considerable regard to import prices through its IPP model
- exporters from the subject countries had significant excess production capacity during the inquiry period
- the expiry of measures would provide exporters from the subject countries with a price advantage in a price sensitive market
- a reduction in import prices as exporters seek to compete in a market absent of measures and the associated increase in import volumes would likely lead to a continuation or recurrence of the material injury experienced by Liberty Primary.

7.2 Framework

Under section 269ZHF(2) the Commissioner must not recommend that the Minister take steps to secure the continuation of measures unless they are satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the measure is intended to prevent.

The commission notes that its assessment of the likelihood of certain events occurring and their anticipated effect, as is required in a continuation inquiry, necessarily requires an assessment of a hypothetical situation. The commission must consider what will happen (or what would be likely to happen) in the future should a certain event, being the expiry of the measures, occur. However, the Commissioner must nevertheless base their conclusions and recommendations on facts.⁴²

7.3 The commission's approach

The commission considered several relevant factors to assess the likelihood that dumping and material injury will continue or recur, as outlined in the Manual.⁴³ The commission's view is that the relevance of each factor varies depending on the nature of the goods and the market into which the goods are sold. In this instance, no one factor can provide decisive guidance. The following analysis therefore examines a range of factors that the commission considers relevant to this inquiry.

Taiwan

There were no exports of the goods from Taiwan that were subject to measures during the inquiry period. All exports were from either Tung Ho, TS Steel or Feng Hsin (the exempt exporters). To assess whether dumped exports from Taiwan subject to measures are likely to recur, the commission has examined information relating to Dragon Steel. In the absence of further information from other exporters from Taiwan, the commission considers that Dragon Steel's information is an appropriate basis. This is because:

- Dragon Steel is the only exporter subject to measures which retains ACRS accreditation for hot rolled steel
- Dragon Steel has previously exported the goods to Australia

⁴² DISR, [ADRP Report No. 44](#), Anti-Dumping Review Panel, Australian Government, 2017.

⁴³ [The Manual](#), pp 137-138.

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- The commission is not aware of any other current producers of HRSS from Taiwan that are subject to the measures.

7.4 Australian industry claims

In its application, Liberty Primary made the following claims regarding the continuation or recurrence of injury of HRSS exported to Australia from the subject countries:

- Exports have continued following the imposition of measures in 2014 and the continuation of those measures in 2019.
- Exporters have maintained distribution links to the Australian market.
- There is excess production capacity in the subject countries.
- Australia remains an attractive and accessible market for exports from the subject countries given trade barriers against them in other developed markets.
- It is reasonable to conclude that exports were dumped during the period examined in the application (1 July 2022 to 30 June 2023).
- Exports have undercut Liberty Primary's prices during the period examined in the application.
- The Australian HRSS market continues to be price sensitive and Liberty Primary's prices continue to be subject to import price competition.

The commission has considered Liberty Primary's claims in its analysis below.

7.5 Are exports likely to continue or recur?

The commission considers that, should the measures expire, exports from the subject countries are likely to continue.

This finding is based on the following significant factors:

- Exports subject to measures have continued from Japan, the ROK, and Thailand following the continuation of the measures in 2019.
- Exporters from the subject countries have changed behaviour in response to changes in the level of measures.
- Exporters from the subject countries have maintained, or are able to readily establish, distribution links in the Australian market.
- Exporters from the subject countries have excess production capacity that could be directed towards Australia.
- Excess production capacity in China is influencing market conditions in the subject countries, placing pressure on exporters to seek out export markets, including Australia.
- Trade measures in the USA and EU make Australia a more attractive export market for exporters from the subject countries.
- Exporters from ROK, Taiwan, and Thailand maintain ACRS certification.

As part of this finding, the commission has assessed:

- import volumes
- maintenance of distribution links
- excess production capacity in the subject countries

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- excess production capacity in China
- trade measures in other jurisdictions
- ACRS accreditation
- the potential effects of carbon border adjustment mechanisms.

The commission's assessment is outlined in the sections below.

7.5.1 Import volumes

The commission assessed import volumes from all sources from year ending September 2013. The commission's assessment of import volumes is at **Confidential Attachment 4**.

Figure 16 depicts the volume of imports of HRSS since year ending September 2013.

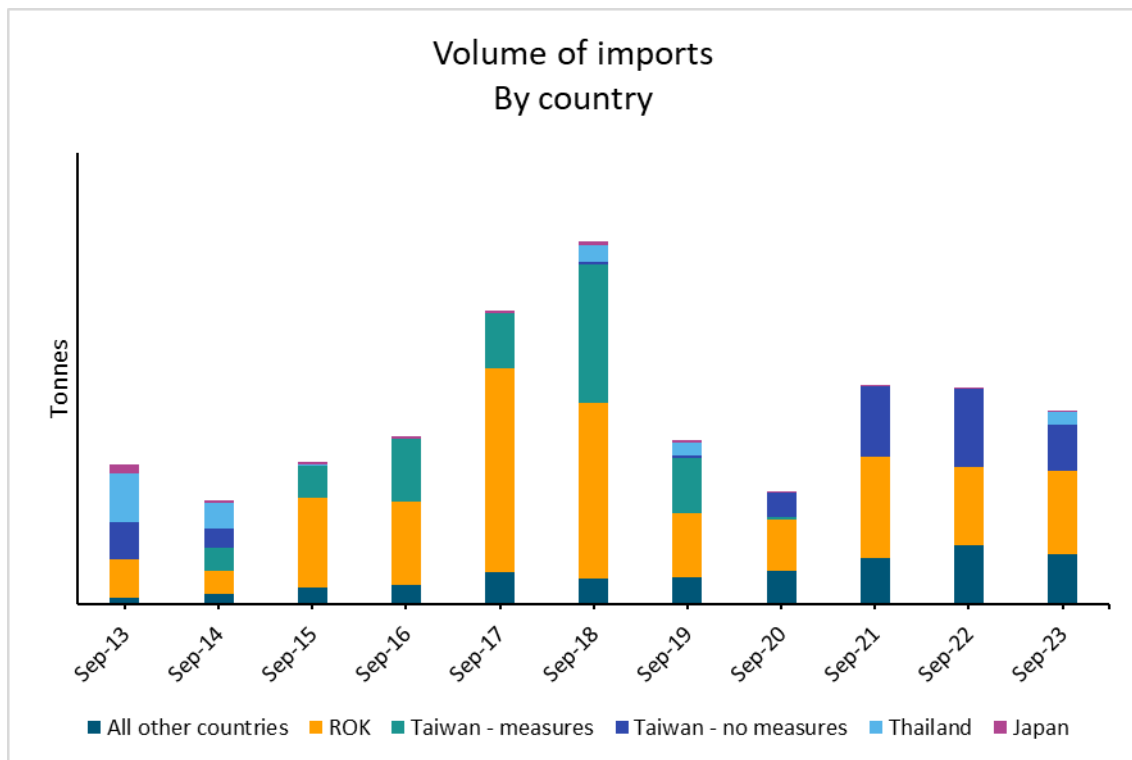


Figure 16: Volume of imports by country

Figure 16 shows:

- import volumes increased to a peak in year ending September 2018, driven by increases from the ROK and Taiwan
- import volumes decreased into year ending September 2020, after the continuation of measures in November 2019
- starting in year ending September 2020, imports from Taiwan were from exporters not subject to measures
- imports from all other countries have increased since year ending September 2013.

ROK

Figure 17 shows the movement in the volume of imports from the ROK since year ending September 2013.

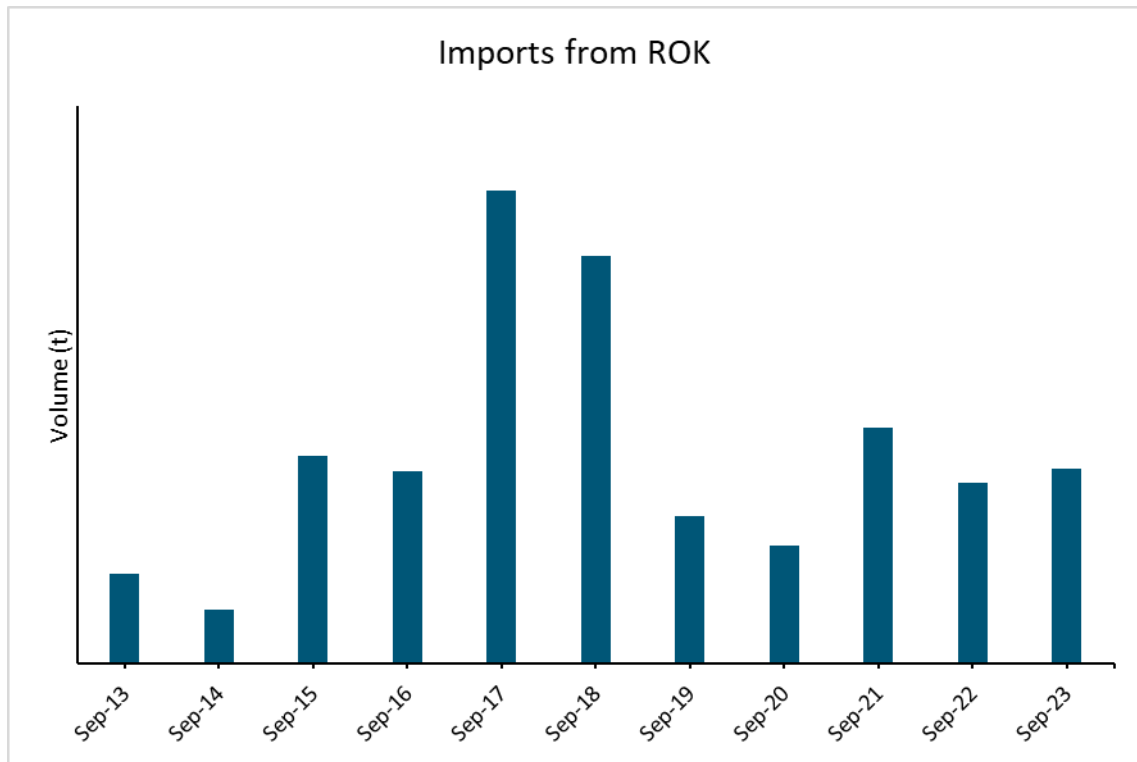


Figure 17: Movement in imports from the ROK

Following the imposition of measures on 20 November 2014, imports from the ROK increased substantially up to year ending September 2018. The measures applying to imports from the ROK prior to 2018 were in the form of the *ad valorem* method (percentage of export price).⁴⁴

Following REV 465 in December 2018, the level of measures applying to imports from the ROK were increased and changed to the combination method (fixed and variable).⁴⁵ Figure 17 shows a clear decrease in the volume of imports from the ROK following REV 465.

The measures applying to imports from the ROK were again changed following REV 499 in November 2020 and *ADRP Review no 120* in April 2021.⁴⁶ The result of these reviews was a decrease in the fixed component of the measures. Imports from the ROK increased following these reviews.

⁴⁴ Refer to [ADN 2014/127](#).

⁴⁵ Refer to [ADN 2018/167](#).

⁴⁶ Refer to [ADN 2019/125](#) and Public Notice – Ministers Decision, [ADRP Review no 120](#).

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The commission considers that this indicates that the measures have influenced the import volumes, and patterns of trade, from exporters from the ROK. If the measures expire, it is likely that exports from the ROK will increase.

Japan

Figure 18 shows the movement in imports from Japan since year ending September 2013.

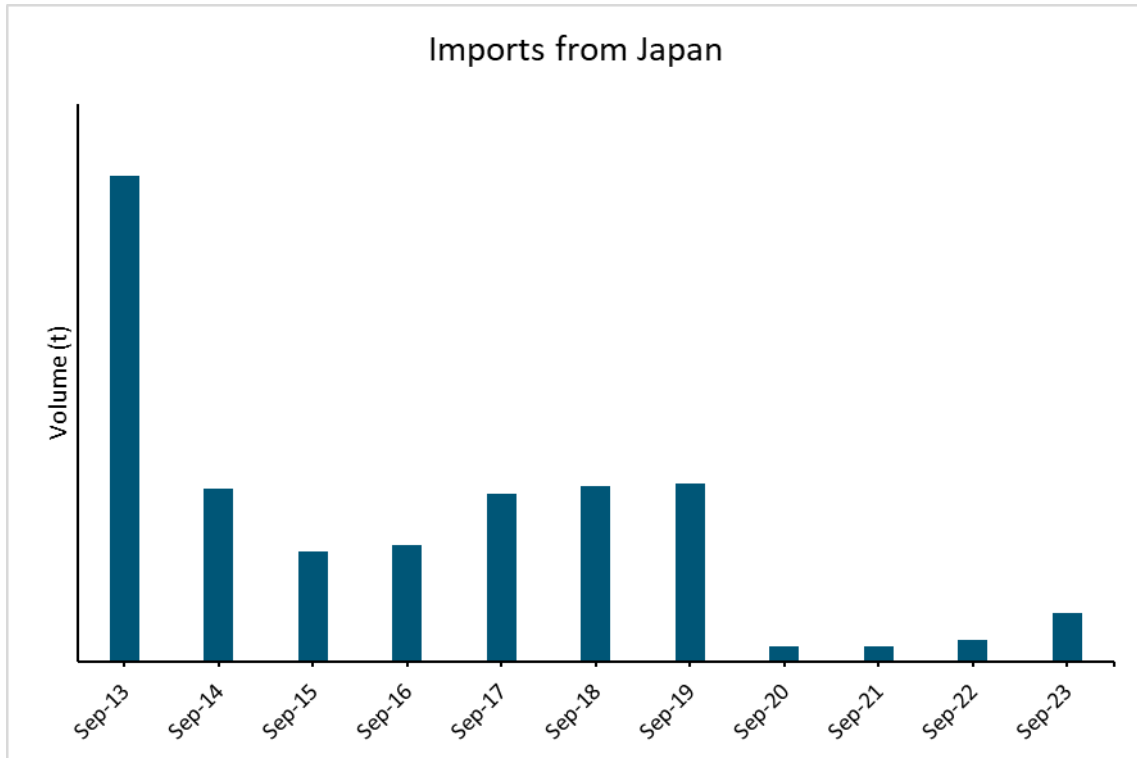


Figure 18: Movement in imports from Japan

Imports from Japan decreased substantially following the imposition of the measures. Imports decreased from year ending September 2014 to year ending September 2015, after which they began to increase slightly. At this time, the measures were in the form of an *ad valorem* method (percentage of export price).⁴⁷

The measures applying to imports from Japan changed because of REV 499 (from *ad valorem* to the combination method).⁴⁸ Imports from Japan almost stopped following this change. However, in year ending September 2023, it appears that imports from Japan have begun to increase again.

⁴⁷ Refer to [ADN 2014/127](#).

⁴⁸ Refer to [ADN 2019/125](#).

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The commission notes that the fixed amount of duty that applies to imports from Japan is at a similar rate to the previous *ad valorem* rate.⁴⁹ The commission considers that the recent increase in imports from Japan may be reflective of favourable pricing conditions.

The commission considers that this indicates that exporters from Japan have changed behaviour in response to changes in measures. If the measures expire, it is likely that exports from Japan will increase.

Taiwan

Figure 19 shows the movement in imports from Taiwan since year ending September 2013.

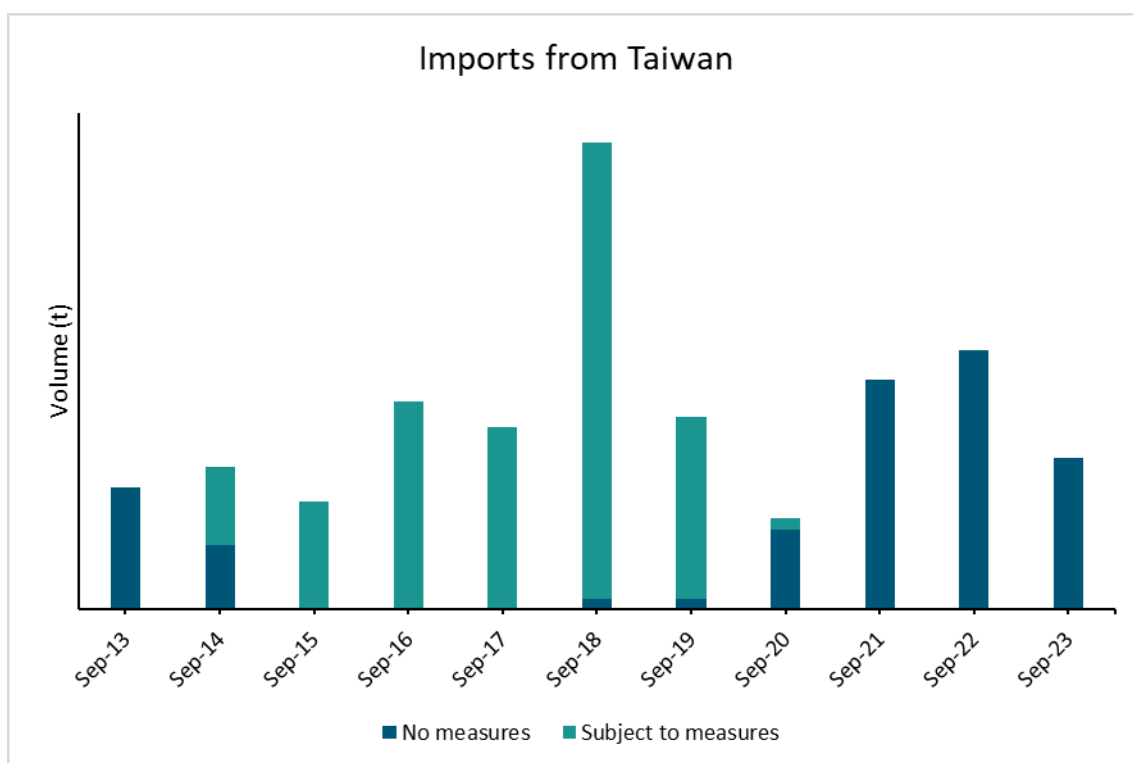


Figure 19: Movement in imports from Taiwan

Following CON 505 and the subsequent *ADRP Review no 121*, imports from Taiwan by Feng Hsin, TS Steel and Tung Ho were no longer subject to measures.⁵⁰ This resulted in imports from Taiwan subject to measures stopping in 2020, although imports from Taiwan not subject to measures did continue.

As outlined in section 7.3, the commission has examined Dragon Steel's exports to assess whether exports from Taiwan subject to measures are likely to recur.

⁴⁹ 12.2% currently, compared to 12.15% following INV 223.

⁵⁰ Refer to Public Notice – Ministers Decision, [ADRP Review no 120](#). Feng Hsin was not subject to measures because of INV 223.

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Dragon Steel received its own form of measures following *Accelerated Review 359* in October 2016. The measures at this time were in the form of a floor price. However, Dragon Steel did not export to Australia until 2018. When Dragon Steel commenced exporting to Australia, the volume of imports increased each quarter until the Mar-19 quarter. The commission's analysis indicates that there have been upward movements in prices in the Australian market since *Accelerated Review 359*. Based on this, the commission considers that when Dragon Steel commenced exporting in 2018, it was able to do so above the floor price. This indicates that Dragon Steel will likely export to Australia when trading conditions are favourable.

Imports from Dragon Steel then stopped. REV 499 and CON 505 were initiated in the Mar-19 quarter. As a result of REV 499, measures applying to Dragon Steel were changed in November 2020. The measures were changed from a floor price to the combination method. Exports from Dragon Steel did not resume following this change in measures.

The commission considers that the above analysis indicates that Dragon Steel changed its behaviour in response to the change in measures. It exported to Australia when the measures were in the form of a floor price, which has the potential to 'become out-of-date and in a rising market become ineffective.'⁵¹ Exports from Dragon steel did not resume following the change of measures to the combination method, which introduced a fixed rate of IDD.

Based on the commission's observations in relation to Dragon Steel, it considers that exporters from Taiwan (excluding the exempt exporters) are likely to export to Australia when trading conditions are favourable. This indicates that exports from Taiwan (excluding the exempt exporters) are likely to resume if the measures expire.

⁵¹ DISR, '[Guidelines on the application of forms of dumping duty](#)', Anti-Dumping Commission, Australian Government, 2013.

Thailand

Figure 20 shows the movement in imports from Thailand since year ending September 2013.

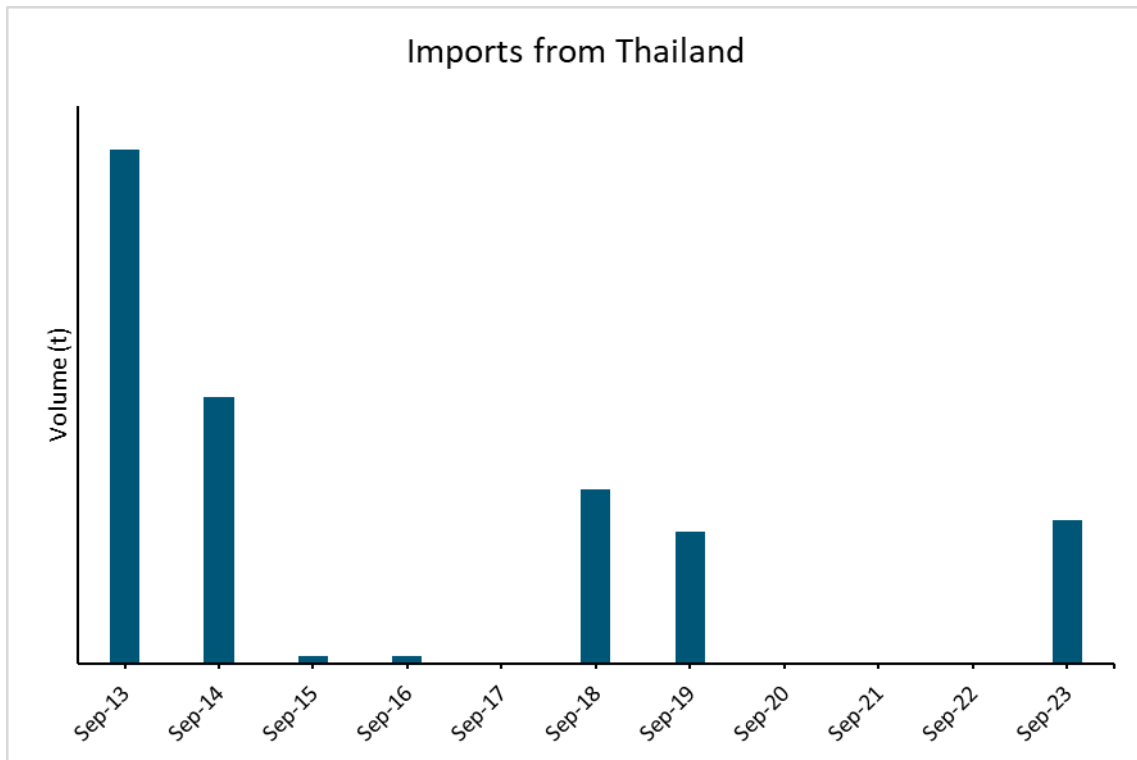


Figure 20: Movement in imports from Thailand

Imports from Thailand practically stopped following the initiation and imposition of securities in INV 223. Measures were imposed in the form of an *ad valorem* method.⁵²

Imports from Thailand resumed in 2018, following a change in measures to the floor price method because of *Review 346*.⁵³

Imports then stopped again in 2019 following the change of measures to the combination method because of *ADRP Review no 120*.⁵⁴ Imports from Thailand did resume in 2023.

The commission considers that this analysis indicates that when measures change providing favourable price conditions for exporters from Thailand, they will increase their volume of exported goods to Australia.

⁵² Refer to [ADN 2014/127](#).

⁵³ Refer to [ADN 2016/98](#).

⁵⁴ Refer to Public Notice – Ministers Decision, [ADRP Review no 120](#).

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The commission considers that this indicates that exporters from Thailand have changed behaviour in response to changes in measures. If the measures expire, it is likely that exports from Thailand will increase.

7.5.2 Maintenance of distribution links

Japan

The commission has found that exporters from Japan have maintained distribution links with the Australian market following CON 505. The same exporter-importer relationships have been maintained since 2018.

The commission considers that it is likely that exporters from Japan will continue to maintain distribution links with the Australian market.

ROK

Hyundai Steel has exported to Australia continuously since CON 505. The commission considers that this demonstrates that Hyundai Steel is likely to continue to maintain distribution links to the Australian market.

There were no other exporters of HRSS from the ROK during the inquiry period.

Taiwan

Dragon Steel did not export the goods to Australia during the inquiry period and has not exported the goods to Australia since 2019. When Dragon Steel did export the goods to Australia, it did so to a customer that had not previously imported from Taiwan. The commission considers that this demonstrates that Dragon Steel can establish new relationships with customers in Australia. The commission considers that Dragon Steel could re-establish distribution links in the Australian market if its exports to the Australia resume.

Sanwa submitted that it 'represents Tung Ho on an exclusive basis for sales into the distributor market in Australia'.⁵⁵ Given the nature of this relationship, the commission considers that it is unlikely that Sanwa would begin importing from Dragon Steel if its exports to Australia resumed. The commission does not consider that this is a barrier to Dragon Steel resuming exports to Australia.

Thailand

The commission found that exports from Thailand during the inquiry period were to a customer that had not previously imported from Thailand. The commission considers that this shows that exporters from Thailand have maintained distribution links to the Australian market. In addition, it demonstrates that exporters from Thailand can develop new relationships with customers in Australia.

⁵⁵ [EPR 637](#), no 3.

7.5.3 Excess production capacity in subject countries

The commission analysed the excess production capacity for each of the exporters that submitted capacity utilisation data for the inquiry period. The commission determined that excess capacity ranged between 30% to 35%.

During the on-site verification the commission determined that Hyundai Steel had excess production capacity of 35%.

The commission did not receive REQs from Japan or Thailand, and therefore does not have the production capacity data for those exporters. However, in its application Liberty Primary provided information regarding excess production capacity in each of the subject countries. Liberty Primary calculated that according to the World Steel Association (WSA) and Organisation for Economic Co-operation and Development (OECD), excess crude steelmaking capacity in Japan and Thailand was approximately 29% and 54%, respectively.⁵⁶ The commission considers that, while not exact, crude steelmaking capacity is a reasonable proxy for production capacity for HRSS. Previously verified exporters in Japan and Thailand produced HRSS from self-produced steel.⁵⁷ Accordingly, any excess capacity in crude steel production would translate into excess capacity for HRSS production.

Liberty Steel also commented that Japan had investment underway which would further increase steelmaking capacity.

Based on the information provided by the cooperating exporters and the information in Liberty Steel's application, the commission considers that subject exporters maintain excess production capacity. The high levels of excess production capacity have the potential to be directed towards Australia, particularly if the measures expire.

7.5.4 Excess production capacity in China

In its application, Liberty Primary considered that excess production capacity in China was also a relevant consideration in assessing whether exports from the subject countries will continue.⁵⁸ Liberty Primary claims that 'excess capacity in China encourages Chinese manufacturers to seek export markets for their products, including domestic markets of the exporters the subject of these measures.'

The commission considers that excess production capacity in China is a relevant consideration when assessing whether exports from the subject countries will continue.

The most recent OECD report on steel market developments supports a finding that excess capacity in China has resulted in increases in exports to the subject countries:

⁵⁶ [EPR 637](#), no 1, p 6.

⁵⁷ [EPR 223](#), no 61 and [EPR 499](#), no 26 respectively.

⁵⁸ [EPR 637](#), no 1, pp 14-15.

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China, the world's largest steel producer, has seen its trade balance in steel products widen significantly so far in the first quarter of the year. Exports are at their highest level since 2016, amounting to 79 mmt in annualised terms (+20% vs 2022), while imports plummeted to 10 mmt from 17 mmt in 2022 (-40%). Low domestic demand in the construction sector, coupled with a weak RMB, helped to keep down prices of Chinese steel products, which found place in foreign markets, in particular ASEAN countries, that have experienced an increase in steel demand in the first quarter of 2023.⁵⁹

The commission considers that the increased exports from China into the domestic markets of the subject countries is likely to encourage exporters from the subject countries to seek out export markets, including Australia. If the measures expire, it will make Australia a more attractive export market.

7.5.5 Trade measures in other jurisdictions

In its application, Liberty Primary referred to trade measures in the USA and the EU.⁶⁰ Liberty Primary submitted that these trade measures are 'a factor that influences global trade by altering comparative access to markets.' Liberty Primary claims that if the measures expire, it will make Australia a 'more attractive and accessible market' when compared to other jurisdictions with current trade measures.

The commission agrees that trade measures in other jurisdictions affect the global trade of steel products. Steel market intelligence obtained by the commission supports that trade defence measures in the USA and EU have exposed steel markets in East Asia to Chinese exports.⁶¹ As discussed in section 7.5.4, pressure from Chinese imports is likely to encourage exporters in the subject countries to seek out export markets, including Australia.

There is also no indication that these trade measures will ease in the future. Recently, the President of the United States of America proposed raising tariffs on certain Chinese steel products.⁶²

7.5.6 ACRS certification

Whilst not compulsory, ACRS certification is a generally preferred minimum market requirement for the supply of HRSS into the Australian market.

Steel mills with ACRS certification are subject to the manufacturing and testing processes prescribed by ACRS to meet the requirements of the Australian Standard. ACRS certifies

⁵⁹ Organisation for Economic Co-operation and Development (OECD), '[Steel Market Developments Q4 2023](#)', OECD, 2023, accessed 1 May 2024, p 34.

⁶⁰ [EPR 637](#), no 1, p 16.

⁶¹ **Confidential Attachment 13.**

⁶² T Hunnicutt, S Holland and D Lawder, '[Biden calls for higher tariffs on Chinese steel](#)', *Reuters*, 18 April 2024, accessed 1 May 2024.

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that the steel mill complies with the nominated standards. Imported HRSS sold in the Australian market generally originates from mills that are ACRS certified.

Table 11 outlines the current ACRS certification in the subject countries.⁶³

Country	Exporter	Certification
Japan	N/A	No certification covering the goods subject to measures
ROK	Hyundai Steel	Universal beams Universal columns Parallel flange channels
Taiwan	Dragon Steel	Universal beams Universal columns
Thailand	Siam Yamato Steel	Universal beams Universal columns Parallel flange channels Equal angles

Table 11: Current ACRS certification in the subject countries

Given the requirements placed on exporters to maintain ACRS certification, the commission considers it reasonable to conclude that exporters with ACRS certification intend to continue to supply the Australian market.

Although no exporters from Japan hold a current certification that covers the goods subject to measures, exports from Japan have continued. The commission considers that this supports that ACRS is not a compulsory requirement to export to Australia.

7.5.7 Carbon Border Adjustment Mechanisms

Liberty Primary claimed in its application that the introduction of mechanisms to prevent carbon leakage are likely to have distortive effects on trade.⁶⁴ Liberty Primary highlighted mechanisms such as the EU's Carbon Border Adjustment Mechanism (CBAM).

The intent of the CBAM is to put a price on the carbon emitted during the production of carbon intensive goods that are entering the EU. This mechanism seeks to ensure that the carbon price of imports is equivalent to the carbon price of domestic production.

Liberty Primary claims that this means that:⁶⁵

⁶³ Australasian Certification Authority for Reinforcing and Structural Steels (ACRS), [ACRS](https://www.steelcertification.com), steelcertification.com, 2024, accessed 26 June 2024.

⁶⁴ [EPR 637](#), no 1, p 16.

⁶⁵ [EPR 637](#), no 1, p 10.

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Exporters that either have high embodied carbon emissions or are unable to meet strict carbon reporting requirements, are likely to have higher costs imposed on their products when imported.

Liberty Primary considers that this will make it more attractive to export to markets without a CBAM or similar mechanism in place. It noted that Australia is currently such a market.

The commission considers that increased costs associated with CBAMs, or similar mechanisms could increase the attractiveness of export markets that do not have such mechanisms. However, the commission does not consider such mechanisms as they currently stand support a finding that exports are likely to continue or recur.

The CBAM implemented by the EU is only in a transitional phase until 2026.⁶⁶ In addition, Australia is also looking into the feasibility of implementing its own CBAM as part of Australia's Carbon Leakage Review.⁶⁷

⁶⁶ Taxation and Customs Union, '[Carbon Border Adjustment Mechanism](#)', Taxation and Customs Union website, 2023, accessed 26 June 2024.

⁶⁷ Department of Climate Change, Energy, the Environment and Water (DCCEEW), '[Australia's Carbon Leakage Review](#)', DCCEEW website, 2023, accessed 26 June 2024.

7.6 Will dumping continue or recur?

The commission considers that the expiry of the measures would be likely to lead to a continuation or recurrence of dumping of the goods from the subject countries.

This finding is based on the following significant factors:

- The goods exported from Japan and Thailand during the period were estimated to be dumped.
- Exports from the ROK have been calculated to have been dumped during the period.
- If exports from Taiwan were to resume, they would likely be at dumped prices to compete with other exports from Taiwan.
- The goods exported from all subject countries were dumped in the original investigation, and the period examined in REV 499.
- The price sensitive nature of the Australian HRSS market promotes a high level of competition between exports from the subject countries. This price competition means that there will be increased downwards pressure on export prices if the measures expire.
- A decrease in export prices means that dumping is likely to continue or recur.

As part of this finding, the commission has considered:

- dumping margins for exports from the subject countries
- previous dumping margin assessments
- an assessment of current pricing subject to measures
- an assessment of the competitiveness of prices not subject to measures.

The commission's assessment is outlined in the sections below:

The commission considers that the consistent dumping behaviour of exporters from Japan and Thailand and price sensitivity of the Australian HRSS market support a finding that dumping is likely to continue from these countries.

The commission found that if Dragon Steel was to export at the same prices as exports from Taiwan not subject to measures, its exports are not likely to be dumped. However, the commission considers that it is likely that exports from Dragon Steel would be dumped. This is based on the previous dumping behaviour of Dragon Steel and the competition with other Taiwanese exports not subject to measures. It is likely that Dragon Steel would have to export at prices which undercut other Taiwanese exporters, leading to the recurrence of dumping.

The commission considers it is likely that Hyundai Steel will continue dumping. This is based on the current dumping margin for Hyundai Steel, previous dumping assessments, and movements in import volumes and market share. Hyundai Steel has been, and remains, one of the largest exporters to Australia. It has been able to maintain its market share while measures are in place. Accordingly, the commission considers that it is likely that Hyundai Steel will maintain a continued behaviour of dumping.

7.6.1 Dumping margin analysis

Table 12 summarises the commission’s assessment of dumping during the inquiry period relating to exports from the subject countries.

Country	Exporter	Dumping margin
Japan	All exporters	18.6%
ROK	Hyundai Steel	5.2%
Taiwan	Dragon Steel	N/A
Thailand	All exporters	22.5%

Table 12: Assessment of dumping in the inquiry period

As outlined in section 2.4.1, the commission received REQs from Hyundai Steel (ROK) and Dragon Steel (Taiwan). The commission was able to use the exporter’s data to assess whether exports from these countries were likely to have been dumped during the inquiry period.

ROK

The commission found that Hyundai Steel’s exports to Australia were dumped during the inquiry period.

There were no other exporters from the ROK during the inquiry period. The commission considers that other exporters from the ROK would have similar domestic and export prices to Hyundai Steel. Accordingly, it is likely that any exports from other exporters from the ROK would have been dumped in the inquiry period.

Taiwan

There were no exports of the goods subject to measures from Taiwan during the inquiry period. As outlined in section 7.3, the commission has examined information from Dragon Steel to assess whether exports from Taiwan subject to measures are likely to be dumped.

To assess whether exports from Taiwan subject to measures would be dumped, the commission compared Dragon Steel’s normal value to the weighted average FOB price of imports from Taiwan during the inquiry period. The commission’s analysis shows that it is likely that Dragon Steel’s exports would not have been dumped if it exported at those prices. The estimated margin between Dragon Steel’s normal value and the FOB import prices was negative 2%. However, as detailed in section 7.6.3, the commission considers that Dragon Steel would likely export at prices lower than those not subject to measures from Taiwan if the measures were to expire.

The commission’s assessment of dumping from Taiwan is at **Confidential Attachment 11**.

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Japan and Thailand

As outlined in section 2.4.1, the commission did not receive any REQs from exporters from Japan and Thailand. The commission has used the best available information to assess whether exports from these countries were likely to have been dumped during the inquiry period.

The commission considers that it is likely that exports from Japan and Thailand were dumped during the inquiry period.

7.6.2 Previous dumping margin assessments

Table 13 details the dumping margins assessed for the subject countries in previous cases.

Country	Exporter	INV 223	Interim reviews	REV 499 & ADRP Review no 120
Japan	JFE Bars and Shapes Corporation	12.15% <i>Ad valorem</i>	N/A	N/A
	All other exporters	12.23% <i>Ad valorem</i>	N/A	12.2% Combination
ROK	Hyundai Steel	2.52% <i>Ad valorem</i>	9.9% Combination	4.7% Combination
	All other exporters	3.24% <i>Ad valorem</i>	13.9% Combination	7.9% Combination
Taiwan	Dragon Steel	7.89% ⁶⁸ <i>Ad valorem</i>	Floor price	9.0% Combination
	All other exporters	7.89% <i>Ad valorem</i>	N/A	12.3% Combination
Thailand	Siam Yamato Steel Co Ltd	18.00% ⁶⁹ <i>Ad valorem</i>	Floor price	7.8% Combination
	All other exporters	19.48% <i>Ad valorem</i>	N/A	7.7% Combination

Table 13: Summary of previous dumping margins and form of measure

Together, Table 12 and Table 13 show the following:

- Exporters from Japan and Thailand have been found to be dumping in previous cases and have been estimated to be dumping during the inquiry period.

⁶⁸ Dragon Steel fell under 'All other exporters' in INV 223.

⁶⁹ Refer to Public Notice – Parliamentary Secretary's Decision, [ADRP Review no 2015/20](#).

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- Hyundai Steel has been found to be dumping in previous cases and was found to be dumping during the inquiry period.
- Dragon Steel was found to be dumping in REV 499.

Japan

The commission has previously assessed exports from Japan over 2 separate 12-month periods. For both of those periods, exports from Japan were found to be dumped.

The commission considers that past behaviour of dumping by exporters from Japan is a potential indicator that dumping is likely to continue if the measures expire. In particular, the commission considers that the consistency in previous dumping findings support a finding that dumping from Japan is likely to continue.

ROK

The commission has previously assessed exports from Hyundai Steel over 3 separate 12-month periods. Over this time, Hyundai Steel has demonstrated a consistent behaviour of dumping.

The commission considers that this consistency in dumping behaviour is an indicator that dumped exports from Hyundai Steel are likely to continue if measures expire.

The commission also previously assessed that all other exports from the ROK were at dumped prices. The commission considers that this indicates that dumping from all other exporters from the ROK is likely to continue or recur if the measures expire.

Taiwan

The only period in which exports from Dragon Steel were examined was in REV 499. That review found that exports from Dragon Steel were dumped.

The commission notes that both TS Steel and Tung Ho were found not to be dumping during the review period for REV 499. The commission considers that this indicates that Dragon Steel is only able to compete with other exports from Taiwan at dumped prices.

The commission considers that past behaviour of dumping by Dragon Steel is a potential indicator that dumping is likely to continue if the measures expire.

The commission also previously assessed that all other exports from Taiwan were at dumped prices. The commission considers that this indicates that dumping from all other exporters from Taiwan is likely to continue or recur if the measures expire.

Thailand

Exports from Thailand were found to be dumped in 2 out of 3 previously assessed 12-month periods. However, the commission notes that in the period that exports from Thailand were found not to be dumped (1 January 2015 to 31 December 2015), the volume of exports was low (Figure 20).

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The commission considers that this indicates that exports from Thailand were not competitive when exported at prices that are not dumped. Indeed, exports from Thailand had increased significantly in the review period for REV 499, in which exports were found to be dumped.

The commission considers that past behaviour of dumping by exporters from Thailand is a potential indicator that dumping is likely to continue if the measures expire.

7.6.3 Assessment of current pricing subject to measures

ROK

Figure 16 shows that the ROK has maintained a significant volume of imports into Australia. Since 2015 the ROK has maintained the largest share of imports while being subject to measures. The assessment of dumping in sections 7.6.1 and 7.6.2 shows that Hyundai Steel has only been able to maintain this dominant position through exporting at dumped prices.

There were no other exporters from the ROK during the inquiry period. The commission considers that if other exporters were to commence exporting, they would likely do so at prices that matched or were lower than Hyundai Steel's. Any exports from the ROK at these prices would likely be dumped.

The commission considers that this supports the finding that exports from the ROK are likely to continue dumping.

Taiwan

There have been no exports from Taiwan subject to measures in the inquiry period. There have been exports from Taiwan in the inquiry period which were not subject to measures.

The commission considers that if exporters subject to measures were to resume exporting to Australia, it is likely that these exports would be priced competitively with exports from Taiwan not subject to measures.

As reflected in the commission's analysis in section 7.6.1, it is likely that exports from Dragon Steel would not be dumped if it were to resume exporting at prices at or above exports from Taiwan not subject to measures. However, the commission considers that it is likely that if Dragon Steel were to resume exporting to Australia, it would be at prices that undercut other exporters from Taiwan. This is based on the follow analysis.

Exports during the period were primarily from Tung Ho. Tung Ho has maintained a dominant share of export volume from Taiwan since CON 505. If Dragon Steel were to resume exporting, it is likely that it would have to do so at prices lower than Tung Ho to capture market share in a price sensitive market. As detailed in section 0, the commission has assessed the dumping margin for Dragon Steel by comparing import prices for other exporters from Taiwan to Dragon Steel's normal value. Given the size of the estimated dumping margin (negative 2%), it is likely that if Dragon Steel resumed exporting at lower prices they would fall below its normal value. This would mean that those exports are likely to be dumped.

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This is further supported by the commission's finding in REV 499 that exports from Dragon Steel were dumped. As detailed in section 7.5.1, the commission considers that Dragon Steel's export behaviour changed in response to the measures. Dragon Steel was able to commence exporting to Australia when it was subject to a floor price. However, as found in REV 499, those exports were dumped. The commission considers that this indicates that Dragon Steel can only compete with other exporters from Taiwan when it exports at dumped prices.

The commission does not have information from any other exporter from Taiwan that is subject to the measures. For the reasons outlined above in respect of Dragon Steel, if other exporters from Taiwan were to commence exporting to Australia, they would have to do so at prices which undercut other Taiwanese exporters.

The commission considers that any future exports from Taiwan (excluding the exempt exporters) are likely to be dumped.

Japan and Thailand

From examination of ABF import data, the commission has found that FOB prices for imports from Japan and Thailand closely followed those for the ROK and Taiwan. Contrary to the ROK, the commission considers that imports from Japan and Thailand are likely at dumped prices.

The commission considers that if the measures expire, exports from Japan and Thailand would continue to track closely with prices from the ROK and Taiwan. Without the barrier of dumping duties, the commission considers that it is likely that prices from Japan and Thailand will decrease to regain market share and capitalise on the increase in competitiveness.

The commission considers that the current pricing from Japan and Thailand support a finding that it is likely that exports from Japan and Thailand will continue to be dumped if the measures expire.

The commission's analysis is at **Confidential Attachment 4**.

7.6.4 Estimate of competitiveness of prices not subject to measures

Following CON 505, exports from TS Steel and Tung Ho were made exempt from the measures. These exporters were made exempt as it was found that dumping was not likely to continue or recur.

Figure 16 shows that imports from Taiwan that are not subject to the measures have increased since year ending September 2020. The volume of these imports remains the highest after the ROK.

The commission considers that the prices from Taiwan that are not subject to measures remain competitive with other exporters.

7.7 Will material injury continue or recur?

The commission considers that the expiry of the measures in relation to exports from the subject countries would be likely to lead to a continuation or a recurrence of material injury that the measures are intended to prevent.

This finding is based on the following significant factors:

- The commission has found that dumping from the subject countries is likely to continue or recur.
- Exporters from the subject countries have demonstrated changes in exporting behaviour in response to the measures.
- Exports from the subject countries have undercut Liberty Primary's selling prices.
- Liberty Primary has considerable regard to import prices through its IPP model.
- Exporters from the subject countries had significant excess production capacity during the inquiry period.
- The expiry of measures would provide exporters from the subject countries with a price advantage in a price sensitive market.
- A reduction in import prices as exporters seek to compete in a market absent of measures and the associated increase in import volumes would likely lead to a continuation or recurrence of the material injury experienced by Liberty Primary.

As part of this finding, the commission has assessed:

- the Australian HRSS market
- effects of exports from the subject countries
- other injury factors.

The commission's assessment is outlined in the sections below.

The commission considers that if the measures expire, export competition between the subject countries would likely increase. The price sensitive nature of the Australian HRSS market means that price is main point of competition between suppliers. The commission considers that exporters from Japan and Thailand would seek to compete with exporters from the ROK and Taiwan. Exporters from Taiwan that are currently subject to measures would also seek to compete with exporters from Taiwan that are not subject to measures. This increase in competition would also affect the prices from the ROK, as it faces increased competition from the other subject countries.

The operation of an IPP model by Liberty Primary means that it will face increased pressure to lower its prices in response to lowering export prices. This will lead to an increase in the price suppression experienced by Liberty Primary and is likely to lead to price depression.

The excess production capacity evident all the subject countries would allow for a significant increase in export volumes. This in turn will lead to a reduction in Liberty Primary's own sales volumes and a loss of market share.

7.7.1 Australian market

In CON 505 the commission determined the Australian market to be price sensitive with a high degree of price elasticity. As detailed in section 4.6, the commission still considers this to be the case.

The commission has also confirmed that Liberty Primary continues to set its prices based on the IPP plus a premium, which involves negotiating prices with reference to import price offers. Therefore, Liberty Primary has considerable regard to match these price offers, and consequently they likely suffer material injury in terms of price suppression and lost sales volumes. Applying this IPP model means that Liberty Primary is susceptible to injury from dumped imports.

Using the best available information, the commission conducted a price comparison analysis of Liberty Primary and landed prices from the subject countries, China, Vietnam, and all other countries.⁷⁰ The analysis showed that during the inquiry period, landed export prices significantly undercut Liberty Primary's prices. Coupled with the operation of the IPP, the commission considers that it is likely Liberty Primary will continue to experience material injury caused by undercutting. In addition, Liberty Primary was found to be experiencing price suppression in section 5.5.1. This means the level of undercutting does not represent the full extent of injury to Liberty Primary.

At the industry verification, Liberty Primary provided evidence including examples of where customers rejected its price and elected to purchase from subject exporters.

The commission's undercutting analysis is at **Confidential Attachment 4**.

Evidence provided by Liberty Primary is at **Confidential Attachment 15**.

7.7.2 Japan

As outlined in section 6.3.3, the commission considers that exports to Australia from Japan were likely dumped during the inquiry period.

As outlined in section 7.5.1, the commission has also found that exports from Japan have changed in response to changes in the measures.

The commission considers that if the measures expire, Japanese exporters will gain a price advantage by dumping.

Landed prices from Japan were among the lowest of the subject countries in the inquiry period. The landed price analysis does not include any IDD. The commission considers that this indicates that if the measures expire, Japanese exports will gain an immediate price advantage. Japanese exporters are currently subject to one of the highest rates of IDD (Table 2). In addition to the high rate of IDD, exports from Japan are also subject to a floor price. Removal of the floor price if the measures expire will provide exporters from Japan with the ability to reduce prices even further.

⁷⁰ China and Vietnam were two of the high-volume export countries, along with the subject countries.

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This will in turn place downward price pressure on Liberty Primary's prices. The commission considers that this will likely result in price depression and/or suppression as Liberty Primary seeks to match the lower priced offers. If Liberty Primary is unable or unwilling to meet the price of dumped goods, it will likely lose sales volumes and market share to the lower priced dumped exports.

In addition, the commission's analysis in section 7.5.3 indicates that there is likely significant excess capacity for steelmaking in Japan. The commission considers that the price advantage gained from the expiry of measures, coupled with the ability to direct excess capacity towards Australia, means that injury caused by dumped exports from Japan is likely to be material.

In consideration of the above analysis and other injury factors, the commission considers that it is likely that material injury will continue or recur from Japanese exporters if the measures expire.

7.7.3 ROK

As outlined in section 6.3.1, Hyundai Steel is the sole exporter from the ROK to Australia and as indicated in section 7.6 Hyundai Steel was found to be dumping during the inquiry period.

As outlined in section 7.5.2, Hyundai Steel has exported to Australia continuously since CON 505. Despite being subject to measures, Hyundai Steel remains one of the largest exporters of the goods to Australia.

Hyundai Steel is currently subject to the lowest effective rate of duty. The commission considers that if the measures expire, Hyundai Steel would face increased competition from exporters from the subject countries. Given the price sensitive nature of the Australian market for HRSS, the commission considers that Hyundai Steel would then be under pressure to reduce its prices to maintain its market share.

As stated in section 7.7.1, landed prices from subject countries including the ROK have significantly undercut Liberty Primary's prices. During verification, Liberty Primary presented evidence to indicate Hyundai Steel engaged in aggressive pricing strategy and had competed with exporters from subject countries in other global markets.

The commission considers that this price undercutting and aggressive pricing strategy will place downward price pressure on Liberty Primary's prices. This will likely result in price depression and/or suppression as Liberty Primary seeks to match the lower priced offers. If Liberty Primary is unable or unwilling to meet the price of dumped goods, it will likely lose sales volumes and market share to the lower priced dumped exports.

The commission has also found that Hyundai Steel had excess production capacity greater than 30% during the inquiry period. The commission considers that this excess capacity has the potential to be directed towards Australia, particularly if the measures expire. Any increased in dumped exports from ROK if the measures expire would likely be material.

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In consideration of the above analysis, the commission considers that it is likely that material injury caused by dumped exports will continue or recur from the ROK if the measures expire.

7.7.4 Taiwan

There were no exports from Taiwan to Australia subject to measures during the inquiry period. The commission considers that this indicates exporters from Taiwan that are subject to measure cannot compete with those that are not.

As outlined in section 7.5 and 7.6, the commission considers that dumped exports from Taiwan (excluding the exempt exporters) are likely to recur if the measures expire.

The commission considers that, if the measures expire, Taiwanese exporters currently subject to measures will seek to gain a price advantage over exporters not subject to measures by dumping. Those exporters will use lower prices to establish market share. The removal of the measures would provide exporters from Taiwan currently subject to measures with a price advantage, allowing them to re-enter the Australian market.

The commission considers that the price of Taiwanese exports will place downward pressure on Liberty Primary's prices. This will likely result in price depression and/or suppression as Liberty Primary seeks to match the lower priced offers. If Liberty Primary is unable or unwilling to meet the price of dumped goods, it will likely lose sales volumes and market share to the lower priced dumped exports.

Dragon Steel also had significant excess capacity during the inquiry period. The commission considers that Dragon Steel can quickly establish new distribution links and would be able to direct its excess capacity to Australia. Coupled with the increased competitiveness of its exports if the measures expire, this means that injury from dumped exports from Dragon Steel is likely to be material. If other exporters from Taiwan have similar levels of excess capacity, it is also likely that any volumes will be material.

In consideration of the above analysis and other injury factors, the commission considers that it is likely that material injury will continue or recur from Taiwanese exporters if the measures expire.

In its submission dated 23 June 2024 Dragon Steel contended that material injury caused by imports from Taiwan is not likely to recur.⁷¹ Most of Dragon Steel's claims focus on the lack of exports subject to measures from Taiwan during the inquiry period.

The commission highlights that its consideration is what is likely to happen if the measures expire, which is a forward-looking assessment. Current market conditions can help inform the commission about what is likely to happen, but they are not the only determinative factor.

The commission considers that material injury caused by dumped exports from Taiwan is likely to recur if the measures expire.

⁷¹ [EPR 637](#), no 13.

Volume effects

Dragon Steel submits that it is not a significant exporter of the goods to Australia. It highlights its lack of exports following CON 505 and its requirements for customers to meet minimum order quantities. It further asserts that the lack of exports demonstrates that there is no causal link between Taiwanese exports subject to measures and the decline in the Australian industry's sales volumes.⁷²

The commission's assessment is based on what is likely to happen if the measures expire. Although there are currently no exports from Taiwan subject to measures, the commission considers that it is likely that these exports will resume if the measures expire. The commission's assessment is outlined in section 7.5. This includes consideration of Dragon Steel's export behaviour in response to changes in the measures.

The commission does not consider minimum order requirements are a significant barrier to Dragon Steel's exports resuming. Dragon Steel has been able to establish new distribution links and export to Australia. The minimum order requirements also increase the likelihood that the volumes exported by Dragon Steel will be injurious to the Australian industry.

Price effects

Dragon Steel submitted that because there were no subject imports from Taiwan during the period, 'it must be concluded that price suppression and depression was caused by factors other than subject imports from Taiwan.'⁷³

As discussed above in this section, it is the commission's view that if Dragon Steel resumes exporting to Australia, it will undercut Tung Ho's prices to gain market share and will struggle to compete with other Taiwanese exporters without dumping.

Because of Liberty Primary's IPP model, any competitive pricing that establishes itself in the market will become a direct competitor of the Australian industry. This will likely lead to a recurrence of material injury from Dragon Steel.

Other relevant factors

Dragon Steel claims that it will focus primarily on its domestic market due to strong demand.⁷⁴ It highlighted that it has secured several local projects, driven by increased growth in the construction industry. It further submits that, based on domestic industry data, domestic steel production is insufficient to meet the local market demand. Dragon Steel submits that these factors demonstrate that it will not be a significant exporter to Australia.

⁷² [EPR 637](#), no 13, pp 1-3.

⁷³ [EPR 637](#), no 13, p 3.

⁷⁴ [EPR 637](#), no 13, pp 4-5.

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As outlined in section 7.5.3, Dragon Steel had significant excess production capacity during the inquiry period. The commission considers that this indicates Dragon Steel can export to Australia while supplying domestic demand.

7.7.5 Thailand

As outlined in section 6.3.4, the commission considers that exports to Australia from Thailand were likely dumped during the inquiry period.

The commission identified changes in behaviour of Thai exporters in response to the measures. The analysis showed that Thai exporters increased exports to New Zealand in response to Australian measures. The analysis also showed opportunistic exports from Thailand to Australia during the review period for REV 499, and more recently due to stalling conditions in the New Zealand market.

The commission considers that, if the measures expire, Thai exporters will seek to gain a price advantage by dumping, which will place downward pressure on Liberty Primary's prices. This will likely result in price depression and/or suppression should Liberty Primary seeks to match the lower priced offers. If Liberty Primary is unable or unwilling to meet the price of dumped goods it will likely lose sales volumes and market share to the lower priced dumped exports.

In addition, the commission's analysis in section 7.5.3 indicates that there is likely significant excess capacity for steelmaking in Thailand. The commission considers that the price advantage gained from the expiry of measures, coupled with the ability to direct excess capacity towards Australia, means that injury caused by dumped exports from Thailand is likely to be material.

In consideration of the above analysis and other injury factors, the commission considers that it is likely that material injury will continue or recur from Thai exporters if the measures expire.

The commission's comparison of Thai exports to Australia and New Zealand is at **Confidential Attachment 16**.

7.7.6 Other injury factors

Current issues at Whyalla Steelworks

In March 2024 the blast furnace at Liberty Primary's Whyalla Steelworks suffered an uncontrolled breakout of iron which damaged the furnace's external shell causing production to shut down. Steelworks production has now resumed following rectification operations.⁷⁵ The commission considers that the shutdown was a temporary event, leading to short term effects on Liberty Primary's economic condition.

Now that production has resumed, the shutdown has limited effect on the commission's consideration of whether the measures should be continued.

⁷⁵ A Ganesan and A Francis, '[Whyalla steelmaking resumes after shutdown caused months of uncertainty for workers](#)', *ABC News (Australia)*, 8 July 2024, accessed 8 July 2024.

PUBLIC RECORD

In its submission of 17 June 2024, Southern Steel Group (SSG) claims that the flow-on effects of the shutdown mean it is reasonable for the dumping duties to remain at their current rates.⁷⁶

SSG submitted that there has been an increase in imports of the goods as customers look to secure supply considering the production issues currently experienced by the Whyalla Steelworks. SSG claims that a potential increase in the current rates of duty would adversely impact importers of the goods who have limited choice other than to import the goods.

The commission's inquiry is concerned with whether the continuation or recurrence of dumped exports will cause material injury to the Australian industry. The commission has considered the effects of the production shutdown in relation to that test.

In its submission of 2 July 2024, Liberty Primary responded to the claims in SSG's submission of 17 June 2024.⁷⁷

Based on its contingency plans, Liberty Primary has continued to supply the Australian market with HRSS during the production outage. Liberty Primary further claims that there is no evidence of any increase in imports of the goods since mid-March 2024 and that imports have decreased in the Jun-24 quarter. The commission has examined ABF import data and found that imports from all sources have decreased recently (Figure 21). The commission considers that this supports Liberty Primary's assertion that there has been limited disruption to the Australian HRSS market due to the issues at Whyalla Steelworks.

⁷⁶ [EPR 637](#), no 12.

⁷⁷ [EPR 637](#), no 15.

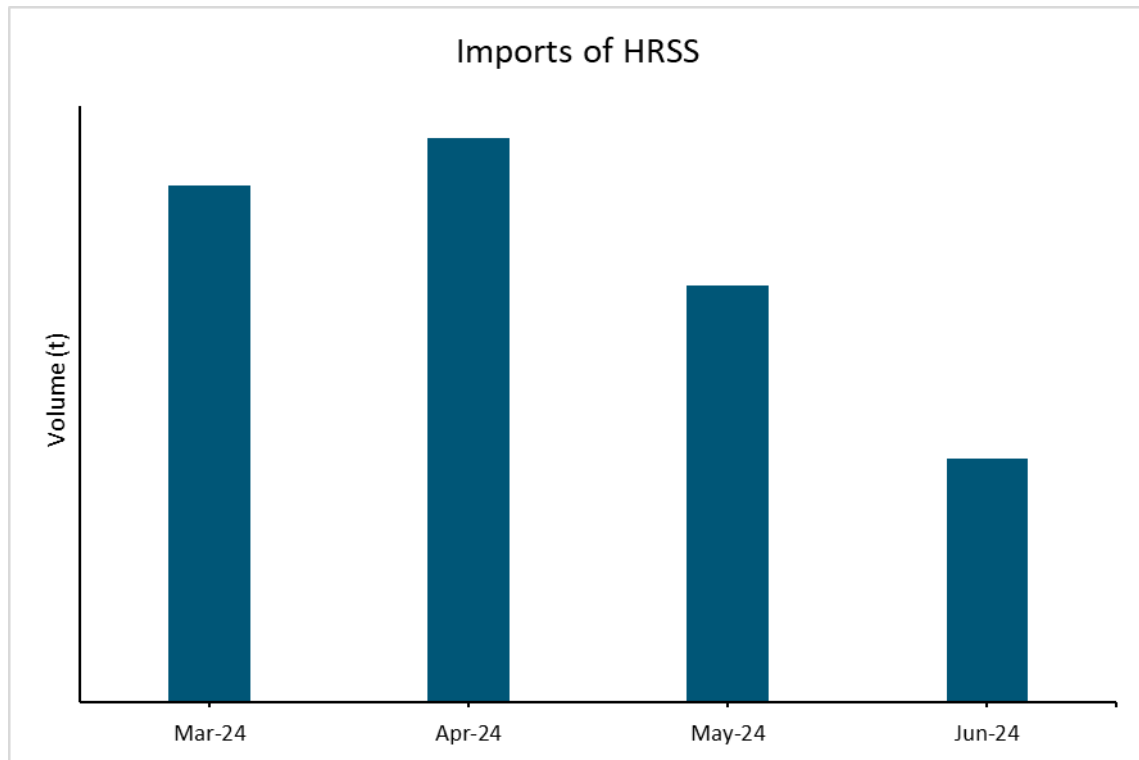


Figure 21: Import volumes following Whyalla Steelworks outage

Both SSG and Liberty Primary also referenced the plans for the Whyalla Steelworks to transition from using a blast furnace to an electric arc furnace for producing steel.

In its submission, SSG highlighted that uncertainty around the transition is a factor causing customers to seek alternative supply arrangements.⁷⁸ This transition was expected to be completed in 2025 but has now been delayed until 2027.⁷⁹ Liberty Primary contested that for the transition to succeed, ‘then sales of the like goods at prices unaffected by dumping is critical to the business case.’⁸⁰

The commission considers that any delays to improving the efficiency of Liberty Primary’s HRSS production will further increase the vulnerability to injury from dumped imports.

Imports from exporters not subject to measures

As outlined in sections 7.5.1 and 7.6.4, there are significant volumes of imports from Taiwanese exporters not subject to measures which are competitively priced. The commission considers that these imports are a potential source of injury to Liberty Primary.

⁷⁸ [EPR 637](#), no 12, pp 1-2.

⁷⁹ H Biggs and R McClaren, ‘[Energy minister travels to Italy as Whyalla steelworks owners flag further delays](#)’, *ABC News (Australia)*, 16 May 2024, accessed 21 May 2024.

⁸⁰ [EPR 637](#), no 15, p 3.

PUBLIC RECORD

As detailed above, the commission considers that the market presence of exporters not subject to measures from Taiwan will incentivise exporters subject to measures to reduce prices to dumped levels to compete if the measures expire.

While Liberty Primary may be vulnerable to the injurious effects of imports from Taiwan that are not subject to measures, it does not detract from the commission's conclusion that, if the measures expire, dumped exports from Taiwanese exporters currently subject to the measures would likely cause a continuation or recurrence of material injury to Liberty Primary.

8 VARIABLE FACTORS – EXPORT PRICE AND NORMAL VALUE

8.1 Proposed recommendation

The Commissioner is proposing to ascertain new variable factors relevant to Hyundai Steel from the ROK only.

The Commissioner is proposing that the notice remain unaltered for:

- all exporters from Japan
- all other exporters from the ROK
- all exporters from Taiwan
- all exporters from Thailand.

8.2 Framework

Under section 269ZHF, the Commissioner must make a recommendation to the Minister. This includes whether the notice have effect in relation to a particular exporter or to exporters generally, as if different variable factors had been ascertained.⁸¹

The variable factors referenced under section 269ZHF(1)(a)(iii) relevant to a dumping duty notice are specified in section 269T(4D)(a) as:

- the normal value of the goods
- the export price of the goods
- the non-injurious price of the goods.

When determining whether new variable factors should be ascertained in a continuation inquiry, the commission will consider the information before it as part of that inquiry.

The commission's consideration is not affected by the fact that some exporters exported the goods during the inquiry period, or the fact that the commission assessed dumping for some exporters as part of the inquiry.

8.3 Commission's approach

As outlined in section 6.3.1, the commission conducted an on-site verification of the information in Hyundai Steel's REQ.

Dragon Steel provided a completed REQ, however, the commission did not conduct a verification as Dragon Steel had not exported during the inquiry period. As outlined in section 0, the commission considers that it does not have sufficient information to determine an export price for Dragon Steel.

The commission did not receive any REQs or other relevant information from any exporter from Japan or Thailand.

⁸¹ Section 269ZHF(1)(a)(iii).

PUBLIC RECORD

Based on the information outlined above, the commission considers that it only has sufficient information to ascertain new variable factors for Hyundai Steel.

9 VARIABLE FACTOR - NON-INJURIOUS PRICE

9.1 Preliminary finding

Having regard to the available information, the commission has determined that the NIP has changed for Hyundai Steel.

The commission calculated that the NIP is higher than the normal value established for Hyundai Steel. Therefore, the lesser duty rule does not apply.

The commission has not ascertained the NIP for all exporters from Japan, all other exporters from ROK, all exporters from Taiwan, and all exporters from Thailand.

9.2 Framework

9.2.1 The NIP

The NIP is defined in section 269TACA as the minimum price necessary to prevent the injury or a recurrence of the injury caused by the dumping. The NIP is a variable factor relevant to determining duty payable under the *Customs Tariff (Anti-Dumping) Act 1975* (Dumping Duty Act).

The legislation does not prescribe a calculation method for the NIP. The commission generally derives the NIP by first establishing the USP. The USP is a price at which the Australian industry might reasonably sell its product in a market unaffected by dumping. The commission will then deduct the costs incurred in getting the goods from the export FOB point (or another point if appropriate) to the relevant level of trade in Australia from the USP. The deductions normally include overseas freight, insurance, into store costs and amounts for importer expenses and profit.

The unsuppressed selling price

The Manual provides a hierarchy of options for establishing a USP:⁸²

- the Australian industry's price or market approach in a period unaffected by dumping
- the constructed approach, using the Australian industry's CTMS data and a reasonable amount for profit
- the price or market approach for undumped imports.

9.2.2 The lesser duty rule

Where the Minister is required to determine the IDD payable, section 8(5B) of the Dumping Duty Act applies.

⁸² [The Manual](#), pp 106-109.

PUBLIC RECORD

Under section 8(5B) of the Dumping Duty Act, where the NIP of the goods is less than the normal value of the goods, the Minister must have regard to the desirability of specifying a method such that the sum of the export price and the IDD payable does not exceed the NIP ('lesser duty rule').

Under section 8(5BAA) of the Dumping Duty Act, the Minister is not required to have regard to the lesser duty rule if:

- the normal value of the goods was not ascertained under section 269TAC(1) because of the operation of section 269TAC(2)(a)(ii), or
- there is an Australian industry in respect of like goods that consists of at least 2 small-medium enterprises, whether or not that industry consists of other enterprises.

Where any of the above exceptions apply, the Minister's consideration of the lesser duty rule is not mandatory, but the Minister may still wish to exercise their discretion to do so.

9.3 Commission's approach and findings

9.3.1 Finding

The commission has calculated the USP using the constructed approach. The commission has found that the resulting NIP is higher than the normal value for Hyundai Steel. Accordingly, the lesser duty rule does not apply.

9.3.2 Approach in the original investigation and previous cases

In the original investigation, the commission determined that the NIP should be set equal to the normal value for each exporter. This approach was also taken in REV 499.

The commission re-examined the NIP calculated in REV 499 as part of *ADRP Review no 120*.⁸³ The commission found that the circumstances that existed at the time of the original investigation were no longer applicable. This was because Tung Ho was no longer subject to the measures as it was found not to be dumping. The commission examined whether Tung Ho's undumped prices were suitable to use as the USP. The commission found that Tung Ho's undumped prices were not suitable to establish the USP, as those prices were still affected by the presence of dumped exports in the Australian market. Instead, the commission established a USP having regard to the Australian industry's CTMS. The commission did not include an amount for profit as the Australian industry had not been profitable for some time. The commission then deducted amounts for importer SG&A and profit, and post-importation costs to arrive at the NIP.

The commission found that the NIP was higher than the normal value for all exporters from ROK, Taiwan, and Thailand.⁸⁴

⁸³ DISR, [ADRP Report No. 120](#), Anti-Dumping Review Panel, Australian Government, 2021, pp 42-49.

⁸⁴ Exports from Japan were not examined as Japan was not covered by the reinvestigation request. The NIP for exports from Japan remained equal to the normal value.

9.3.3 Commissioner's assessment of NIP and USP for this inquiry

For this inquiry the commission has calculated a revised NIP for Hyundai Steel by having regard to:

- the USP, calculated by the constructed method
- verified importer SG&A and profit from REV 499
- verified post-importation costs from REV 499.

Unsuppressed selling price

The commission has used the constructed method outlined in the Manual to establish the USP. The commission has used Liberty Primary's CTMS for the inquiry period, plus Liberty Primary's profit for the year ending September 2022 period.

This approach is different to that in *ADRP Review no 120* regarding the amount of profit used. This is because the commission found that Liberty Primary had made a profit in the year ending September 2022 (Figure 6). The commission considers that this is the most appropriate profit amount to use, as it is an actual profit for sales of HRSS realised by Liberty Primary.

Deductions to arrive at the NIP

To arrive at the NIP, the commission has deducted verified post-importation costs and importer SG&A and profit from REV 499.

As noted in section 2.4.1 the commission did not receive any responses to importer questionnaires. Accordingly, the commission does not have verified information on contemporary post-importation costs and importer SG&A and profit that would be relevant for the calculation of the NIP.

In this circumstance, the commission considers that the best available information is the verified post-importation costs and importer SG&A and profit from REV 499.

The commission has found that the NIP is higher than the normal value for Hyundai Steel.

The commission's calculation of the USP and NIP is contained in **Confidential Attachment 17**.

9.3.4 Application of the lesser duty rule

As the NIP is higher than the normal value for Hyundai Steel, the lesser duty rule does not apply.

10 FORM OF MEASURES

10.1 Preliminary findings and recommendations

The Commissioner has found that the variable factors relevant to the determination of IDD on the goods exported by Hyundai Steel have changed. The Commissioner considers the IDD payable on the goods exported from Hyundai Steel should be worked out using the combination fixed and variable duty method, which is the same as the current method.

The Commissioner is not proposing to alter the form of measures applicable to all exporters from Japan, all other exporters from the ROK, all exporters from Taiwan, and all exporters from Thailand. As outlined in chapter 8, this is because the commission does not have verified information that would be relevant for the determination of the variable factors for those exporters.

10.2 Framework

The *Customs Tariff (Anti-Dumping) Regulation 2013* prescribes the methods available to the Minister for working out IDD payable. The methods are:

- fixed duty method (\$X per tonne)
- floor price duty method
- combination fixed and variable duty method
- *ad valorem* duty method – that is, a percentage of the export price.

The various forms of dumping duty all have the purpose of removing the injurious effects of dumping. However, in achieving this purpose, certain forms of duty will better suit the circumstances than others. More detail on the nature and operation of the various forms of duty are contained in the *Guidelines on the Application of Forms of Dumping Duty November 2013*.⁸⁵

⁸⁵ Available [here](#) on the commission's website.

10.3 Proposed form of measures and effective rates of duty

The proposed form of measures are outlined in Table 14.

Country	Exporter	Current measures	Proposed measures
Japan	All other exporters	12.2% Combination	No change
ROK	Hyundai Steel	4.7% Combination	5.2% Combination
	All other exporters	7.9% Combination	No change
Taiwan	Dragon Steel	9.0% Combination	No change
	All other exporters	12.3% Combination	No change
Thailand	Siam Yamato Steel Co Ltd	7.8% Combination	No change
	All other exporters	7.7% Combination	No change

Table 14: Proposed form of measures

Hyundai Steel

The commission considers that the same circumstances exist for Hyundai Steel as did previously in REV 499. Those circumstances are:

- There are not significant differences in prices between models.
- The Australian HRSS market can presently be considered a rising market.

As evidenced in Liberty Primary’s selling prices (Figure 5), there is a trend of increasing prices for HRSS. The commission’s assessment of ABF import pricing also demonstrates a rise in import prices for HRSS. The commission considers that this indicates that the Australian market for HRSS is at present a rising market.

The commission considers that the combination method remains the most effective form of duty relevant to Hyundai Steel’s exports. The commission recommends that the combination duty method be:

The fixed amount – a percentage amount which applies to the higher of the ascertained export price or the actual export price, based on Hyundai Steel’s dumping margin of 5.2%.

The variable amount – the amount that the actual export price is lower than the ascertained export price. IDD is only collected where the actual export price is lower than the ascertained export price.

11 PROPOSED RECOMMENDATIONS

The Commissioner is preliminarily satisfied that the expiry of the measures on HRSS exported to Australia from the subject countries would be likely to lead to a continuation or recurrence of dumping and the material injury that the measures are intended to prevent.

The Commissioner proposes to recommend that the notice have effect into relation to Hyundai Steel as if different variable factors had been ascertained.⁸⁶

The Commissioner proposes to recommend that the notice remains unaltered in relation to all exporters from Japan, all exporters other than Hyundai Steel from the ROK, all exporters from Taiwan, and all exporters from Thailand.⁸⁷

⁸⁶ Section 269ZHF(1)(a)(iii).

⁸⁷ Section 269ZHF(1)(a)(i).

12 APPENDICES AND ATTACHMENTS

Confidential Attachment 1	Australian market
Confidential Attachment 2	Economic condition of Australian industry
Confidential Attachment 3	Dumping assessment for Japan and Thailand
Confidential Attachment 4	Assessment of imports
Confidential Attachment 5	Hyundai Steel export price
Confidential Attachment 6	Hyundai Steel CTMS
Confidential Attachment 7	Hyundai Steel normal value
Confidential Attachment 8	Hyundai Steel dumping margin
Confidential Attachment 9	Dragon Steel CTMS
Confidential Attachment 10	Dragon Steel normal value
Confidential Attachment 11	Assessment of dumping from Taiwan
Confidential Attachment 12	Steel market intelligence
Confidential Attachment 13	Steel market pricing
Confidential Attachment 14	Injury data
Confidential Attachment 15	Comparison of Thai exports to AU and NZ
Confidential Attachment 16	USP and NIP calculation