

Annex E2 Part 4 Other Goods Produced Using the Same Equipment/Processes

This annex should be read in conjunction with our original submission. The evidence shows that Chinese long-product mills have the capability to produce multiple steel long products using the same rolling equipment and processes. In particular:

1.1 Rebar (Category 13)

- The evidence clearly states that many producers do not operate equipment dedicated to a single CN category.
- This is “particularly true for producers of rebar (cat. 13) and wire rod (cat. 16).
- Rebar in coil form is classified as wire rod (cat. 16) but is “*exactly the same product as rebar (cat. 13) although presented in coil format rather than in straight lengths.*”

This demonstrates that the same rolling line can produce straight rebar, rebar in coil, or wire rod with minimal changes.

1.2 Smooth Wire Rod as Input to Rebar Substitutes

- The submission notes that smooth-profile wire rod can be further processed downstream into a substitute product for hot-rolled rebar, confirming substantial overlap in production characteristics.

1.3 Merchant Bar (Category 12) and Sections (Category 17)

- Many long-product producers manufacture merchant bar or sections, sharing upstream furnaces and rolling infrastructure with rebar/wire-rod mills.
- The document specifies that such producers “do not have facilities dedicated to a single commodity code grouping.”

Conclusion:

The same mills that produce wire rod can also produce rebar (straight and coil), merchant bar, and other long products, demonstrating a high degree of cross-product flexibility.

2. Feasibility of Switching Production to the Like Goods

The original submission clearly indicates that switching to wire rod production is operationally easy, commercially routine, and requires minimal technical adjustment.

2.1 High Interchangeability

- The interchangeability between rebar and wire rod is explicitly highlighted, with the document stating that the two products are effectively the same in coiled form.
- This means mills can switch from rebar to wire rod within normal rolling schedules, without capital investment.

2.2 Low Cost and Minimal Disruption

- Because long-product mills share common reheating, rolling, and coiling equipment, production changes typically involve only adjustments to roll settings or bar dimensions.
- The document warns that this product interchangeability is significant enough that importers could exploit it to circumvent trade remedies, which would only be feasible if operational switching were easy.

2.3 Strong Incentive to Switch to Wire Rod

- China possesses more than 45 million tonnes of unused wire-rod capacity, indicating that producers have spare rolling capability that can be redirected toward export products like wire rod.
- Wire rod is also highly tradable, vessel-size product, making it an attractive export outlet when domestic demand is weak.

3. Conclusion

There is clear evidence that:

1. Chinese long-product mills can produce multiple goods—including rebar, rebar in coil, merchant bar, and sections—using the same equipment as wire-rod production.
2. Switching production to wire rod is highly feasible, involves minimal technical or financial barriers, and is routinely done in normal industrial practice.
3. This interchangeability significantly increases the risk that Chinese producers could rapidly redirect production volume toward wire rod if market opportunities or the removal of anti-dumping duties make such a shift commercially attractive.