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FINAL DETERMINATION ON EX-FACTORY GRADE 300 AND 500 REBAR PRICE

FLETCHER PACIFIC STEEL (FIJI)

Date Issue: 11 April, 2013

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Promoting Competition in the Fiji Markets

1.0 Introduction

- 1.1 The Fiji Commerce Commission ("Commission") released the final determination on the wholesale rebar price of Grade 300 and Grade 500 on 12 October 2012 authorising a 4.82% decrease for Fletcher Pacific Steel (Fiji) ("FPSF"), a Division of Fletcher Building Limited to be effective from 12 October 2012.
- 1.2 On 25 January 2013, the Commission formally called for submission on Ex-factory Grade 300 and Grade 500 rebar price to undertake detail analysis of steel pricing.
- 1.3 The following information was requested for the review and the same was received by 31 January 2013.
 - (i) Monthly Profit & Loss statement and Balance Sheet from August 2012 to December 2012;
 - (ii) Management report from August 2012 to December 2012;
 - (iii) Fixed Asset Register as at 31 December 2012 (for any major additions/disposal);
 - (iv) Forecasted productions for the 3 months from January 2013;
 - (v) General ledger listing from August 2012 till December 2012;
 - (vi) Incoming billet shipment landed cost sheet; and
 - (vii) Any projected shipment to be procured for Grade 300 or 500.
- 1.4 On 27 February 2013, the Commission requested for the information as per section 1.1 above for the month of January and February 2013 as part of the normal review. FPSF accordingly furnished the information on 06 March 2013 including their projected capital expenditure.
- 1.5 The draft determination was sent to FPSF on 27 March, 2013 for their comments. The Commission received the response on the draft determination on 3 April, 2013. In their response to the draft determination, FPSF accepted the proposed prices.
- 1.6 Based on the submission made by FPSF, comments on the draft determination and its independent research and computation, the Commission has made this determination.

2.0 Legal Framework

- 2.1 The Commission is empowered under the **Commerce (Control of Prices for Reinforcement Steel Rods) Order 2012** to control and/or regulate the prices for reinforcement steel rods in Fiji.
- 2.2 Paragraph 3 of the said Order specifically authorises the control and/or regulation of prices for reinforcement steel rods (in all qualities and classes) that are sold in the market are controlled in the following grades: grade 300 deformed and plain, grade 430 deformed and plain and grade 500 deformed and plain.
- 2.3 The Commerce (Control of Prices for Reinforcement Steel Rods) Order 2012 authorises the Commission to regulate and control prices for the next three years from 12th November 2012.

3.0 Price Determination

The Commission after undertaking a detailed analysis of the submission from FPSF and its independent investigation, benchmarking and computations, has determined the following wholesale rebar price, **representing a 3.14% decrease.**

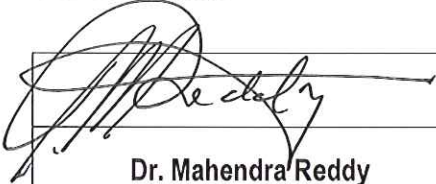
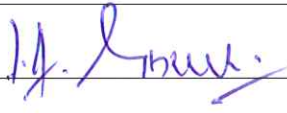
The authorised final price is effective from 01 May 2013

Re-Bar Grade	Types	Current Ex Factory Wholesale Price (\$/t) (VEP)	Increase/(Decrease) from current prices (\$/t)	Commission's Authorized Price (\$/t)
Grade 300	Plain/Deformed	1,908.71	(59.94)	\$1,848.77
Grade 500	Plain/Deformed	1,975.47	(62.04)	\$1,913.43

FPSF is required to submit to the Commission the landed cost for raw materials for all shipment procured within five (5) working days from the day of clearance.

The above prices are to be charged by FPSF and will remain the same and no new charges should be introduced unless authorized by the Commission.

Commissioners:

	
Dr. Mahendra Reddy	Mr. Firoz Ghazali
Chairman	Commissioner
11 April 2013	11 April 2013

Date Issue: 11 April 2013

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