

3 May 2024

Director  
Investigations 4  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601Email: [Investigations4@adcommission.gov.au](mailto:Investigations4@adcommission.gov.au)**Public File**

Dear Director

**Investigation No. 632 – Iron ore Railway Wheels – Submission by Rio Tinto Limited (EPR Document 028)**

We refer to the submission by Rio Tinto Limited (“RTL”) dated 17 April 2024 (EPR Document 028) in response to Statement of Essential Facts No. 632 (“SEF 632”).

Commonwealth Steel Company Pty Ltd (“Comsteel”) seeks to address the matters raised by RTL in its submission.

**(a) Dumping**

RTL contends that the Anti-Dumping Commission’s (the Commission”) methodology in determining normal values and export prices for the Chinese exporter Baowu Group Masteel Rail Transit Materials Technology Company Limited (“MTM”) “*appear to manufacture a case that dumping exists*”<sup>1</sup>.

The Commission’s methodology is consistent with the legislative provisions of sub-section 269TAC(2)(c) and addresses the concerns of the WTO Dispute Settlement Panel as detailed in DS603. The Commission has correctly assessed a steel billet cost for MTM based upon a domestic Türkiye steel billet benchmark price adjusted to reflect the grade and specifications of steel billet purchased by MTM in China. The remaining production costs included in the constructed cost are those costs verified with MTM.

The Commission has correctly determined a production cost for MTM that is free of distortions from the Government of China (“GOC”) on the steel industry in China. Normal values for MTM as determined by the Commission in SEF 632 are therefore correct and reflect a constructed normal value (or sell price) for the goods as sold in China free of GOC influence.

**(b) Will material injury recur?**

It is submitted by RTL that Comsteel’s decision to mothball its electric arc furnace and continue to manufacture railway wheels without the furnace, has not been considered by the Commission in its assessment of the likely future impact of the dumped imports on the Australian industry.

Comsteel has experienced material injury from dumped Chinese exports of railway wheels while anti-dumping measures have been in place. Should the measures be allowed to expire it is also considered likely that MTM

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<sup>1</sup> Rio Tinto Limited Submission, 17 April 2024, EPR Document 028, P. 1.



would seek to increase its current 70 per cent market share at the expense of the Australian industry, with no restraint on lowering export prices to achieve an increase in sales volumes. The Commission's conclusion that in the absence of the measures it is likely that material injury will recur is therefore justified in light of the continued dumping that has occurred while the measures have been in place.

## **Conclusion**

The Commission's determination of normal values and export prices in SEF 632 is consistent with the legislative requirements and addresses the matters detailed in WTO Report DS603. The Commission's finding that anti-dumping measures are warranted to prevent a recurrence of the material injury that the measures are intended to prevent is therefore justified.

Comsteel supports the Commissioner's proposed recommendation to the Minister in SEF 632 that he secure the continuation of anti-dumping measures on exports of railway wheels to Australia from China so that they do not expire on 16 July 2024.

If you have any questions concerning this submission, please do not hesitate to contact the undersigned.

Yours sincerely,

**Nikola Kojic**  
Head of Finance - Australia