PUBLIC RECORD

Australian Government
Department of Industry, Science and Resources

Anti-Dumping Commission

CUSTOMS ACT 1901 - PART XVB

TERMINATION REPORT NO 644

ALLEGED SUBSIDISATION OF INTERCHANGEABLE BOLTED CLIPPING SYSTEM BRACKETS EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

11 August 2025

CONTENTS

ABBREVIATIONS

Abey	Abey Australia Pty Ltd
ABF	Australian Border Force
ACP	A C Plumbing Supplies Pty Ltd
the Act	*Customs Act 1901*
ADN	Anti-Dumping Notice
China	the People's Republic of China
the commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
Customs Direction	*Customs (Extensions of Time and Non-cooperation) Direction 2015*
EPR	electronic public record
Fenghui	Ningbo Fenghui Metal Products Co., Ltd
GOC	Government of China
the goods	the goods subject of the application, brackets
HRC	hot rolled coil
HSS	hollow structural sections
IDD	interim dumping duty
investigation period	1 April 2023 to 31 March 2024
LTAR	less than adequate remuneration
the Manual	*Anti-Dumping Commission Dumping and Subsidy Manual*
PAD	Preliminary affirmative determination
Qinyan	Cixi Guanhaiwei Qinyan Hardware Factory
Radius	Radius Supply and Service Pty Ltd
REP 590	*Anti-Dumping Commission Report No 590*
REP 611	*Anti-Dumping Commission Report No 611*
REQ	response to exporter questionnaire
SEF	Statement of Essential Facts
SEF 644	*Statement of Essential Facts No 644*
SIE	State-invested enterprise
SOE	State-owned enterprise

1 SUMMARY

1.1 Introduction

The Commissioner of the Anti-Dumping Commission (Commissioner) has terminated the investigation into alleged subsidisation of certain interchangeable bolted clipping system brackets (the goods, or brackets) exported to Australia from the People's Republic of China (China).

The investigation was initiated following an application lodged by Abey Australia Pty Ltd (Abey, or the applicant), seeking the publication of a dumping duty notice and a countervailing duty notice. Abey alleges that the Australian industry, comprised solely of Abey, has suffered material injury caused by dumped and subsidised goods exported from China.

The Commissioner found that countervailable subsidies have been received in respect of the goods exported to Australia from China. However, these subsidies did not at any time during the investigation period exceed the 'negligible level' of countervailable subsidy.[1] Accordingly, based on the findings set out in this report, the Commissioner has terminated the investigation relating to the application for publication of a countervailing duty notice (subsidy investigation).

This termination report sets out the facts and findings on which the Commissioner based his decision to terminate the subsidy investigation. A public notice of the Commissioner's termination decision was published on the Anti-Dumping Commission's (commission) website on 11 August 2025 (Anti-Dumping Notice (ADN) No 2025/074 refers).

1.1.1 Dumping investigation

This termination decision does not impact the ongoing dumping investigation or the preliminary affirmative determination (PAD) the Commissioner made on 12 March 2025 in relation to dumping. Imports of the goods from China are still subject to securities in respect of any interim dumping duty (IDD) that may become payable (refer section 2.3 for further details).

A separate report relating to the dumping investigation containing the Commissioner's recommendations to the Minister concerning the publication of a dumping duty notice is due by 29 August 2025.

1.2 Conduct of the investigation

Division 2 of Part XVB of *Customs Act 1901* (the Act)[2] describes, among other things, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application under section 269TB(1).

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[1] Section 269TDA(16) of the *Customs Act 1901*. As China is classed as a 'developing country' under Schedule 1, Part 4, Division 1 of the *Customs Tariff Regulations 2004*, the negligible level of countervailable subsidy is 2%.

[2] All legislative references in this report are to the *Customs Act 1901* (Cth) (the Act), unless otherwise specified.

Section 269TDA sets out the circumstances in which the Commissioner must terminate an investigation. Section 269TDA(2) sets out that the Commissioner must terminate an investigation relating to an application for a countervailing duty notice if he is satisfied that:

- no countervailable subsidy has been received in respect of any of the goods the subject of the application for a countervailing duty notice; or
- a countervailable subsidy has been received in respect of some or all of those goods but it never, at any time during the investigation period, exceeded the negligible level of countervailable subsidy (in this case, the negligible level of countervailable subsidy is 2%).

The commission is assisting the Commissioner to conduct the investigation, pursuant to the commission's function specified in section 269SMD.

Further information on the conduct of this investigation is included in Chapter 2 of this report.

1.2.1 Application and initiation of investigation

On 5 April 2024, Abey lodged an application seeking the publication of a dumping duty notice and a countervailing duty notice in respect of the goods exported to Australia from China.

The Commissioner considered the application and decided not to reject the application. Public notification of initiation of the investigation was made in ADN No 2024/040, which was published on 25 June 2024.[3]

1.2.2 Preliminary affirmative determination

On 12 March 2025, the Commissioner was satisfied that there appeared to be sufficient grounds for the publication of a dumping duty notice in relation to the goods exported to Australia from China, and made a PAD to that effect.[4] Following the making of the PAD, and to prevent material injury to the Australian industry occurring while the investigation continued, securities were taken by the Commonwealth in respect of any interim dumping duty (IDD) that became payable in respect of the goods exported from China and entered for home consumption in Australia on or after 13 March 2025.

The Commissioner was not satisfied that there appeared to be sufficient grounds to make a PAD in relation to the alleged subsidisation of the goods exported to Australia from China and securities were not taken in respect of any interim countervailing duty.

1.2.3 Statement of essential facts (SEF)

The Commissioner published *Statement of Essential Facts No 644* (SEF 644) on 27 June 2025.[5]

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[3] Electronic public record (EPR) 644, item no 3.

[4] Refer ADN No 2025/020, item no 18 on EPR 644.

[5] EPR 644, item no 28.

At that time, the Commissioner found that countervailable subsidies have been received in respect of the goods exported to Australia from China. However, these subsidies did not at any time during the investigation period exceed the 'negligible level' of countervailable subsidy. Accordingly, based on these preliminary findings, the Commissioner proposed to terminate the subsidy investigation subject to any submissions in response to the SEF.

Following the publication of SEF 644, the Commissioner did not receive any submissions concerning the subsidisation of goods exported to Australia from China.

1.3 Summary of findings

The following sections provide a summary of the findings that informed the Commissioner's decision to terminate the subsidy investigation. The findings are set out in detail throughout the report.

1.3.1 Subsidy investigation (Chapter 3)

The commission found that the goods exported to Australia from China were subsidised, however, the subsidy margin in respect of the goods never exceed the 'negligible level' of a countervailable subsidy (Table 1 refers).

Exporter	Subsidy margin
Ningbo Fenghui Metal Products Co., Ltd	1.5%
All other exporters	1.5%

Table 1: Subsidy margins

1.3.2 Termination of subsidy investigation (Chapter 4)

The Commissioner is satisfied that countervailable subsidies have been received in respect of the goods exported to Australia from China, however, these subsidies never, at any time during the investigation period, exceeded the 'negligible level' of countervailable subsidy.[6] Accordingly, in accordance with section 269TDA(2)(b)(ii), the Commissioner has terminated the subsidy investigation in respect of the goods exported to Australia from China.

[6] Section 269TDA(16) of the *Customs Act 1901*. As China is classed as a 'developing country' under Schedule 1, Part 4, Division 1 of the *Customs Tariff Regulations 2004*, the negligible level of countervailable subsidy is 2%.

2 BACKGROUND

2.1 Legislative framework

Division 2 of Part XVB of the Act describes, among other things, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application under section 269TB(1) of the Act.

2.2 Application and initiation

On 5 April 2024, Abey lodged an application seeking the publication of a dumping duty notice and a countervailing duty notice in respect of certain interchangeable bolted clipping system brackets exported to Australia from China.

In its application, Abey alleges that the Australian industry producing like goods has suffered material injury caused by dumped goods exported to Australia from China.

After receiving further information, the last of which was received on 20 May 2024, the Commissioner considered the application in accordance with section 269TC and was satisfied that:

- the application complies with the requirements of section 269TB(4), in that the application was lodged in writing, was lodged in an approved form, contained such information as the form requires, was signed in the manner indicated in the form, was supported by a sufficient part of the Australian industry, and was lodged in the approved manner
- there is an Australian industry in respect of like goods, and
- that there appear to be reasonable grounds for the publication of a dumping duty notice and a countervailing duty notice in respect of the goods the subject of the application.

Accordingly, the Commissioner decided not to reject the application and initiated an investigation into the alleged dumping and subsidisation of the goods exported to Australia from China. Details relating to the consideration of Abey's application are contained in *Consideration Report No 644* (CON 644).[7]

Public notification of initiation of the investigation was made in ADN No 2024/040, which was published on 25 June 2024.[8]

2.2.1 The goods the subject of the application

The goods the subject of the application (the goods, or the goods under consideration) are described as:

> Interchangeable bolted clipping system brackets, whether or not galvanized, whether or not including nut and bolt, including the following brackets:

[7] EPR 644, item no 2.

[8] EPR 644, item no 3.

- light hanging bracket with elongated slot and square hole for interlocking coach bolt and nut
- stand-off bracket with elongated slot and square hole for interlocking coach bolt and nut
- adjustable stand-off bracket with elongated slot for interlocking coach bolt and nut
- all-thread bracket with elongated slot and square hole for interlocking coach bolt and nut, and
- welded nut bracket with elongated slot and square hole for interlocking coach bolt and nut.

The interchangeable bolted brackets are manufactured from galvanised hot rolled coil (HRC).

Further information regarding the goods the subject of the application can be found in CON 644 and ADN No 2024/040.[9]

Tariff classification

The goods the subject of this investigation may be classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

Tariff subheading	Statistical code	Description
7326	OTHER ARTICLES OF IRON OR STEEL:	
7326.90	- Other:	
7326.90.90	60	Other
8302	BASE METAL MOUNTINGS, FITTINGS AND SIMILAR ARTICLES SUITABLE FOR FURNITURE, DOORS, STAIRCASES, WINDOWS, BLINDS, COACHWORK, SADDLERY, TRUNKS, CHESTS, CASKETS OR THE LIKE; BASE METAL HAT- RACKS, HAT-PEGS, BRACKETS AND SIMILAR FIXTURES; CASTORS WITH MOUNTINGS OF BASE METAL; AUTOMATIC DOOR CLOSERS OF BASE METAL:	
8302.50.00[10]	21	Hat-racks, hat-pegs, brackets and similar fixtures

Table 2: Tariff subheadings relevant to the goods

While Abey has noted in its application that certain types of brackets[11] may be classified under tariff subheading 7318.15.00, the commission could not identify any imports of the goods that were classified under this tariff subheading. This observation is consistent with

[9] Refer to item nos 2 and 3 on EPR 644, available at www.adcommission.gov.au.

[10] In its submission dated 28 August 2024, Compliant Customs Pty Ltd (a customs broker) identified an additional tariff subheading (8302.50.00, statistical code 21) under which the goods the subject of this investigation may be classified to. The commission reviewed ABF data and identified several consignments that appear to be of the goods the subject of the investigation.

[11] Welded nut brackets and all thread brackets.

Clemenger International Freight Pty Ltd's submission that the goods the subject of this investigation are not classified under tariff subheading 7318.15.00.[12]

The commission is aware that Radius Supply and Service Pty Ltd (Radius, an importer of the goods), has declared goods under tariff subheadings other than the tariff subheadings identified in Table 2. The commission has provided the tariff classifications for guidance only and importers should make their own enquiries with the ABF when declaring imports.

The above tariff subheadings and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff subheadings and statistical codes are for reference only and do not form part of the goods description set out above. Interested parties should refer to the goods description for authoritative detail regarding the particulars of the goods the subject of this investigation.

2.3 Preliminary affirmative determination and securities

In accordance with section 269TD(1), the Commissioner may make a PAD if satisfied that:

- there appears to be sufficient grounds for the publication of a dumping duty notice or a countervailing duty notice,[13] or
- it appears that there will be sufficient grounds for the publication of a dumping duty notice or a countervailing duty notice subsequent to the importation of the goods into Australia.[14]

A PAD may be made no earlier than day 60 of the investigation (in relation to this investigation, 24 August 2024)[15] and the Commonwealth may require and take securities at the time a PAD is made or at any time during the investigation after a PAD has been made if the Commissioner is satisfied that it is necessary to do so to prevent material injury to an Australian industry occurring while the investigation continues.[16]

On 12 March 2025, the Commissioner was satisfied that there appeared to be sufficient grounds for the publication of a dumping duty notice in relation to the goods exported to Australia from China, and made a PAD to that effect.[17] Following the making of the PAD, and to prevent material injury to the Australian industry occurring while the investigation continued, securities were taken in respect of any IDD that may become payable in respect of the goods exported from China and entered for home consumption in Australia on or after 13 March 2025.

As outlined in SEF 644, the Commissioner remained satisfied that it was necessary to require and take securities to prevent material injury to the Australian industry occurring while the investigation continues. The Commissioner was not satisfied that there

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[12] EPR 644, item no 20.

[13] Section 269TD(1)(a).

[14] Section 269TD(1)(b).

[15] Section 269TD(1).

[16] Section 269TD(4)(b).

[17] Refer ADN No 2025/020, item no 18 on EPR 644.

appeared to be sufficient grounds to make a PAD in relation to the alleged subsidisation of the goods exported to Australia from China.

2.4 Statement of essential facts

As required by section 269TDAA(1), the Commissioner must, within 110 days after the initiation of an investigation or such longer period as is allowed under section 269ZHI(3),[18] place on the public record a SEF on which the Commissioner proposes to base a recommendation to the Minister in relation to the application.

On 27 June 2025, the Commissioner published a SEF setting out the facts on which the Commissioner proposed to base their recommendations to the Minister.[19]

In formulating the SEF, the Commissioner had regard to the following:

- Abey's application
- importer and exporter questionnaire responses received from participating importers and exporters
- submissions received concerning the publication of the dumping duty notice and countervailing duty notice, including data provided by interested parties
- information obtained during verification visits to Abey, A C Plumbing Supplies Pty Ltd (ACP), Ningbo Fenghui Metal Products Co., Ltd (Fenghui) and Cixi Guanhaiwei Qinyan Hardware Factory (Qinyan)
- data from the Australian Border Force (ABF) import database
- data obtained from independent third-party data providers
- the commission's previous findings with respect to the steel industry and markets in China, and
- all other relevant matters as outlined in the SEF.

Submissions in response to the SEF were due by 17 July 2025. The commission did not receive any submission concerning the subsidisation of the goods exported to Australia from China.

2.5 Final report

Section 269TEA(1) requires the Commissioner, after conducting an investigation, to give the Minister a report recommending whether any notice should be published and the extent of any duties that are or should be payable under the *Customs Tariff (Anti-Dumping) Act 1975*.

As the Commissioner is terminating the subsidy investigation, the Commissioner has not given the Minister a final report with respect to the publication of a countervailing duty notice. The Commissioner will prepare a separate report relating to the dumping investigation which will outline his recommendations concerning the publication of a dumping duty notice.

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[18] The SEF was originally due to be published on or before 14 October 2024. The commission obtained multiple extensions of time for the due date for the SEF and final report.

[19] EPR 644, item no 28.

2.6 Conduct of the investigation

At initiation of the investigation, the Commissioner established an investigation period of 1 April 2023 to 31 March 2024. The Commissioner examined exports to Australia of the goods during this period to determine whether dumping and subsidisation occurred.

2.6.1 Related cases

The commission is currently conducting an investigation into alleged dumping and subsidisation of interchangeable bolted clipping system clip heads exported to Australia from China (Investigation 645).[20] The goods the subject of Investigation 645 are used in conjunction with the brackets the subject of Investigation 644 and are complementary products.

Investigation 645 was initiated on 25 June 2024 following an application lodged by Abey seeking the publication of a dumping duty notice and a countervailing duty notice in respect of certain interchangeable bolted clipping system clip heads.

The commission is conducting Investigation 644 and Investigation 645 concurrently given that the same parties that manufacture, export and import brackets also manufacture, export and import clip heads from China. While the investigations are conducted concurrently, the findings of each investigation pertain specifically to the goods being examined in each investigation.

2.6.2 Questionnaires and verification

Australian industry

The Commissioner is satisfied that the applicant (Abey) is the sole member of the Australian industry producing like goods to the goods the subject of this investigation.

The commission conducted a visit to Abey's manufacturing premises in November 2024 to verify the accuracy, completeness and relevance of Abey's sales and cost data, including other information provided in Abey's application. A verification report summarising the findings from this verification is available on the public record.[21]

Importers

The commission identified some entities from the ABF import database that imported goods during the investigation period that were classified to the tariff subheadings identified in Abey's application. The commission also identified suppliers of the goods in the Australian market that may have imported the goods into Australia. The commission sent importer questionnaires to these parties. The commission also placed a copy of the importer questionnaire on the commission's website for importers to complete.

The commission received a response to the importer questionnaire from ACP, a plumbing products wholesaler and distributor in Australia that has imported the goods from China during the investigation period.

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[20] Refer EPR 645 for further information relating to this investigation.

[21] EPR 644, item no 21.

The commission conducted a visit to ACP's premises in October 2024 to verify the accuracy, completeness and relevance of ACP's information and data provided in its response the importer questionnaire. A verification report outlining the key findings from this verification is available on the public record.[22]

Following the publication of the PAD, Radius met with the commission and provided the commission with information relating to its sales of the goods in the Australian market.[23] The commission subsequently requested that Radius complete the importer questionnaire. While Radius provided information which appears to relate to its cost to import and sell and its import consignments,[24] it did not respond to the questions in the importer questionnaire, nor did it provide all the information requested in the questionnaire.

Exporters

At initiation, the commission sent exporter questionnaires to the following entities that were either identified in Abey's application or were identified by the commission as potential manufacturers or suppliers of the goods from China:

- Fenghui
- Ningbo Xinliyuan International Trading Co., Ltd, and
- Kinetic Sourcing Group Pty Ltd.

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

On 1 May 2025 the commission also forwarded exporter questionnaires to Radius to forward to its suppliers. The commission requested that a response to the questionnaire be provided by 30 May 2025. The commission did not receive a response to the exporter questionnaire from any of Radius' suppliers.

Cooperative exporters[25]

The commission received a response to the exporter questionnaire (REQ) from the following entities based in China:

- Fenghui, and
- Qinyan.

Both Fenghui and Qinyan were granted an extension to respond to the exporter questionnaire, and both parties provided a response to the questionnaire by the extended due date. The commission identified several deficiencies with both responses and both parties addressed these deficiencies in a subsequent response. Non-confidential versions

[22] EPR 644, item no 16.

[23] A summary of the meetings with Radius is contained in item no 27 on EPR 644.

[24] Radius identified 'Radius Sales & Surface Pty Ltd' in each completed questionnaire spreadsheet, albeit this appears to be an error as this entity does not appear to be registered in Australia and therefore does not appear to exist. Further, this entity is not declared as the importer on the import declarations relating to Radius' imports of the goods.

[25] 'Cooperative exporter' is defined in section 269T(1).

of the exporter questionnaire responses, including responses to the deficiency advice, are available on the public record.[26]

The commission visited Fenghui's and Qinyan's respective premises in China to verify the accuracy, completeness and relevance of the information submitted in their questionnaire responses. A verification report outlining the key findings from the verification of Fenghui is available on the public record.[27] A verification report outlining the key findings from the verification of Qinyan is also available on the public record.[28]

For the reasons outlined in section 5.3.2 of the SEF, the commission considers Fenghui rather than Qinyan to be the exporter of the goods exported to Australia from China in the investigation period.[29]

Non-cooperative entities

The Commissioner considered the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (Customs Direction) and section 269TAACA of the Act and determined that any entity[30] which did any of the following is a 'non-cooperative entity' for the purposes of the subsidy investigation:

- failed to provide a response to the exporter or government questionnaire or failed to request a longer period to provide a response within the time specified in ADN No 2024/040, being 1 August 2024,[31] or
- provided a response to the questionnaire within the legislated period that did not provide information relevant to the investigation.

The Commissioner determines that all entities other than Fenghui are non-cooperative entities for the purposes of the investigation.

Government of China

In accordance with section 269TB(2C), the commission invited the Government of China (GOC) for consultations during the pre-initiation phase. The commission provided the GOC with a non-confidential version of Abey's application.

The GOC accepted the commission's invitation, and consultations were held via videoconference on 7 June 2024. The purpose of the consultations was to provide an opportunity for the GOC to respond to the claims made within the application in relation to

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[26] EPR 644, item nos 11, 12, 13 and 14.

[27] EPR 644, item no 23.

[28] EPR 644, item 22.

[29] EPR 644, item no 28.

[30] Any entity who is or is likely to be directly concerned with the importation or exportation of the goods or like goods into Australia, or the government of the country of export or country of origin of the goods or like goods.

[31] This is the relevant legislated period. On 1 May 2025 the commission also forwarded exporter questionnaires to Radius to forward to its suppliers. The commission requested that a response to the questionnaire be provided by 30 May 2025. The commission did not receive a response to the exporter questionnaire from any of Radius' suppliers.

countervailable subsidies, including whether they exist and, if so, whether they are causing, or are likely to cause, material injury to an Australian industry, with the 'aim of clarifying the situation […] and arriving at a mutually agreed solution'.

The GOC outlined its view that the application for dumping and countervailing duties should be rejected. The GOC stated that the information in the application regarding countervailable subsidies was outdated and lacked evidence to prove the existence of the subsidy programs listed in Abey's application. The GOC raised the following key points in the consultations:

- *Anti-Dumping Commission Report No 590* (REP 590) and the different type of steel used to make interchangeable brackets and clip heads
- reliance on previous findings in REP 590 and *Anti-Dumping Commission Report No 529*
- amount of subsidy in Abey's application
- evidence regarding specificity.

The GOC provided a written submission repeating the issues raised during the consultations.[32] The commission has detailed its consideration and assessment of the GOC's submission in section 4.4.3 of CON 644.[33]

At initiation, the commission sent a questionnaire to the GOC to complete. The questionnaire included questions relating to Abey's claims concerning subsidisation and particular market situation including questions relating to the Chinese steel industry and market. The commission has not received a response to this questionnaire.

During the course of the investigation, the commission obtained information from Fenghui and Qinyan that indicated that benefits were received in relation to the goods under several subsidy programs that were not identified in Abey's application. Therefore, the commission sent the GOC a supplementary questionnaire in relation to these identified subsidy programs. The commission did not receive a response from the GOC to this supplementary questionnaire.

[32] EPR 644, item no 4.

[33] EPR 644, item no 2.

3 SUBSIDY INVESTIGATION

3.1 Finding

The Commissioner has found that countervailable subsidies have been received in respect of the goods exported to Australia from China during the investigation period.

The subsidy margins in respect of the goods exported to Australia from China during the investigation period are summarised in Table 3.

Exporter	Subsidy margin
Fenghui	1.5%
All other exporters	1.5%

Table 3: Subsidy margins

3.2 Relevant legislation

Under section 269TJ(1)(a), one of the matters that the Minister must be satisfied of to publish a countervailing duty notice is that a 'countervailable subsidy' has been received in respect of the goods.

Section 269T(1) defines a 'subsidy' as a financial contribution or income or price support by a government, public body or private body entrusted or directed by the government or public body to carry out a government function, and the financial contribution or income/price support must confer a benefit, whether directly or indirectly, in relation to the goods exported.

Section 269TACC sets out the steps for working out whether a financial contribution or income or price support confers a benefit.

Without limiting the definition of 'subsidy' in section 269T(1), a financial contribution or income or price support may confer a benefit in relation to goods exported to Australia if that contribution or support is made in relation to goods or services used in relation to the production, manufacture or export of the goods exported to Australia.[34]

In accordance with section 269TAAC(1), a subsidy is a 'countervailable subsidy' if it is specific. Section 269TAAC(2) outlines the circumstances in which a subsidy is specific.

Section 269TACD provides that if the Minister is satisfied that a countervailable subsidy has been received in respect of the goods, the Minister must, if the amount of the subsidy is not quantified by reference to a unit of the goods, work out how much of the subsidy is properly attributable to each unit of the goods.

3.2.1 Determination of countervailable subsidy if non-cooperation by relevant entities

Section 269TAACA(1) provides that, in circumstances where an entity, referred to as a 'non-cooperative entity':

[34] Section 269T(2AA).

- has not given the Commissioner information the Commissioner considers to be relevant to the investigation within a period the Commissioner considers to be reasonable, or
- has significantly impeded the investigation,

then, in determining whether a countervailable subsidy has been received in respect of the goods, or in determining the amount of a countervailable subsidy in respect of the goods, the Commissioner or the Minister may act on the basis of all the facts available and may make such assumptions as the Commissioner or Minister (as the case may be) considers reasonable.

3.3 Information considered by the commission

The commission has had regard to the following information as part of its assessment of the subsidies received in respect of the goods exported from China:

- information provided by Abey in its application, and
- information provided by Fenghui and Qinyan in their responses to the exporter questionnaire as well as information provided during verification.

3.3.1 Information requested from the Government of China

At initiation of this investigation, the commission provided the GOC (being an entity covered by section 269TAACA(2)(b)) with a questionnaire which included questions relating to the subsidy programs identified in Abey's application. The commission has not received a response to this questionnaire from the GOC.

During the course of the investigation, the commission obtained information that indicated that benefits were received in relation to the goods under several subsidy programs that were not identified in Abey's application. Therefore, the commission sent the GOC a supplementary questionnaire in relation to these identified subsidy programs. The commission did not receive a response from the GOC to this supplementary questionnaire.

Given that the GOC has not provided any information the Commissioner considers relevant to the investigation, in determining whether a 'countervailable subsidy' has been received in respect of the goods, the commission has relied on all facts available and made such assumptions as the Commissioner considers reasonable in accordance with section 269TAACA(1).

3.4 Investigated subsidies

3.4.1 Subsidies previously found to be countervailable

The commission found no evidence that any exporters of the goods the subject of this investigation received any previously countervailed subsidies other than subsidies under 'Program 20 - Hot rolled steel provided by government at less than fair market value'.

In its application, Abey alleges that as brackets are made using galvanised HRC, and as HRC is also used in the manufacture of hollow structural sections (HSS), 'it is therefore

reasonable… to conclude that subsidy programs that benefit Chinese manufacturers of HSS would also benefit Chinese manufacturers of interchangeable brackets'.[35]

Abey alleged that the countervailable subsidy programs listed in its application and identified in REP 590[36] are considered to apply equally to producers of brackets. Abey identified the countervailable subsidy programs listed in REP 590 that apply to entities within Zhejiang province, as well as those programs that apply nationally in China. It did not include programs that apply to specific areas outside of Zhejiang province that were countervailed in REP 590.

The commission found no evidence that any exporters of the goods the subject of this investigation received any of the subsidies identified by Abey in its application, other than subsidies under 'Program 20 - hot rolled steel provided by government at less than fair market value'.

Hot rolled steel provided by government at less than fair market value

The commission found that Qinyan received a benefit in respect of galvanised HRC (galvanised steel, which is a hot rolled steel product) it purchased at less than adequate remuneration and consumed in the production of the goods exported to Australia.

While Qinyan has directly purchased galvanised steel from a private entity that has no apparent association or link to the government or a public body in China,[37] the commission has not been provided with information to establish whether the galvanised steel purchased by Qinyan was manufactured by a public body such as a state-owned enterprise (SOE) or state-invested enterprise (SIE).

Qinyan claims that it does not know whether the steel it purchased was manufactured by any SOEs or SIEs. In the absence of any relevant information provided in respect of the manufacturer of the galvanised steel purchased by Qinyan, the commission has had regard to all facts available and made reasonable assumptions based on those facts.

The commission has found in previous cases concerning steel that hot rolled steel in China is mostly manufactured and sold by public bodies (SOEs and/or SIEs). In the absence of any relevant information, the commission assumes that the manufacturer or manufacturers of the galvanised steel that is purchased and consumed by Qinyan are most likely SOEs or SIEs. As the financial contribution involves the provision of galvanised steel by public bodies to a private intermediary (in this case, Qinyan's direct supplier of galvanised steel), the commission considers that an indirect benefit is conferred in relation to the goods exported to Australia to the extent that the benefits conferred to the private entity are passed through to Qinyan by way of galvanised steel being provided at less than adequate remuneration (i.e. at less than fair market value). The commission quantified the benefit in relation to those galvanised steel purchases (which are used in the production of the goods exported to Australia) by calculating the difference between the prices paid by Qinyan and what is determined to be adequate

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[35] EPR 644, item no 1, page 50.

[36] REP 590 concerns a continuation inquiry relating to HSS exported to Australia from China (EPR 590, item no 41 refers).

[37] The commission found no evidence that this private supplier was entrusted or directed by the government or public body in China to carry out a governmental function.

remuneration, by reference to a 'benchmark', for galvanised steel (discussed in **Appendix A**).

3.4.2 Subsidies identified by cooperating entities

In their responses to the exporter questionnaire, Fenghui and Qinyan have identified various subsidies (Programs 1 to 6 in Table 4) that they received during the investigation period. The commission reviewed and verified the information provided by Fenghui and Qinyan in respect of those subsidies.

3.5 Subsidies received during the investigation period

The commission found that the following subsidies were received in respect of the goods exported to Australia from China during the investigation period. The commission found that these subsidies are countervailable subsidies.

Program no	Subsidy program name / description	Program type
1	Transportation subsidy for returning to work after spring festival	Grant (direct transfer of funds)
2	One-time employment retention subsidy	Grant (direct transfer of funds)
3	Reward for overseas business personnel travelling abroad	Grant (direct transfer of funds)
4	Recruitment subsidy	Grant (direct transfer of funds)
5	Industrial reward for 2022	Grant (direct transfer of funds)
6	Preferential tax for micro and small-sized enterprises and individually-owned businesses	Preferential tax rate (forgoing, or non-collection, of tax revenue)
7[38]	Hot rolled steel provided by government at less than fair market value	Goods provided at less than adequate remuneration

Table 4: Subsidies received in respect of the goods

The commission's assessment of whether the subsidies identified in Table 4 are countervailable subsidies is outlined in **Appendix A**.

[38] In the original investigation concerning HSS from China (Investigation 177), a subsidy program entitled 'hot rolled steel provided by government at less than fair market value' was designated as Program 20. This subsidy program was designated as Program 20 in subsequent cases concerning HSS exported from China. Program 20 was identified in Abey's application as benefiting exporters of the goods the subject of this application. The subsidy program entitled 'hot rolled steel provided by government at less than fair market value' was also designated as Program 1 in the investigation concerning zinc coated (galvanised) steel (Investigation 193) and was designated as Program 1 in subsequent cases concerning galvanised steel exported from China.

3.6 Calculation of subsidy margins

3.6.1 Fenghui

The commission found that Fenghui received a benefit, directly and indirectly, in respect of the goods it exported to Australia during the investigation period under all subsidies listed in Table 4.

Based on the information available, the commission has calculated a subsidy margin in respect of the goods exported by Fenghui of **1.5%**.

The commission's calculation of the subsidy margin in respect of the goods exported to Australia by Fenghui is at **Confidential Attachment 1**.

3.6.2 Non-cooperative entities

The commission found that brackets were exported to Australia from China during the investigation period by exporters or entities (which are covered by section 269TAACA(2)) other than Fenghui. The commission did not receive any information from these other exporters. Given this, the commission does not have any information to assess whether any countervailable subsidies have been received in respect of the goods exported to Australia from China by these exporters, including the amount of countervailable subsidy received in respect of those goods.

In the absence of any information provided by non-cooperative entities, the commission determined the subsidy margin for non-cooperative entities on the basis of all facts available and by making reasonable assumptions pursuant to section 269TAACA(1).

In determining whether a countervailable subsidy has been received in respect of the goods exported by non-cooperative entities, the commission has relied on information obtained from Fenghui and Qinyan. The commission considers that given Fenghui and Qinyan are involved in the manufacture and export of the goods the subject of this investigation, it is reasonable to assume that subsidies received by these two entities during the investigation period would also be received in respect of the goods manufactured and exported to Australia by other entities. Therefore, in accordance with section 269TAACA(1), the Commissioner considers that it is reasonable to assume that the amount of countervailable subsidy received by non-cooperative exporters is the same as that received by Fenghui and Qinyan.

Based on the information available, the commission has determined a subsidy margin for non-cooperative exporters of **1.5%**.

4 TERMINATION OF SUBSIDY INVESTIGATION

Section 269TDA(2)(b)(ii) provides that the Commissioner must terminate a countervailable subsidy investigation, in so far as it relates to an exporter of the goods, if there has been a 'countervailable subsidy' received in respect of some or all of the exported goods but it never, at any time during the investigation period, exceeded the 'negligible level' of countervailable subsidy under section 269TDA(16).

As China is classed as a 'developing country' under Schedule 1, Part 4, Division 1 of the *Customs Tariff Regulations 2004*, the negligible level of countervailable subsidy is 2%.

The Commissioner found that:

- countervailable subsidies have been received in respect of some or all of the goods exported by Fenghui, however, these subsidies never at any time during the investigation period exceeded the negligible level (2%) of countervailable subsidy, and
- with respect to all other exporters from China, countervailable subsidies have been received in respect of some or all of the goods exported, however, these subsidies never at any time during the investigation period exceeded the negligible level (2%) of countervailable subsidy.

Accordingly, in accordance with section 269TDA(2), the Commissioner has terminated the subsidy investigation in respect of the goods exported to Australia from China by all exporters.

The decision to terminate the subsidy investigation does not impact the ongoing dumping investigation. The Commissioner is due to report his findings regarding dumping to the Minister by 29 August 2025.

5 APPENDICES AND ATTACHMENTS

Appendix A	Assessment of subsidies
Confidential Attachment 1	Subsidy margin (goods exported by Fenghui)

APPENDIX A - ASSESSMENT OF SUBSIDIES

A1 Introduction

In its application, Abey identified 22 subsidy programs that were found to be countervailable by the commission in previous investigations and inquiries conducted by the commission. As noted in section 3.4.1 of this report, the commission found no evidence that any exporters of the goods the subject of this investigation received any previously countervailed subsidies, other than subsidies under 'Program 20 - hot rolled steel provided by government at less than fair market value'.

During the course of the investigation, the commission identified 6 additional subsidies under which benefits were received in respect of the goods exported to Australia during the investigation period. As outlined in the following sections, the commission assessed whether these subsidies were 'countervailable subsidies' in accordance with section 269T(1), section 269TAAC and section 269TACC.

A2 Legislative framework

A2.1 Definition of 'subsidy' and 'countervailable subsidy'

Section 269T(1) defines 'subsidy' as follows:

> ***subsidy***, in respect of goods exported to Australia, means:
>
> (a) a financial contribution:
>
> (i) by a government of the country of export or country of origin of the goods; or
> (ii) by a public body of that country or a public body of which that government is a member; or
> (iii) by a private body entrusted or directed by that government or public body to carry out a governmental function;
>
> that involves:
>
> (iv) a direct transfer of funds from that government or body; or
> (v) the acceptance of liabilities, whether actual or potential, by that government or body; or
> (vi) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body; or
> (vii) the provision by that government or body of goods or services otherwise than in the course of providing normal infrastructure; or
> (viii) the purchase by that government or body of goods or services; or
>
> (b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a government or body;
>
> if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to Australia.[39]

Without limiting the definition of 'subsidy' in section 269T(1), a financial contribution or income or price support may confer a benefit in relation to goods exported to Australia if

[39] Section 269TACC sets out the steps for working out whether a financial contribution or income or price support confers a benefit.

that contribution or support is made in relation to goods or services used in relation to the production, manufacture or export of the goods exported to Australia.[40]

Section 269TAAC defines a 'countervailable subsidy' as follows:

(1) For the purposes of this Part, a subsidy is a countervailable subsidy if it is specific.

(2) Without limiting the generality of the circumstances in which a subsidy is specific, a subsidy is specific:

(a) if, subject to subsection (3), access to the subsidy is explicitly limited to particular enterprises; or
(b) if, subject to subsection (3), access is limited to particular enterprises carrying on business within a designated geographical region that is within the jurisdiction of the subsidising authority; or
(c) if the subsidy is contingent, in fact or in law, and whether solely or as one of several conditions, on export performance; or
(d) if the subsidy is contingent, whether solely or as one of several conditions, on the use of domestically produced or manufactured goods in preference to imported goods.

(3) Subject to subsection (4), a subsidy is not specific if:

(a) eligibility for, and the amount of, the subsidy are established by objective criteria or conditions set out in primary or subordinate legislation or other official documents that are capable of verification; and
(b) eligibility for the subsidy is automatic; and
(c) those criteria or conditions are neutral, do not favour particular enterprises over others, are economic in nature and are horizontal in application; and
(d) those criteria or conditions are strictly adhered to in the administration of the subsidy.

(4) The Minister may, having regard to:

(a) the fact that the subsidy program benefits a limited number of particular enterprises; or
(b) the fact that the subsidy program predominantly benefits particular enterprises; or
(c) the fact that particular enterprises have access to disproportionately large amounts of the subsidy; or
(d) the manner in which a discretion to grant access to the subsidy has been exercised;

determine that the subsidy is specific.

(5) In making a determination under subsection (4), the Minister must take account of:

(a) the extent of diversification of economic activities within the jurisdiction of the subsidising authority; and
(b) the length of time during which the subsidy program has been in operation.

Section 269TACD provides that if the Minister is satisfied that a countervailable subsidy has been received in respect of the goods, the Minister must, if the amount of the subsidy

[40] Section 269T(1)(2AA).

is not quantified by reference to a unit of the goods, work out how much of the subsidy is properly attributable to each unit of the goods.

A2.2 Definition of government, public and private bodies

As noted above, under section 269T(1), for a financial contribution to be a subsidy, it must be provided by:

- a government of the country of export or country of origin of the goods, or
- a public body of that country or a public body of which that government is a member, or
- a private body entrusted or directed by that government or public body to carry out a governmental function.

In its assessment of each subsidy, the commission has had regard to the entity responsible for providing the financial contribution under the relevant program, as part of the test under section 269T(1) for determining whether a financial contribution is a subsidy.

Government

As noted in section 16.2 of the *Dumping and Subsidy Manual* (the Manual),[41] the commission considers that the term 'government' includes government at all different levels, including at a national and sub-national level.

Public body

The term 'public body' is not defined in the Act. Determining whether an entity is a 'public body' requires evaluation of all available evidence of the entity's features and its relationship with government, including the following:

- The objectives and functions performed by the body and whether the entity in question is pursuing public policy objectives. In this regard relevant factors include:
    - legislation and other legal instruments
    - the degree of separation and independence of the entity from a government, including the appointment of directors, and
    - the contribution that an entity makes to the pursuit of government policies or interests, such as considering national or regional economic interests and the promotion of social objectives.

- The body's ownership and management structure, such as whether the body is wholly or partly owned by the government or whether the government has a majority of shares in the body. A finding that a body is a public body may be supported through:
    - the government's ability to make appointments
    - the right of government to review results and determine the body's objectives, and
    - the government's involvement in investment or business decisions.

[41] The Manual (December 2021).

The commission considers this approach is consistent with the WTO Appellate Body decision of *United States – Countervailing Measures (China)*.[42] In that case, the Appellate body referred to the following 3 indicia which may assist in assessing whether an entity was a public body vested with, or exercising, government authority:

- where a statute or other legal instrument expressly vests government authority in the entity concerned
- where there is evidence that an entity is, in fact, exercising governmental functions
- where there is evidence that a government exercises meaningful control over an entity and exercises governmental authority in the performance of government functions.

These principles have also previously been considered in the Federal Court of Australia.[43]

Private body

Where an entity is neither a government nor public body, the commission will consider it a private body, in which case, a government direction to make a financial contribution in respect of the goods must be established in order for the contribution to be considered a subsidy, as defined by section 269T(1).

Pursuant to section 16.3 of the Manual, in determining the character of an entity which may have provided a financial contribution, the commission will consider whether a private body has been:

- 'entrusted' to carry out a government function, which occurs when a government gives responsibility to a private body
- 'directed' to carry out a government function, which occurs in situations where the government exercises its authority over a private body.

Not all government acts will be considered as entrusting or directing a private body. Encouragement or mere policy announcements by government, of themselves, are not sufficient to satisfy this test. However, threats and inducements may be evidence of entrustment or inducements. The test is satisfied where the private body is a proxy by government to give effect to financial contributions.

A3 Assessment of subsidies

This section details the commission's assessment of the subsidies identified in Chapter 3.

A3.1 Program 7: Hot rolled steel provided by government at less than fair market value

There is no single legislative authority or policy establishing this subsidy program. Rather, the commission considers this program as a collective term to describe conditions within the Chinese steel market under which Chinese SOEs or SIEs (being public bodies) provide hot rolled steel (such as HRC and galvanised HRC) at a price lower than a

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[42] DS379 United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China.

[43] See *Panasia Aluminium (China) Limited v Attorney-General of the Commonwealth [2013] FCA 870, [27] - [70] Dalian Steelforce Hi Tech Co Ltd V Minister for Home Affairs [2015] FCA 885, [50] - [73].*

competitive market price (i.e. at less than adequate remuneration, or 'LTAR', having regard to the prevailing market conditions in China).[44]

The commission has countervailed this subsidy program in previous cases concerning steel, including in Investigation 177 and Investigation 193 and the subsequent continuation inquiries where the raw material used to produce the goods the subject of those investigations was HRC.[45]

There are 3 elements required in order for a financial contribution to be provided under the program:

- the provision of raw materials
- the provision of those raw materials by a public body
- the provision of those raw materials at LTAR.

In previous cases involving steel where this program was countervailed, the commission has considered whether SOEs or SIEs producing steel are public bodies. The commission concluded in those cases that SOEs or SIEs that produce steel constitute 'public bodies' in the meaning of section 269T(1).

As noted in Chapter 3 of this report, at initiation, the commission has requested that the GOC complete a questionnaire. The questionnaire included questions relating to this subsidy program, including questions relating to the operation, governance and prevalence of SOEs/SIEs in the steel industry, and questions concerning the ownership of steel producers in China. The GOC did not complete this questionnaire.

In the absence of relevant information held but not provided by the GOC, and based on all available information including the commission's previous findings, the commission concludes that Chinese steel producers, whether wholly or partially owned by the GOC, possess, exercise and are vested with governmental authority and are therefore public bodies. As such, the commission considers that SOEs or SIEs that produce and supply HRC (including galvanised HRC) qualify as 'public bodies' within the meaning of section 269T(1).

Is there a 'subsidy'?

Based on the information above, the commission considers that this program involves a financial contribution that involves the provision of hot rolled steel (including HRC and galvanised HRC steel) by the GOC through SOEs/SIEs (being public bodies) at less than adequate remuneration.

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[44] The commission considers that the term 'hot rolled steel' captures all forms of steel that has initially gone through a rolling process at high temperatures before undergoing further rolling or processing and therefore captures HRC and galvanised HRC/galvanised steel.

[45] In the investigation concerning HSS (Investigation 177), a subsidy program entitled 'hot rolled steel provided by government at less than fair market value' was designated as Program 20. This subsidy program was designed as Program 20 in subsequent cases concerning HSS exported from China. Program 20 was identified in Abey's application as benefiting exporters of the goods the subject of this application. The subsidy program entitled 'hot rolled steel provided by government at less than fair market value' was also designated as Program 1 in the investigation concerning zinc coated (galvanised) steel (Investigation 193), and was designated as Program 1 in subsequent cases relating to galvanised steel exported from China.

As Chinese manufacturers such as Qinyan use galvanised steel in their production of the exported goods, it is considered that this financial contribution is made in respect of the production or manufacture of the goods exported to Australia.

Where the financial contribution involves a direct transaction of galvanised steel between a public body and the exporter or manufacturer of the goods, the commission considers that this financial contribution confers a direct benefit to the extent that the galvanised steel was provided at less than adequate remuneration, as determined by the commission.

Where the financial contribution involves the provision of galvanised steel by public bodies to private intermediaries that then trade those inputs to the manufacturers of the goods, the commission considers that an indirect benefit is conferred in relation to the exported goods to the extent that the benefits conferred to the private intermediaries are passed-through to the manufacturers and exporters of the goods by way of galvanised steel being provided at less than adequate remuneration.

The amount of the benefit is equal to the amount of the difference between the purchase price of the galvanised steel and what the commission considers to be 'adequate remuneration' for galvanised steel based on a benchmark price absent any GOC distortion or influence on the purchase prices in China.[46] As the commission has previously found that prices in the market for steel (including galvanised steel[47]) in China were artificially low or lower than they would otherwise be in a competitive market, and in the absence of any information provided by the GOC to suggest otherwise, the commission has based the benchmark for the 'adequate remuneration' on the prices of galvanised steel sold in the domestic markets in Korea and Taiwan (further discussed below).[48] The commission considers that prices in Korea and Taiwan are not influenced by domestic prices in China.

Where exporters and manufacturers during the investigation period received a financial contribution under the program, it would therefore confer a benefit in relation to the goods exported to Australia, and the financial contribution would meet the definition of a subsidy under section 269T(1).

Assessment of benchmark for 'fair market value' for hot rolled steel

In assessing the adequacy of remuneration for hot rolled steel (in this case, HRC and galvanised HRC steel) under this subsidy program, the commission had regard to the prevailing market conditions for hot rolled steel in China where these goods are provided or purchased.[49]

The following findings and conclusions are made in the absence of the GOC's questionnaire response. The commission sought a variety of information and evidence

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[46] Section 269TACC(3)(d).

[47] Refer *Anti-Dumping Commission Report No 611* (REP 611) concerning zinc coated (galvanised) steel exported from China, Korea and Taiwan.

[48] Pursuant to section 269TACC(4), the commission considers that the benchmark is suitable for determining the adequacy of remuneration having regard to the prevailing conditions in the Chinese galvanised steel market.

[49] Section 269TACC(4).

from the GOC, including information on GOC involvement and policies in the steel market generally and the steel industry in particular, the operation of price signals in these sectors, and GOC measures that may or may not be affecting these sectors. The GOC did not cooperate with this request for information. The GOC's non-cooperation in this regard limits the evidence available to the commission and constrains the commission's ability to verify whether prices of hot rolled steel (in this case, HRC and galvanised HRC) in China are market determined and reflect prices at fair market value. In the absence of this information, the commission has had regard to previous findings on the prevailing market conditions relating to steel products such as HRC and galvanised HRC.[50]

In the most recent cases where the commission assessed the GOC's influence on the Chinese steel industry, the commission has found that the price of galvanised steel and other hot rolled steel products such as HRC is influenced by the GOC. Direct intervention by the GOC in the form of imposition of taxes, tariffs, export quotas, direct and indirect financial support and other indirect measures including the GOC's overarching macroeconomic policies and plans, such as the National Steel Policy, the Steel Industry Adjustment and Upgrade Plan and the GOC's Five Year Plans have influenced and impacted the structure of the Chinese steel industry.

The commission considers the GOC's involvement and influence over the steel industry to be a primary cause of the prevailing structural imbalances within both the broader steel industry and the HRC and galvanised steel markets. The commission considers that the GOC's historic and continued involvement in the Chinese steel industry, through its policies, planning guidelines, plans and directives materially contributed to its steel industry's overcapacity, over supply and distorted structure during the investigation period. The conditions created by the GOC significantly affected the dynamics and price setting in the domestic market. These findings relate to the Chinese steel market as a whole, including both upstream and downstream steel products. Moreover, based on the available evidence, the selling prices of firms sustaining ongoing operational losses have affected the steel market as a whole, particularly given the extent of SOE involvement in steel production.

The commission finds that both SOEs and private enterprises operating in the Chinese steel market often make decisions based on GOC policy goals and incentives as opposed to properly functioning price signals and the objective or motive to maximise profit. Further, the GOC's support mechanisms have insulated recipient firms from ordinary price and profit signals, which has significantly contributed to the excessive investment in production capacity, excess steel production and ongoing loss-making. This results in a steel market where firms, particularly SOEs, make unprofitable sales because of overcapacity in the industry and collectively place downward pressure on prices in the market that lead to prices that are below the cost of production. These prices therefore cannot be said to reflect adequate remuneration for the goods provided or purchased in the steel market in China.

Given these prevailing market conditions in China, the commission considers that a benchmark reflecting 'adequate remuneration' for galvanised steel should be based on a

[50] REP 611, available on EPR 611; REP 590, available on EPR 590; and *Anti-Dumping Commission Report No 632*, available on EPR 632.

benchmark price that is absent of any GOC distortion or influence on the steel market and steel industry in China.

The commission has considered using a benchmark for adequate remuneration based on prices of galvanised steel sold by private enterprises in China. However, as noted previously, the commission considers that the GOC's numerous influences on the Chinese steel industry has materially distorted the entire HRC and galvanised steel market and therefore distorted all prices of those goods, regardless of whether the goods are manufactured by SOEs or private enterprises in China.

The commission has also considered using a benchmark for adequate remuneration based on prices of galvanised steel imported into China. However, the commission considers that any import prices for galvanised steel in China are not reasonable for establishing a benchmark as these prices are likely to be distorted themselves. The commission considers that these prices would need to be at levels that are comparable to the GOC-distorted domestic prices in order to be competitive in China.

The commission determines that both Chinese domestic and import prices of galvanised steel during the investigation period are likely to have been distorted by the GOC influence in the Chinese steel industry. Noting the above, the commission considers that establishing a benchmark price based on internal prices in China is not suitable or reasonable in the circumstances.

The commission considers that normal competitive market conditions, absent the GOC's distortions or influence, prevail in the Korean and Taiwanese domestic markets for galvanised steel, and that purchases of galvanised steel in these markets are not influenced by prices in China. The commission therefore considers that purchases of HRC in these markets are suitable for the purposes of assessing whether galvanised steel is proved in China at less than fair market value (i.e. at less than adequate remuneration).

The commission based the benchmark on verified monthly prices of galvanised steel sold by Korean and Taiwanese producers at comparable terms of trade to those observed in China.[51] As these verified prices relate to a period preceding the investigation period, the prices were adjusted to reflect prices in the investigation period by taking into account the change or variation in prices following the earlier period.[52] Further, in determining the benchmark price, the commission has ensured, as far as possible, that the benchmark reflects prices of the same or similar grades and coating mass as the grades and coating mass of the galvanised steel used by producers of the goods exported to Australia.

Based on the available information, the commission is satisfied that the resulting benchmark is suitable for the purposes of assessing the adequacy of remuneration in relation to galvanised steel provided by SOEs to producers of the goods exported to Australia.

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[51] The commission used verified prices of galvanised steel sold domestically by cooperating Korean and Taiwanese exporters in Continuation Inquiry 611.

[52] The change or variation in prices was determined using domestic prices of hot dipped galvanised coil sold in Taiwan and South Korea, as reported in MEPS International Steel Review.

Is the subsidy a 'countervailable subsidy'?

As provided for in section 269TAAC(4)(a), the Minister may determine that a subsidy is 'specific' and therefore countervailable, having regard to the fact that the subsidy program benefits a limited number of particular enterprises.

Given that galvanised steel is a key input in the manufacture of downstream products including brackets, it is apparent that only enterprises engaged in the manufacture of these products would benefit from the provision of the input by the GOC at less than adequate remuneration. For this reason, the subsidy is determined to be specific and therefore countervailable.

A3.2 Assessment of all other subsidy programs

The commission identified 6 other subsidy programs that were received by cooperating entities during the investigation period. The commission's assessment as to whether these programs are 'countervailable subsidies' in respect of the goods exported to Australia is contained in the table below.

Program	WTO notification	Legal basis	Eligibility criteria	Is there a subsidy?	Is the subsidy countervailable?
Program 1 Transportation subsidy for returning to work after spring festival	The commission is not aware of any WTO notification of this program.	Based on information provided by Fenghui, it appears that the legal basis for this program is contained in a document issued by the Cixi City People's Government office. The document is referred to as *Several Measures to Support Enterprises in Stabilizing Jobs, Enhancing Quality, and Promoting Production During the New Year and Spring Festival*. This subsidy program is administered by the Municipal Human Resources and Social Security Bureau of Cixi City.	Based on the information provided by Fenghui, it appears that eligibility for this program is confined to enterprises that hire buses or charter vehicles for transporting employees that reside outside Ningbo to their place of work.	The commission considers that a grant provided under this program would be a financial contribution by a government, which involves a direct financial payment by the government to the recipient enterprise in China. The commission further considers that a financial contribution under this program would be made in respect to the production, manufacture or export of all goods of the recipient enterprise, including the goods exported to Australia. The commission considers that this financial contribution confers a benefit in relation to the goods exported to Australia and therefore meets the definition of a 'subsidy' under section 269T(1).	Due to the lack of information provided by the GOC (an entity covered by section TAACA(2)(b)), the commission has based its finding on all available facts and made such assumptions as considered reasonable. The commission considers that this subsidy is limited to enterprises established in Cixi City that organise transport for their employees. The commission is therefore satisfied that this meets the criteria of a 'countervailable subsidy' under section 269TAAC(2)(a) and 269TAAC(2)(b). No evidence was provided indicating that eligibility for the subsidy is automatic; that the eligibility criteria were neutral, do not favour particular enterprises, are

Program	WTO notification	Legal basis	Eligibility criteria	Is there a subsidy?	Is the subsidy countervailable?
					economic in nature and horizontal in application; or that the criteria are strictly adhered to in the administration of the subsidy. Eligibility is limited to certain enterprises, favouring particular enterprises over others. The subsidy therefore does not satisfy the exception to specificity in section 269TAAC(3).
Program 2 One-time employment retention subsidy	The commission is not aware of any WTO notification of this program.	Based on information provided by Fenghui, it appears that the legal basis for this program is contained in a document issued by the Cixi City People's Government office. The document is referred to as *Several Measures to Support Enterprises in Stabilizing Jobs, Enhancing Quality, and Promoting Production During the New Year and Spring Festival*. This subsidy program is administered by the Municipal Human Resources and Social Security Bureau of Cixi City.	Based on the information provided by Fenghui, it appears that eligibility for this program is confined to enterprises that offer retention bonuses, gifts and other inducements to employees to motivate them to continue working over the New Year and Spring Festivals observed in China.	The commission considers that a grant provided under this program would be a financial contribution by a government, which involves a direct financial payment by the government to the recipient enterprise in China. The commission further considers that a financial contribution under this program would be made in respect to the production, manufacture or export of all goods of the recipient enterprise, including the goods exported to Australia. The commission considers that this financial contribution confers a benefit in relation to the goods exported to	Due to the lack of information provided by the GOC (an entity covered by section TAACA(2)(b)), the commission has based its finding on all available facts and made such assumptions as considered reasonable. The commission considers that this subsidy is limited to enterprises established in Cixi City that offer incentives to employees to work over the New Year and Spring Festivals. The commission is therefore satisfied that this meets the criteria of a 'countervailable subsidy' under section

Program	WTO notification	Legal basis	Eligibility criteria	Is there a subsidy?	Is the subsidy countervailable?
				Australia and therefore meets the definition of a 'subsidy' under section 269T(1).	269TAAC(2)(a) and 269TAAC(2)(b). No evidence was provided indicating that eligibility for the subsidy is automatic; that the eligibility criteria were neutral, do not favour particular enterprises, are economic in nature and horizontal in application; or that the criteria are strictly adhered to in the administration of the subsidy. Eligibility is limited to certain enterprises, favouring particular enterprises over others. The subsidy therefore does not satisfy the exception to specificity in section 269TAAC(3).
Program 3 Reward for overseas business personnel travelling abroad	The commission is not aware of any WTO notification of this program.	Based on information provided by Fenghui, it appears that the legal basis for this program is contained in a document referred to as *Cixi Government Document [2022] No. 30 – Cixi City People's Government opinions on further promoting economic stability, progress, and quality improvement in industrial policy*.	Based on the information provided by Fenghui, it appears that eligibility for this program is confined to enterprises engaged in foreign trade (export and import) with import and export volume between 6 million yuan to 60 million yuan. Subsidies are provided to enterprises for staff travelling abroad for business.	The commission considers that a grant provided under this program would be a financial contribution by a government, which involves a direct financial payment by the government to the recipient enterprise in China. The commission further considers that a financial contribution under this program would be made in respect to the	Due to the lack of information provided by the GOC (an entity covered by section TAACA(2)(b)), the commission has based its finding on all available facts and made such assumptions as considered reasonable. The commission considers that this subsidy is limited to enterprises established in Cixi City that are engaged in international trade. The

Program	WTO notification	Legal basis	Eligibility criteria	Is there a subsidy?	Is the subsidy countervailable?
		This subsidy program is administered by the Commerce Bureau of Cixi City.		production, manufacture or export of all goods of the recipient enterprise, including the goods exported to Australia. The commission considers that this financial contribution confers a benefit in relation to the goods exported to Australia and therefore meets the definition of a 'subsidy' under section 269T(1).	commission also considers that this subsidy is contingent on export performance as one of several conditions. The commission is therefore satisfied that this meets the criteria of a 'countervailable subsidy' under section 269TAAC(2)(a), 269TAAC(2)(b) and 269TAAC(2)(c). No evidence was provided indicating that eligibility for the subsidy is automatic; that the eligibility criteria were neutral, do not favour particular enterprises, are economic in nature and horizontal in application; or that the criteria are strictly adhered to in the administration of the subsidy. Eligibility is limited to enterprises carrying out certain activities, favouring particular enterprises over others. The subsidy therefore does not satisfy the exception to specificity in section 269TAAC(3).
Program 4 Recruitment subsidy	The commission is not aware of any WTO notification of this program.	Based on information provided by Fenghui, it appears that the legal basis for this program is contained in *Ci*	Based on the information provided by Fenghui, it appears that eligibility for this program is confined to enterprises that recruit	The commission considers that a grant provided under this program would be a financial contribution by a	Due to the lack of information provided by the GOC (an entity covered by section TAACA(2)(b)), the

Program	WTO notification	Legal basis	Eligibility criteria	Is there a subsidy?	Is the subsidy countervailable?
		Zheng Ban Fa [2021] No. 84. This subsidy program is administered by the Municipal Human Resources and Social Security Bureau of Cixi City.	and hire new employees that are first-time job seekers in Cixi.	government, which involves a direct financial payment by the government to the recipient enterprise in China. The commission further considers that a financial contribution under this program would be made in respect to the production, manufacture or export of all goods of the recipient enterprise, including the goods exported to Australia. The commission considers that this financial contribution confers a benefit in relation to the goods exported to Australia and therefore meets the definition of a 'subsidy' under section 269T(1).	commission has based its finding on all available facts and made such assumptions as considered reasonable. The commission considers that this subsidy is limited to particular enterprises established in Cixi City. The commission is therefore satisfied that this meets the criteria of a 'countervailable subsidy' under section 269TAAC(2)(a) and 269TAAC(2)(b). No evidence was provided indicating that eligibility for the subsidy is automatic; that the eligibility criteria were neutral, do not favour particular enterprises, are economic in nature and horizontal in application; or that the criteria are strictly adhered to in the administration of the subsidy. Eligibility is limited to certain enterprises, favouring particular enterprises over others. The subsidy therefore does not satisfy the exception to specificity in section 269TAAC(3).

Program	WTO notification	Legal basis	Eligibility criteria	Is there a subsidy?	Is the subsidy countervailable?
Program 5 Industrial reward for 2022	The commission is not aware of any WTO notification of this program.	The commission is not aware of the legal basis for this program. Based on information provided by Fenghui, it appears that this program is administered by the Ministry of Finance and State Taxation Administration of Cixi City.	Based on information provided by Fenghui, it appears that this subsidy is provided to 'top ten enterprises, top ten taxpayers, and outstanding young entrepreneurs'. For the selection of Top Ten Enterprises, manufacturing enterprises need to have an industrial output value of over 10 million RMB in 2021. For Top Ten Taxpayers, the top ten will be determined based on the amount of taxes paid in the current year.	The commission considers that a grant provided under this program would be a financial contribution by a government, which involves a direct financial payment by the government to the recipient enterprise in China. The commission further considers that a financial contribution under this program would be made in respect to the production, manufacture or export of all goods of the recipient enterprise, including the goods exported to Australia. The commission considers that this financial contribution confers a benefit in relation to the goods exported to Australia and therefore meets the definition of a 'subsidy' under section 269T(1).	Due to the lack of information provided by the GOC (an entity covered by section TAACA(2)(b)), the commission has based its finding on all available facts and made such assumptions as considered reasonable. The commission considers that this subsidy is limited to particular enterprises established in Cixi City. The commission is therefore satisfied that this meets the criteria of a 'countervailable subsidy' under section 269TAAC(2)(a) and 269TAAC(2)(b). No evidence was provided indicating that eligibility for the subsidy is automatic; that the eligibility criteria were neutral, do not favour particular enterprises, are economic in nature and horizontal in application; or that the criteria are strictly adhered to in the administration of the subsidy. Eligibility is limited to certain enterprises, favouring particular enterprises over others. The subsidy therefore does not satisfy

Program	WTO notification	Legal basis	Eligibility criteria	Is there a subsidy?	Is the subsidy countervailable?
					the exception to specificity in section 269TAAC(3).
Program 6 Preferential tax for micro and small-sized enterprises and individually-owned businesses	Earlier iterations of this subsidy program were notified by the GOC to the WTO (pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement of subsidies and countervailing measures) in a communication dated and received on 30 June 2023 (G/SCM/N/401/CHN).	Based on information provided by Qinyan, it appears that the legal basis for this program is contained in a document titled *Announcement [2023] No. 12 of the Ministry of Finance and the State Taxation Administration - Announcement on Relevant Tax Policies for Further Supporting the Development of Micro and Small-sized Enterprises and Individually Owned Businesses*. Based on other publicly available information, the legislation under which this subsidy is granted includes the following: • Article 28 of the Law of the People's Republic of China on Enterprise Income Tax (2007), and • Article 92 of the Regulations for the Implementation of Law of the People's Republic of China on	This preferential tax program has a few distinct parts to it, including preferential (reduced) tax rates in respect of the following: • a reduction in tax payable on income, and • a reduction in tax payable in respect of educational, local education and urban maintenance and construction surcharges. Individually-owned enterprises with annual taxable income that does not exceed CNY 2 million are entitled to a 50% reduction of individual income tax. Further, enterprises recognised by the GOC as 'small enterprises with meager profit and individually owned businesses' are entitled to a 50% reduction of resource tax, urban maintenance and construction tax, property tax, urban land use tax, stamp duty, arable land occupation tax, education	The commission considers that the reduced tax rates under this program are a financial contribution by the GOC which involves foregoing or not collecting revenue due to the government. Due to the nature of this program (reduced income tax rate), it is considered that a financial contribution would be made in connection to the production, manufacture or export of all goods of the recipient enterprise (including goods exported to Australia). The commission considers that this constitutes a benefit in relation to the goods exported to Australia and therefore meets the definition of 'subsidy' under section 269T(1).	Due to the lack of information provided by the GOC (an entity covered by section TAACA(2)(b)), the commission has based its finding on all available facts and made such assumptions as considered reasonable. The commission considers that this subsidy is explicitly limited to particular enterprises that the GOC considered to be small enterprises and individually-owned enterprises. The commission is therefore satisfied that this meets the criteria of a 'countervailable subsidy' under section 269TAAC(2)(a). No evidence was provided indicating that the eligibility criteria were neutral, do not favour particular enterprises, are economic in nature and horizontal in application. Further, the commission found evidence that the criteria are not strictly adhered to in the administration of this

Program	WTO notification	Legal basis	Eligibility criteria	Is there a subsidy?	Is the subsidy countervailable?
		Enterprise Income Tax (2007). Based on information provided by Qinyan, it appears that this program is administered by the Ministry of Finance, the State Taxation Administration and Cixi City National Tax Bureau.	surcharge and local education surcharge. To be recognised as 'small enterprise with meager profit', the following conditions have to be satisfied: • the annual taxable income amount does not exceed CNY 3 million • the number of employees does not exceed 300, and • the total value of assets does not exceed CNY 50 million.		subsidy. The subsidy therefore does not satisfy the exception to specificity in section 269TAAC(3).