

December 12, 2025

Anti-Dumping Commission
Investigations 4
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Public File

Dear Director,

Investigation No. 690 concerning Freight Railway Wheels from China

The member of the Australian industry producing like goods to the goods the subject of this inquiry, Commonwealth Steel Company Pty Limited (**Comsteel**) provides the following submission in relation to the above-noted inquiry (**INV 690**).

1. Introduction

This submission responds to the submission filed by the *China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME)*, dated December 1, 2025.

Comsteel understands that CCCME is a Chinese industry representative; however it is neither a Chinese exporter of freight railway wheels to Australia, nor an Australian importer of freight railway wheels, nor a party with direct commercial involvement in the production, sale, or purchase of the goods under investigation.

As such, Comsteel submits that it has no firsthand knowledge of the dynamics of the subject goods and like goods, and certainly has no knowledge of the Australian industry. Its submission contains numerous assertions that are speculative, contradicted by the factual record, unsupported by evidence, and in several instances are fundamentally misconceived.

Regrettably, the majority of matters raised by CCCME constitute an attempt to redirect the Anti-Dumping Commission's (**the Commission**) investigative processes toward outcomes preferential to Chinese exporters, rather than legitimate engagement with the evidentiary record. CCCME's submission seeks to prescribe investigative methodologies, question the Commission's analytical frameworks, and dismiss verified evidence through speculative counternarratives.

The Commission will conduct its own comprehensive and objective assessment in accordance with its legislative and policy mandate under the *Customs Act 1901 (the Act)* and Australia's obligations under the WTO *Anti-Dumping Agreement*. This assessment will be based on the evidence properly before it.

The Commission's determination will not be directed by advocacy submissions from representative bodies lacking direct knowledge of the matters under investigation. Rather, it will be grounded in verified evidence, proper legal

analysis, and the Commission's expert assessment of injury, causation, and dumping in accordance with established principles and practice.

The following sections address specific claims in CCCME's submission where correction of the administrative record is necessary.

2. Model Control Codes

CCCME state that the defined scope of INV 690 is overly broad and that the Model Control Code (MCC) is insufficiently granular to ensure price comparability.¹

...looking at the cost structure and pricing logic of railway wheels, classifying models by diameter alone is far from sufficient.

First, for the same outer diameter, an ordinary high-carbon steel wheel and a high-performance alloy wheel can have significantly different steel costs, heat treatment schedules (quenching, tempering, induction hardening), and residual stress control. These differences directly affect wear resistance and service life, and thus have a major impact on unit costs and prices.

Second, to satisfy higher axle loads, higher speeds or harsher conditions, some wheels are designed with extra allowances in rim thickness, spoke structure, notch sensitivity control, etc. These features can make their cost much higher than that of "conventional freight wheels".

Finally, additional features like special coatings, enhanced ultrasonic testing levels, stringent nondestructive testing standards, surface treatments or stress-relief processes can all materially alter the unit price.

Comsteel submits that the MCC structure is appropriate. Comsteel also refers to the MCC submission deadline of 1 December 2025.² Comsteel notes that no such submissions were received by the Commission by this due date.

This raises questions about how representative CCCME's MCC assertions are of Chinese exporters and Australian importers of FRWs, and whether those parties share the same views. The matter also necessarily turns to whether Chinese exporters can and would, from a practical standpoint, present data in the fashion proposed by CCCME. The absence of any MCC submissions suggests they either do not share this view or cannot present data in this manner – otherwise they would have done so.

3. Economic Indicators

CCCME's critique of Comsteel's economic indicators is fundamentally undermined by its reliance on high-level aggregated data and sampling methodologies that cannot provide accurate insight into the actual market dynamics for FRWs. As a representative Chinese body with clearly no direct access to commercial information, CCCME cannot meaningfully assess production volumes, sales levels, market share, or financial performance without visibility of the underlying transactional data that Comsteel has compiled and which has been verified by the Commission.

On market share specifically, CCCME's analysis is fundamentally flawed. It purports to assess import volumes and market share using broad customs statistics (HS Code 86071990) that capture a wide range of railway components beyond the specific freight railway wheels under investigation.³

¹ CCCME submission, p. 12.

² Refer ADN 2025/110.

³ CCCME submission, p. 17.

By contrast, Comsteel has undertaken a meticulous, shipment-by-shipment analysis of actual FRW imports, identifying and quantifying in its application the subject goods with precision. CCCME has no access to this granular data and therefore no basis to challenge Comsteel's market share calculations.

CCCME's assertions regarding price trends should be immediately disregarded. The Commission should fundamentally call into question both CCCME's understanding of the Australian market and its credibility as a participant in this proceeding. CCCME state that:⁴

...sample data held by CCCME indicates that from 2021 to 2025, the average unit price of China's exports of wheels to Australia exhibited an overall upward or stable trend (e.g., from US\$12.45/kg → US\$14.06/kg → US\$15.00/kg → US\$15.18/kg → US\$14.57/kg). There is no evidence of a "price-cutting to expand volume" strategy. Since the import prices themselves did not show a consistent downward trend, it is difficult to support the allegation that Chinese imports seized market share through aggressive underpricing, thereby causing significant declines in domestic production and sales.

This assertion is categorically false and directly contradicted by verified evidence. Such price points are well off-the-mark vis-à-vis what materially injurious prices Chinese FRWs have actually and specifically traded at into the Australian market over the full inquiry period. For example, the above-quoted 2023 price of US\$15/kg translates to US\$5,500 per wheel.⁵ As demonstrated in Comsteel's Confidential Appendix A-2, however, the Chinese FOB per unit export price for FRWs for the same period was AU\$[XXX].

The substantial discrepancy between CCCME's claimed price increases and the verified evidence of Chinese price decreases reveals the fundamental inadequacy of using aggregated HS-code-level trade statistics (which include products outside the scope of investigation) as a substitute for actual transactional evidence. CCCME's reliance on such data, and its willingness to make confident assertions directly contradicted by the verified record, again demonstrates that CCCME's analysis cannot be afforded any weight whatsoever when representations of this erroneous magnitude are made.

Similarly, CCCME's assertions regarding Comsteel's production volumes, sales levels, capacity utilisation, and profitability are entirely speculative. CCCME has no access to Comsteel's internal financial records, production planning data, cost accounting systems, or sales documentation. Its characterisations of Comsteel's operational performance are not based on evidence.

The Commission's assessment of injury must be grounded in verified evidence from parties with actual knowledge, namely Comsteel as the Australian producer, and (if they choose to participate substantively) Chinese exporters and Australian importers with direct commercial involvement. Representative bodies relying on aggregated statistics and speculative reasoning cannot provide a sound basis for evaluating the economic condition of the Australian industry or the impact of the FRW subject imports.

4. Causation

In its application for measures, Comsteel alleged that it has experienced material injury in the form of:

- lost sales volume and market share;
- lower production volumes;
- price suppression;
- price depression;
- loss of profits;
- loss of profitability;
- decline in asset values;

⁴ Ibid, p. 27.

⁵ Internal Comsteel conversion.

- reduced R&D;
- reduced revenue;
- reduced return on investment;
- reduced capacity utilisation; and
- reduced productivity.

Comsteel alleges that the material injury in its various forms, and arising from the volume and price effects of the dumped and subsidised goods from China, had transpired throughout the injury assessment and investigation periods.

On the other hand, CCCME in their submission state that ...*at least six categories of non-dumping factors have had a significant impact on Comsteel's operating performance*,⁶ these being:

- a decline in domestic demand (shrinkage of total market size);⁷
- Comsteel's own efficiency and technology limitations (i.e. a competitive advantage to the Chinese);⁸
- poor export performance and global competitive pressures;⁹
- product quality and reputational factors;¹⁰
- cost factors (raw materials, energy, regulatory burden);¹¹ and
- procurement strategies and commercial considerations of Australian downstream users.¹²

The only avenue to which such a non-attribution assessment can be undertaken by the Commission, and to which any such finding can be grounded, is with reference to the legislation. Comsteel submits that even when such an assessment is undertaken, it falls over.

In a causation assessment, any factor other than the exportation of dumped and/or subsidised goods may be considered (section 269TAE(2A) of the Act refers). According to the Commission's Dumping and Subsidy Manual (**the Manual**),¹³ an illustrate list of known factors includes:¹⁴

- the volume and prices of imported like goods that are not dumped; or
- the volume and prices of importations of like goods that are not subsidised; or
- contractions in demand or changes in patterns of consumption; or
- restrictive trade practices of, and competition between, foreign and Australian producers of like goods; or
- developments in technology; or
- the export performance and productivity of the Australian industry.

The Commission will only examine those factors known to be operating during the investigation period, and will not assess the effects of other factors where they have not been operating at the same time as the dumped imports.¹⁵

According to the Manual:¹⁶

In examining the effects of the other factors, the Commission accepts that the purpose is to 'disentangle' their effects from those of the dumping or subsidisation. A judgement must be made as to whether these

⁶ Ibid, p. 36.

⁷ Ibid.

⁸ Ibid, p. 37.

⁹ Ibid, p. 38.

¹⁰ Ibid, p. 39.

¹¹ Ibid.

¹² Ibid, p. 40.

¹³ Dumping and Subsidy Manual, December 2021.

¹⁴ The Manual, p. 101.

¹⁵ Ibid, p. 102.

¹⁶ Ibid.

factors have not acted in such a way to 'break the causal link' that may have seemed apparent between the dumped or subsidised imports and the material injury.

What is abundantly apparent, and to which the Commission has initiated this inquiry on, is evidence of the causal link between Chinese FRW export volumes in the Australian market, and the corresponding inverse decline in the Australian industry's financial and economic situation.

In any case, certain of the above factors assessed by CCCME as being 'other factors' instead support the causal link to Chinese FRW exports.

- For example, a shrinking total market does not absolve dumped imports from causing material injury. To the contrary, when overall demand contracts while import volumes and market share simultaneously increase, this demonstrates that dumped imports are directly displacing domestic production and causing injury precisely because the domestic industry is losing sales in an already-constrained market. Comsteel's Confidential Appendix A2 categorially evidenced this.
- For example, even if Comsteel's international peers can manufacturing more efficiently, any such finding does not negate causation – it confirms it. The existence of competitive advantages enjoyed by foreign producers is legally irrelevant to the causation analysis under the Act.¹⁷ The question is not whether foreign producers are more efficient, it is whether the price effect of dumped and/or subsidised goods have caused material injury. The mere fact that imports are competitive due to factors such as lower labour costs, economies of scale, or technological advantages does not preclude a finding of material injury from dumping.
- For example, on cost factors, CCCME confuses cause and effect. Increases in costs do not cause injury – the inability to pass on those costs (due to dumped imports) causes injury. This is text-book price suppression caused by dumped imports. Price suppression is an injury caused by dumped imports, not a separate "other factor." The Commission often defines price suppression as occurring where price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs. This is precisely what the Australian industry has evidenced.

5. Conclusion

For all the aforementioned reasons, Comsteel requests that the representations made by CCCMA concerning FRWs from China be disregarded by the Commission in their entirety.

FOR AND ON BEHALF OF

Commonwealth Steel Company Pty Limited

THE AUSTRALIAN INDUSTRY APPLICANT

¹⁷ *Customs Act 1901*. All legislative references are to this Act, unless otherwise specified.