

Shandong Bohong Rail Transportation Equipment Technology Co., Ltd Tel: (+86)5467062555

ADD: No 87, Fuzhou Road, Dongying District, Dongying City, Shandong Province

Dated: 30 Oct 2025

To: The Director

Investigations 4

GPO Box 2013

Canberra ACT 2601

Australia

Re:

**ANTI-DUMPING NOTICE NO. 2025/110 – Investigation No.690**

Dear Sir/Madam

It has come to our attention that an investigation (No.690) has been initiated by the Anti-Dumping Commission into the importation of Freight Railway Wheels from The People's Republic of China.

Shandong Bohong Rail Transportation Equipment Technology Co., Ltd (BHR) contends that it is an Interested Party in this investigation and is making this unsolicited submission for the Commissioner's consideration.

Our interest in this investigation is based on the fact that we are a Chinese manufacturer of the types of freight wheels that are the subject of this investigation. We made our first sale of wheels destined for the Australia in July 2025, which we understand is outside of the time frame of the investigation. We have had further orders since then and anticipate that we will continue to have orders to supply the Australian market on an ongoing basis. We believe that we are able to assist the Commissioner to better understand the cost of manufacturing freight wheels in China, in particular as to how it relates to non-GOC manufacturers.

Shandong Bohong Rail Transportation Equipment Technology Co., Ltd. (BHR) located in the city of Dongying, Shandong Province in China [Shandong Bohong Rail Transit Equipment Technology Co., Ltd.](#), it is a modern high-end train wheel production facility founded in 2020.

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Ltd.

山东波鸿轨道交通装备科技有限公司

Shandong Bohong Rail Transportation Equipment Technology Co.,

BHR have a modern factory that is equipped with the latest wheel manufacturing technology and equipment from Europe. It was designed specifically for the efficient mass production of railway wheels and features a high level of automation in the material handling as well as process controls. Like many modern manufacturers BHR relies on technology rather than cheap labour to lower cost. BHR employs a team of highly qualified and experienced technicians, more than 40 of them have 20 to over 40years of experience in the design and manufacturing of railway wheels, both domestically and internationally."

BHR mainly purchases steel billets from two privately owned steel mills. BHR and its steel suppliers are completely independent private enterprises with no affiliation; there is no ownership or controlling relationship between them. BHR and its steel suppliers are entirely separate, independent, privately-owned enterprises. BHR conducts its procurement activities in a transparent and commercially-driven manner, purchasing steel from suppliers on an arm's-length basis. For operational and cash-flow management purposes, BHR sources steel through an independent dealer that is neither owned, controlled, nor influenced by the Chinese Government. This procurement structure is based solely on commercial considerations. As a result, the steel prices paid by BHR reflect prevailing open-market prices, rather than any form of preferential or state-directed pricing. Likewise, BHR's financing costs are determined purely by market-based financial conditions, without any government intervention or preferential treatment.

China's value-added tax (VAT) system is a standard, broad-based consumption tax system, applying a basic rate of 13% to most industrial manufactured goods, including solid wheels. VAT is ultimately borne by the final consumer and remains tax-neutral for enterprises; companies are only responsible for collecting output VAT and deducting the input VAT paid on their purchases. China applies a zero VAT rate to exported goods, consistent with the internationally accepted 'destination principle.' Under China's 'exemption, credit, and refund' VAT mechanism for exports, BHR can apply for a refund of the input VAT paid during the production of exported products. The refund is strictly limited to the amount of VAT actually paid and supported by valid documentation, and it cannot exceed the statutory VAT rate. Its sole purpose is to remove domestic VAT from export prices and avoid double taxation, rather than provide any net gain or fiscal subsidy to enterprises. Furthermore, under WTO and GATT rules, refunding indirect taxes such as VAT on exported goods is permitted so long as the refund does not exceed the amount actually paid domestically. Therefore, BHR receives no special or additional state support or government subsidies in its export prices to Australia under China's VAT policy. Any dumping analysis should compare domestic and export prices on a VAT-exclusive basis to ensure fairness.

BHR sells wheels to a local exporter on a normal commercial basis. BHR is not currently marketing or selling directly to the Australian Rail market.

BHR maintains that it is not involved in the dumping of wheels into Australia and therefore ask the commissioner to consider ensuring that BHR is not inadvertently subject to any future tariff or other such measures that maybe implemented.

We make this submission sincerely and desire to be of assistance in this investigation and are happy to provide further input that may help Commissioner in their consideration.

Your Sincerely

Shandong Bohong Rail Transportation Equipment Technology Co., Ltd

Deputy General Manager

Wang Qundi

