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The Director - Investigations
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

REVIEW 676

STEEL REINFORCING BAR EXPORTED FROM THE PEOPLES REPUBLIC OF CHINA

Dear Director,

Baowu Group Echeng Iron and Steel Co., Ltd (Echeng) refers to the submission dated 29 January 2026 from InfraBuild (Newcastle) Pty Ltd (InfraBuild). Echeng rejects InfraBuild's misguided and self-serving assertions, which appear designed more to hinder fair competition than to reflect the facts or the law.

Echeng appreciates the opportunity to address InfraBuild's submission, which fundamentally mischaracterises Echeng's position and seeks to impose an arbitrary and punitive dumping margin without regard to its actual circumstances. InfraBuild's arguments rest on speculative assertions about structural weaknesses in Australia's anti-dumping framework and an overbroad application of legislative amendments that were never intended to apply to entities like Echeng, which has no export history.

Echeng strongly rejects InfraBuild's proposition that its duty rate should be based on an abstract figure, such as the historic export prices of Shandong Laiwu, which is completely divorced from Echeng's actual situation. Such an approach would contravene the principles of fairness, accuracy, and proportionality embedded in Australia's anti-dumping legislation and the WTO Anti-Dumping Agreement.

Dismissal of InfraBuild's proposition

InfraBuild urges the Commission to impose an "effective dumping margin" on Echeng using "all relevant available information, not limited to that provided by Echeng during virtual verification." Specifically, InfraBuild proposes determining Echeng's export price under subsection 269TAB(3) of the *Customs Act 1901* (the Act), starting from historic export prices established in the original Investigation 300 (INV 300). This would effectively rely on notional,

PUBLIC VERSION

unrelated prices from a different entity, in a different time period, and under entirely different market conditions, none of which reflect Echeng's actual production costs, normal values, or potential export behaviour.

This proposition must be dismissed outright. Australia's anti-dumping framework, as outlined in Part XVB of the Customs Act, requires that dumping margins be calculated based on verifiable data specific to the exporter in question, to ensure that measures are remedial rather than punitive. Echeng has fully cooperated with the Commission, providing detailed and verified information on its normal values during the review period, as acknowledged in SEF 676. In the absence of actual exports to Australia, the appropriate methodology, consistent with subsection 269TAB(1) and established practice, is to ascertain an export price that aligns with the exporter's normal value, resulting in a zero dumping margin. This is not a "loophole" or "zeroing out," as InfraBuild claims, but a logical outcome when there is no evidence of dumping.

InfraBuild's suggested use of Shandong Laiwu's historic prices is arbitrary and lacks any direct relevance to Echeng. Shandong Laiwu's exports occurred in a prior investigation, involving different economic conditions, raw material costs, and market dynamics. Applying those prices to Echeng would create an "abstract figure" entirely divorced from Echeng's actual situation, including its current production processes, cost structures, and domestic sales data. This would violate the requirement under subsection 269TAB(3) to have regard to "all relevant information" that is reliable and contemporaneous.

Moreover, it ignores the Commission's findings in SEF 676 that Echeng operates as a distinct entity within the Baowu Group, with its own verifiable normal values. Imposing a duty based on unrelated historical data would not only be speculative but would also undermine the purpose of REV676, which is to review measures based on current variable factors specific to the applicant.

Response to InfraBuild's reference to the Explanatory Memorandum

InfraBuild references the Explanatory Memorandum for the Customs Amendment (Anti-Dumping Measures) Bill 2017 (the Bill) to support its claims, quoting passages that highlight concerns about exporters exploiting reviews by ceasing exports or exporting low volumes to obtain reduced duties. InfraBuild asserts that this "structural weakness" applies to Echeng and justifies using alternative methodologies under subsection 269TAB(3) or the amendments introduced by the Bill (now subsections 269TAB(2A)-(2G)).

However, InfraBuild's reliance on the Explanatory Memorandum is misplaced and selectively interpreted. The Bill was specifically designed to target originally investigated exporters who had previously exported to Australia but then altered their trading behaviour, such as by

PUBLIC VERSION

ceasing exports or exporting low volumes at inflated prices, to manipulate subsequent reviews and benefit from inappropriately reduced rates. The Explanatory Memorandum explicitly states: "An unintended consequence of the current legislation allows Exporters to receive a less effective anti-dumping duty by not exporting, or exporting small volumes at a higher price, for a period of time, before applying for the duty to be reviewed." It further provides examples of exporters who were part of original investigations and subsequently changed behaviour to "subvert the anti-dumping framework."

In contrast, Echeng's situation falls outside this scope. Echeng has never exported steel reinforcing bar to Australia, neither during the original INV 300 nor at any time thereafter. Echeng was not an "originally investigated exporter" and has no history of altering trading behaviour to exploit reviews. The Bill's amendments, including the new methods in subsection 269TAB(2B) for constructing export prices (e.g., using historical exports, third-country prices, or averages from other exporters), were intended for scenarios where exporters with prior export history strategically reduce volumes.

InfraBuild's interpretation would distort the legislation's intent, extending it to penalise entities with no export history and no evidence of manipulative behaviour. This is not about closing a "loophole" but about ensuring measures remain targeted at actual injurious dumping, as per the WTO Anti-Dumping Agreement.

Implications of InfraBuild's position for new exporters

InfraBuild's position, if adopted, would effectively prevent any new exporter from entering the Australian market. Under the current framework, new exporters like Echeng are subject to the "all other exporters" rate at the time of export, which is typically higher and designed to deter dumping until a review can establish individualised measures. By seeking to impose notional duties based on unrelated historical data, InfraBuild would perpetuate these high rates indefinitely, even after a cooperative review process. This would create an insurmountable barrier to entry, stifling competition and contradicting the remedial purpose of anti-dumping measures.

Even if Echeng had exported some volume during the review period, InfraBuild's logic would compel the Commission to disregard those actual export prices in favour of "notional unrelated prices" from other entities or periods, again with no relevance to Echeng's circumstances. This would render reviews meaningless for new exporters, as the Commission would be forced to ignore verifiable data in favour of speculation. Such an outcome would undermine economic resilience by reducing access to diverse suppliers, potentially leading to higher prices for Australian consumers and downstream industries.

PUBLIC VERSION

In conclusion, InfraBuild's submission is driven by unsubstantiated fears about the Baowu Group's scale, rather than evidence specific to Echeng. The Commission is urged to reject these arguments and finalise measures based on Echeng's verified data, resulting in a zero dumping margin. This aligns with the legislation's intent and ensures fair trade without undue barriers.

Yours sincerely,

John Bracic