

16 January 2026

The Director, Investigations 3
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2600

BY EMAIL:
investigations3@adcommission.gov.au

Dear Director,

Review No. 676 in relation to steel reinforcing bar exported from the People's Republic of China (China) by Baowu Group Echeng Iron and Steel Co., Ltd

AUSTRALIAN INDUSTRY RESPONSE TO SEF 676

InfraBuild (Newcastle) Pty Ltd (**InfraBuild**) refers to the Commissioner's *Statement of Essential Facts No. 676 (SEF 676)* and makes the following comments and observations.

Summary

InfraBuild considers that:

- an export price may be determined for the exporter based on the historic, verified export price of its related party associate in the original investigation adjusted for the review period;
- any floor price based on the exporter's normal value must include an adjustment for EXW to FOB costs. Inland freight costs relevant to the exporter are available to the commission from numerous sources, sufficient to calculate a transportation expense rate;
- further clarification of the exporter's models included in the normal value calculation is required; and
- the exporter is not a private company, but a State owned or invested enterprise.

For convenience, references to sub-headings are as they appear in SEF 676.

4.3.1 Export Price

In SEF 676, the Commissioner concluded that *'Echeng did not export the goods to Australia during the review period'* and further that it *'had not exported the goods to Australia during the review period, or at any time prior to the review period'*, and that *'there is no historical export prices relevant to Echeng for the commission to adjust.'* The Commissioner accepted this claim on the basis that a *'review of ABF import data the commission also confirmed the absence of any prior export activity'*.

Echeng's claim, and the Commissioner's conclusion ignores the Commissioner's earlier finding in *Accelerated Review No. 662*. In that review the Commissioner became satisfied that Echeng was related to an exporter whose exports were examined in relation to the original investigation period for *Dumping Investigation No. 300 (INV 300)*.¹ Accordingly, the Commissioner terminated the Accelerated Review in accordance with subsection 269ZE(3)(b).² The exporter found to be related to Echeng was Shandong Iron and Steel Company Limited, Laiwu Company (Shandong Laiwu), an entity verified in INV 300.

In other words, contrary to the Commissioner's finding in SEF 676, that *'there is no historical export prices relevant to Echeng for the commission to adjust,'* there is in fact an historical export price relevant to Echeng for the commission to adjust, namely the historic export price of Echeng's related party associate, Shandong Laiwu as determined in the original INV 300.

Having identified an historic export price related to Echeng, it is then possible for the Commissioner to assess the export price for Echeng under subsection 269TAB(3) using a similar methodology to that applied to all other exporters in SEF 669, that is to say:

- compare the price of shipments of a similar volume by Shandong Laiwu between the original investigation period and the inquiry period by other exporters; and
- apply the percentage change to the Shandong Laiwu export price determined in the original investigation.

As such, the commissioner is able to determine the export price for Echeng by adjusting the export price for its related party associate, Shandong Laiwu, from the original investigation by price movements in similarly sized imports of rebar from China in the inquiry period by other exporters.

By doing so, the Commissioner may determine the export price for Echeng under subsection 269TAB(3) – having regard to all relevant information, which includes:

¹ The original investigation period for INV 300 was 1 July 2014 to 30 June 2015.

² All legislative references are to the *Customs Act 1901*, unless otherwise specified.

- the export prices of an associate and related party of Echeng, namely Shandong Laiwu, from the original investigation; and
- ABF import data covering the period from the original investigation to the inquiry period.

4.3.2 Normal value

6.3 Proposed duty method and effective rate of duty

In the event, the commission does not revise its approach to determining an export price for Echeng, then InfraBuild is concerned by the Commissioner's proposal to apply the floor price duty method for Echeng, which would involving setting it at its normal value, which is currently calculated at ex-works (**EXW**) terms.³

Setting the floor price at EXW terms will make the implementation and enforcement of measures impossible. In its submission dated 12 January 2026, the exporter advised that it intends to export the goods at an export price on free-on-board (**FOB**) terms:

'It would [enable] Echeng to directly compare its FOB (Free on Board) export prices against the floor price...'⁴

Unless the floor price is also set at FOB terms, it is unclear how Echeng's invoiced (FOB) export price will be adjusted back to an EXW value for comparison to the (EXW) floor price. The likelihood of error, and risk of interim duty under collection will seriously undermine the effectiveness of the measures.

It appears that the commission felt constrained in SEF 676 to making an adjustment to the normal value under subsection 269TAC(9) to ensure that it was reflective of FOB terms because it believed that it *'does not have any information relevant to Echeng to determine an adjustment from EXW to FOB.'*⁵ However, this conclusion is not correct, and there are several sources of relevant information available to the commission to determine an adjustment from EXW to FOB.

Firstly, the Commission has access to Echeng's inland freight rates relevant to domestic sales.

We note that the virtual verification report for Echeng identified inland freight costs paid by Echeng to the transportation company⁶ for delivery on the customer's behalf for certain EXW sales. As such, the commission indeed has information relevant to Echeng on which to base a rate and calculate an adjustment from EXW to FOB, taking the distance to the nearest export port into consideration.

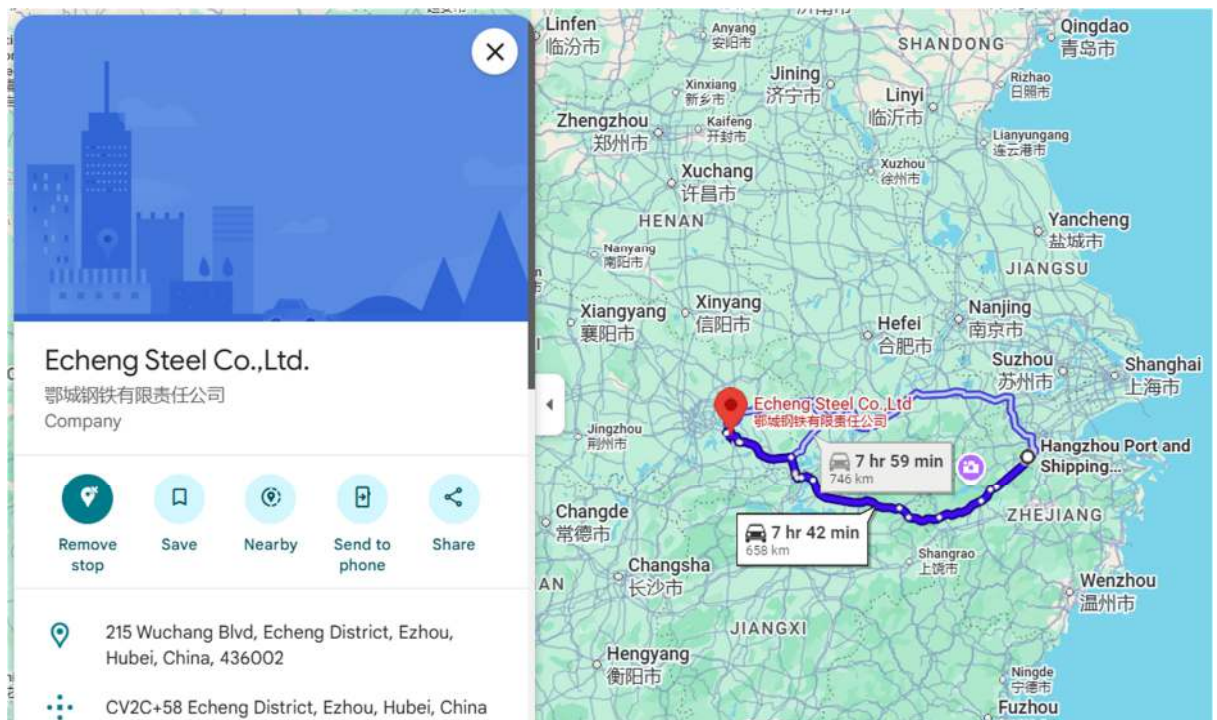
³ SEF 676, p. 24.

⁴ *EPR No. 676/010*, p. 2

⁵ SEF 676, p. 24.

⁶ *EPR No. 676/007*, p. 10.

The location of Echeng's production facility relative to the closest likely export port (approximately 8 hours away) suggests significant costs associated with inland freight from the production facility (EXW location) to the port for export (FOB location).



Secondly, the commission calculated an inland freight adjustment for other exporters in SEF 669.

In SEF 669, when determining an inland freight adjustment to the normal value for uncooperative and all other exporters, the commission calculated the adjustment as:

*'The EXW to FOB adjustment is based on the verified EXW to FOB costs for cooperating exporters from the original investigation. The commission has adjusted those costs by reference to movements in the Chinese consumer price index to reflect costs in the inquiry period.'*⁷

Applied to Echeng, the commission is again reminded of the Commissioner's finding in *Accelerated Review No. 662*. In that review the Commissioner become satisfied that Echeng was related to an exporter whose exports were examined in relation to the original investigation period for INV 300, namely Shandong Laiwu. InfraBuild submits that the commission may make an adjustment for inland freight based on the verified EXW to FOB costs for Shandong Laiwu from the original investigation, and adjust those costs by reference to movements in the Chinese consumer price index to reflect costs in the review period.

⁷ SEF 669, p. 63.

Thirdly, follow the approach in SEF 675 and use a verified third party's Chinese domestic transport expenses.

It is further noted that in SEF 675 (concerning rod in coil exported from China), the commission used recently verified domestic transport expenses for a Chinese mesh producer to make the required comparison to normal value on FOB terms:

*'In order to compare the normal value on FOB terms, the commission has also added an adjustment for domestic inland freight. The commission has used the verified domestic transport expenses for Beijing Xingtai Steel Mesh & Technology Development Co., Ltd (Xingtai) as part of CIR 643. These domestic transport expenses relate to Xingtai's purchases of RIC at delivered terms.'*⁸

As such, InfraBuild has presented three alternative approaches available to the commission to calculate an adjustment to the normal value for inland freight in order to ensure that the floor price, if imposed, remains an effective measure capable for accurate and verifiable calculation to ensure an adequate amount of interim duty is collected.

4.3.2 Normal value

It is unclear to InfraBuild which models were included and excluded from Echeng's normal value calculation.

SEF 676 states that Echeng's normal value is the most relevant information to ascertain the export price as it is *'likely to resemble models that may be exported to Australia by Echeng in the future'*⁹.

Yet SEF 676 does not state which models sold by Echeng domestically were considered by the commission as most relevant for sale to Australia and which (if any) were excluded from the normal value calculation cost to make rebar (excluding billet costs), SG&A or profit (for those domestic sales determined to be in OCOT).

We note that the virtual verification report for Echeng provides a table of Chinese Grades sold domestically by Echeng and mapped to MCC grade category for minimum yield strength. The report further states that **these grades were produced to the Chinese standards GB 1499.2-2018 (before September 2024) and GB 1499.2-2024 (after September 2024).**

⁸ SEF 675, p. 60.

⁹ SEF 676, p. 24.



InfraBuild does not consider that Grades with minimum yield strength of 400MPa would be *'likely to resemble models that may be exported to Australia by Echeng in the future'* as there is no equivalent grade designated in the Australian Standard. Grade 500N is the commonly sold grade in Australia, and likely to be the grade exported by Echeng along with potentially Grade 600N (also designated by the Australian Standard).

In addition, InfraBuild requests the commission confirm that the grades listed in Table 3 of the virtual verification report for Echeng do in fact appear in the 2018 or 2024 versions of the Chinese reinforcing bar standard GB 1499.2 as InfraBuild is unable to find the last eight grades listed in Table 3 in the grade designations of these standards. This suggests that grade category mapping to the MCC grade category of **'Minimum yield strength specified by product standard'** may not be accurately presented. Echeng should be able to provide the commission with copies of these standards if these have not already been provided but InfraBuild provides extracts from both versions of the standard for reference below.

Table 3 summarises the relationship between product grade and the minimum yield strength (MPa) and the MCC grade category. Echeng produced rebar to the Chinese standards GB 1499.2-2018 (prior to September 2024) and GB 1499.2-2024 (after September 2024).

Grade	Minimum yield strength (MPa)	Meaning	MCC grade category
HRB400E	400	Hot rolled ribbed + Earthquake	B
HRB400E-TB	400	Hot rolled ribbed + Earthquake ; "TB" is a mark required by the customer. It will be used for railway purposes.	B
HRB500E	500	Hot rolled ribbed + Earthquake	C
HRB635	600	Hot rolled ribbed	D
HRB635E	600	Hot rolled ribbed + Earthquake	D
HRBF600	600	Fine-grained hot rolled ribbed	D
HRBF600E	600	Fine-grained hot rolled ribbed + Earthquake	D
HTRB600	600	Hot rolled ribbed	D
HTRB600E	600	Fine-grained hot rolled ribbed + Earthquake	D
HTRB630	600	Hot rolled ribbed	D
HTRB630E	600	Fine-grained hot rolled ribbed + Earthquake	D

Table 3: MCC mapping

GB 1499.2—2024

4 分类、牌号

4.1 钢筋按屈服强度特征值分为 400 级、500 级、600 级。 Grades classified according to minimum yield strength 400, 500 or 600MPa

4.2 钢筋牌号的构成及其含义见表 1。 Table 1 shows classification of types of rebar

表 1 钢筋牌号的构成及其含义

类别	牌号	牌号构成	英文字母含义
Ordinary hot rolled steel bars 普通热轧钢筋	HRB400	由 HRB+屈服强度特征值构成	HRB——热轧带肋钢筋的英文(Hot rolled Ribbed Bars)缩写; E——“地震”的英文(Earthquake)首位字母
	HRB500		
	HRB600		
	HRB400E	由 HRB+屈服强度特征值+E 构成	
	HRB500E		
Fine grained hot rolled steel bars 细晶粒热轧钢筋	HRBF400	由 HRBF +屈服强度特征值构成	HRBF——在热轧带肋钢筋的英文缩写后加“细”的英文(Fine)首位字母; E——“地震”的英文(Earthquake)首位字母
	HRBF500		
	HRBF400E	由 HRBF+屈服强度特征值+E 构成	
	HRBF500E		

GB/T 1499.2-2018

3.11 characteristic value
value having a prescribed probability of not being attained in a hypothetical unlimited test series

3.12 core
The cross section of reinforcement does not include the cross section of transverse rib and longitudinal rib.

4 Classification and brand number

4.1 reinforcement is divided into 400, 500 and 600 grades according to yield strength characteristic values.

4.2 steel grades 均 into and their meanings are shown in table 1.

Table 1

Category	Brand	Brand Composition	English alphabet meaning
Ordinary hot-rolled steel bar	HRB400	It is composed of HRB + yield strength characteristic value	English HRB - Hot rolled Ribbed bar (Hot rolled Ribbed Bars) write. Earthquake the first letter of the English alphabet
	HRB500		
	HRB600		
	HRB400E	It is composed of HRB + yield strength characteristic value +E	
	HRB500E		
Fine grain hot-rolled steel bar	HRBF400	It is composed of HRBF + yield strength characteristic value	HRBF - add the first letter of "fine" English (Fme) after the English abbreviation of hot-rolled ribbed steel bar. Earthquake the first letter of the English alphabet
	HRBF500		
	HRBF400E	It is composed of HRBF + yield strength characteristic value +E	
	HRBF500E		

Other matters: Echeng is not a private company

The virtual verification report for Echeng states:

*'Echeng is a private company, which is ultimately a state-owned enterprise.'*¹⁰

This statement is contradictory as Echeng cannot be both a private company and a state-owned enterprise and all evidence on record points strongly to Echeng being a state-owned enterprise.

InfraBuild notes the commission's assessment in the termination notice for *Accelerated Review No. 662* that states '*China Baowu Steel Group Corporation have an ownership interest in both Echeng and Shandong Laiwu, making these two parties related*'¹¹

We further note that the commission's assessment of a particular market situation relating to rebar in China, highlights the pivotal role that the Chinese government State-owned Assets Supervision and administration Commission of the State Council (**SASAC**) has played in the management of state-owned enterprises, most notably the Baowu Group:

'A major milestone in SOE reform was the establishment of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) in 2008. Since that time, SASAC has governed the management of SOEs.

*'Reforms have also resulted in the promotion and consolidation of SOEs, including the build-up of the (at the time) Baosteel Group, resulting in its eventual merger with Wuhan Iron and Steel Corporation in 2016 to form China Baowu Steel Group Corporation Ltd (Baowu Group). Following the merger, Baosteel Group went from the 5th largest steel producer in the world, to the Baowu Group being the 2nd largest in the world from 2015 to 2016. Following further mergers and acquisitions, the Baowu Group is now the largest producer of crude steel in the world.'*¹²

In the context of (Baowu) Echeng being a SOE, we ask that the commission please provide further particulars of the operation of the '*market price index*'¹³ that is reported to be referenced by Echeng '*when setting the domestic market price for related and unrelated customers*' and factored into the finding that Echeng's domestic sales were all sold at arm's length. Without any substantive explanation this "mechanism" has been used to substantiate the commission's arms length finding with respect to related domestic customers.

¹⁰ EPR No. 676/007, p. 13.

¹¹ EPR No. 662/011, pp. 3-4.

¹² SEF 669, p. 86.

¹³ EPR No. 676/007, p. 7.

**Conclusions**

InfraBuild submits that the correct or preferable decision requires that an export price be ascertained from relevant historic data, adjusted for the review period. Currently, SEF 676 overlooks the findings in Accelerated Review No. 662. As such the recommendation which proposes an ascertained export price based on the ascertained normal value would not deliver an effective form of duty in the form of a floor price.

Unless the ascertained export price differs from the ascertained normal value, then the floor price, currently based on EXW terms will deliver an imprecise method of duty calculation, given that the exporter has conceded that it intends to export on FOB terms.

We remain unclear about the models that comprise the normal value and also, the manner by which the commission tested the arms length nature of the exporter's domestic sales of the goods. We request these matters be clarified in the Commisisoner's final report.

Please do not hesitate to contact your InfraBuild representative on record with any questions.

FOR AND ON BEHALF OF THE

AUSTRALIAN INDUSTRY