



Australian Government
Department of Industry,
Science and Resources

**Anti-Dumping
Commission**

Customs Act 1901 – Part XVB

ANTI-DUMPING NOTICE NO 2025/128

FREIGHT RAILWAY WHEELS EXPORTED TO AUSTRALIA FROM THE PEOPLE'S REPUBLIC OF CHINA INVESTIGATION 690

PRELIMINARY AFFIRMATIVE DETERMINATION AND IMPOSITION OF SECURITIES

Public notice under section 269TD of the Customs Act 1901¹

22 December 2025

¹ All legislative references in this document are to the *Customs Act 1901* (the Act), unless otherwise stated. This is a public notice under:

- subsection 269TD(4)(a), about the Commissioner's preliminary affirmative determination and
- subsection 269TD(5), about the Commonwealth's decision to require and take securities.

1 INTRODUCTION

1.1 Introduction

I, David Latina, Commissioner of the Anti-Dumping Commission (the Commissioner), have made a preliminary affirmative determination (PAD) under section 269TD(1) on 22 December 2025, being not earlier than 60 days after the initiation of the investigation into the alleged dumping and subsidisation of freight railway wheels (FRW) exported to Australia from the People’s Republic of China (China).

I am **satisfied** that there appear to be sufficient grounds to publish a dumping duty notice for the goods exported to Australia from China.

I am **satisfied** that to prevent material injury to the Australian industry while the investigation continues, it is necessary for the Commonwealth to require and take securities under section 42 of the Act in respect of interim dumping duties (IDD) that may become payable on the goods imported from China and entered for home consumption in Australia on or after 22 December 2025.

I have determined that securities will be taken as an amount worked out in accordance with the dumping duty method duty method. Table 1 specifies the Security amounts.

Exporter	Dumping security
Uncooperative and all other exporters ²	36.9%

Table 1: Dumping securities

The purpose of this notice is to set out why I have made a PAD. This notice and the preliminary findings contained within reflect the current status of the investigation. My findings may change as a result of further information, submissions, analysis or verification.

1.2 Reasons for making a PAD and for taking of securities

The Anti-Dumping Commission’s (the commission) preliminary assessment has shown that:

- exports of the goods to Australia from China during the investigation period (1 July 2024 to 30 June 2025) were at dumped prices, and the dumping margins are greater than 2% and therefore are ‘not negligible’³
- the volume of dumped goods exported to Australia from China is ‘not negligible’ (greater than 3% of the total Australian import volume)⁴
- the Australian industry producing like goods has experienced injury and that injury is material and
- the material injury to the Australian industry has been or is being caused by dumped exports of the goods to Australia from China.

² Masteel Baowu Group Masteel Rail Transit Materials Technology Company Ltd was granted an extension until 2 January 2026 to submit an exporter questionnaire (see 1.5 of this notice). Accordingly, the commission has not yet determined whether Masteel is an uncooperative exporter.

³ Section 269TDA(1).

⁴ Sections 269TDA(3) and (4).

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I am satisfied that, based on the analysis to date, the size of the dumping margin, and the price undercutting observed, there appear to be sufficient grounds to support a preliminary finding that material injury has been caused by goods exported to Australia from China at dumped prices. Having regard to the application, submissions received and other information I consider relevant,⁵ and in line with section 269TD(1)(a), I am satisfied there appear to be sufficient grounds for the publication of dumping duty notice in respect of the goods exported to Australia from China. As a result, I have made a PAD to that effect, pursuant to section 269TD.

Under subsection 269TD(4)(b), I am satisfied that it is necessary to require and take securities in relation to exports of the goods to Australia from China to prevent material injury to the Australian industry occurring while the investigation continues.

I am **not satisfied** that at this stage there appear to be sufficient grounds to make a PAD in relation to the alleged subsidisation of the goods exported to Australia from China, as further analysis is required to adequately consider whether the goods have been exported to Australia from China at subsidised prices.

1.3 Background

On 23 October 2025 an investigation into the alleged dumping and subsidisation of FRW exported to Australia from China was initiated, following an application lodged by Commonwealth Steel Company Pty Ltd (Comsteel). Further details about the initiation of this investigation can be found in Anti-Dumping Notice (ADN) No. 2025/110.⁶

Under subsection 269TD(1), I may make a PAD at any time, not earlier than 60 days after the initiation of an investigation for the publication of a dumping or countervailing duty notice, if I am satisfied that:

- there appear to be sufficient grounds for the publication of such a notice, or
- it appears that there will be sufficient grounds for the publication of such a notice subsequent to the importation into Australia of such goods.

In accordance with the *Customs (Preliminary Affirmative Determinations) Direction 2015*⁷ (the Direction), 60 days after the initiation of such an investigation I must either make a PAD or publish a status report outlining the reasons why I have not made a PAD. Day 60 of this investigation is 22 December 2025.

1.4 Matters and evidence relied upon

In deciding to make a PAD in relation to the dumping investigation, I have, in accordance with subsection 269TD(2), had regard to:

- Comsteel's application and supporting application evidence
- submissions received in response to the initiation of the investigation
- information obtained during a verification visit to Comsteel
- data from the Australian Border Force (ABF) import database and
- the desirability of providing relief to the injured Australian industry as quickly as possible (in accordance with section 7 of the Direction).

⁵ Refer to section 1.4 of this notice.

⁶ EPR 690, item 2

⁷ Available at www.adcommission.gov.au.

1.5 Exporter questionnaire responses

At initiation of this investigation, the commission requested exporters respond to an exporter questionnaire by 1 December 2025. No responses were received by the due date. However, one exporter, Baowu Group Masteel Rail Transit Materials Technology Company Ltd (Masteel), requested an extension to submit its response.

The commission granted Masteel an extension to respond to the exporter questionnaire (REQ) by 2 January 2026. The commission advised Masteel that as a consequence of the response not being provided within 37 days of the date of initiation of the investigation, the Commissioner is not obliged to consider this information if doing so would prevent the timely consideration of whether to make a PAD.⁸

1.6 The goods the subject of the investigation

The goods the subject of the application (the goods) are:

Railway wheels of forged and rolled high carbon steel, with an outside diameter from 27.5 inches to 37.5 inches (699 millimetres to 953 millimetres), whether or not including alloys.

Further information regarding the goods the subject of the investigation can be found in *Consideration Report No. 690* and ADN No 2025/128.

1.6.1 Tariff classifications

In its application, Comsteel noted that the goods are generally, but not exclusively, classified to the following tariff subheading in Schedule 3 to the *Customs Tariff Act 1995*:

- 8607.19.00 (statistical code 20).

The tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications 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.

1.7 Australian industry

1.7.1 Like goods

An application can only be made if there exists an Australian industry producing 'like goods' to the goods the subject of the application. Like goods are defined under subsection 269T(1). Sections 269T(2), 269T(3), 269T(4), 269T(4A), 269T(4B) and 269T(4C) are relevant to determining whether the like goods are produced in Australia and whether there is an Australian industry.

Following initiation of the investigation, the commission undertook an inspection of Comsteel's manufacturing facility and is satisfied that at least one substantial process of manufacture of the goods is carried out in Australia.

The commission also assessed that the locally produced goods closely resemble the goods the subject of the application and are like goods given that:

- the primary physical characteristics of the imported and locally produced goods

⁸ See section 269TD(3).

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are similar, notwithstanding variations in individual customer technical specifications

- the imported and locally produced goods are commercially alike as they compete in the same market sector and are sold to common customers
- the imported and locally produced goods are functionally alike as they have the same end uses
- the imported and locally produced goods are manufactured in a similar manner.

1.7.2 Australian industry producing like goods – preliminary assessment

As a result of the information verified during the verification visit to Comsteel, I am satisfied that there is an Australian industry (comprised of Comsteel) producing like goods to the goods the subject of the application and that like goods are produced in Australia.

2 DUMPING INVESTIGATION

2.1 Exporter questionnaires

As outlined at section 1.5 of this notice, the commission requested exporters to respond to an exporter questionnaire (REQ) by 1 December 2025. No responses were received by the due date. However, Masteel has requested for an extension to submit an REQ by 2 January 2026, which was approved.

In accordance with the Customs Direction, the legislated period for providing a response has now expired. As such, under subsections 8(b) and 9(b) of the Customs Direction, all exporters who did not provide a response or request additional time within the legislated period are treated as uncooperative exporters under subsection 269T(1), and as non-cooperative entities under section 269TAACA.

2.2 Export price

The commission has used the ABF import database to identify exporters that have exported the goods to Australia from China prior to and during the investigation period. As noted in section 1.5, exporter questionnaires were issued to these exporters at the initiation of the investigation. No REQs have been received at the time of publishing the PAD.

In the absence of REQs, the commission determined the export price under section 269TAB(3), having regard to all relevant information. For this preliminary assessment, the commission considers the applicant's estimate of the export price to be the most appropriate source available. Comsteel calculated the estimated export price using data from TradeData International, an independent third-party provider, to derive a weighted average unit FOB export price over the investigation period. The commission considers this approach reasonable and has reconciled the applicant's import data against the ABF import database to a reasonable extent, noting consistency between the two sources. However, the commission acknowledges that the ABF database, based on tariff classifications and statistical codes outlined in section 1.6.1, may include both subject goods and non-subject goods, which could affect accuracy.

For this reason, at this stage, the commission considers Comsteel's estimate of the export price to be best available information and preferable to the commission's use of data in the ABF import database. The commission will continue to examine the export price throughout the investigation, including any REQs received after publication of the PAD.

2.3 Normal value

As outlined in section 2.1, at this stage of the investigation, no exporters of the goods submitted a REQ. Accordingly, the commission has determined the normal value under 269TAC(6), having regard to all relevant information, including data provided in Comsteel's application and the Australian industry verification.

As outlined in Consideration Report 690 (CON 690)⁹, Comsteel advised that the Chinese domestic selling price information for the goods in China is not publicly available. Comsteel also asserted that a particular market situation (PMS) exists in China due to distortions in the Chinese steel and FRW market, which affect the selling price of the goods. On that basis, Comsteel has constructed a normal value under section 269TAC(2)(c), using the

⁹ EPR 690, item 2.

following inputs:

- Quarterly average prices for billet in the European Union based on MEPS International Ltd (MEPS), an independent steel industry subscription service.
- Comsteel’s own conversion cost, adjusted downwards for Chinese labour costs
- Comsteel’s own selling, general and administrative (SG&A) costs.
- A profit margin of 5.5% based on the 2024 financial statements of Baoshan Iron & Steel Co Ltd (part of Baowu Steel Group).

Following verification of Comsteel’s data, the commission amended Comsteel’s conversion costs and SG&A, which are outlined in the Australian industry verification report¹⁰. The commission has used this amended data in the construction of a normal value.

In addition, the commission has applied export-related adjustments to reflect the movement from EXW to FOB Incoterms. In the absence of REQs in this investigation, the commission adopted the approach used in Continuation Inquiry 632 (CON 632) and considers these adjustments reasonable at this stage, as the goods examined in CON 632 are similar to FRW.¹¹

Having considered the information available and the absence of REQs, the commission considers this approach appropriate in the circumstances and adopts the constructed normal value (as amended following verification) as its normal value assessment for the purposes of this PAD.

The commission will further examine the normal value methodology, including Comsteel’s claim of a PMS in the Chinese FRW market, during the course of the investigation.

2.4 Dumping margin

A dumping margin was calculated by comparing the weighted average export price over the whole of the investigation period with the weighted average corresponding normal values over the whole of that period, in accordance with sections 269TACB(2)(a) and 269TACB(4).

The commission has preliminarily determined the following dumping margin in relation to FRW exported to Australia from China during the investigation period.

Exporter	Dumping margin
Uncooperative and all other exporters	36.9%

Table 2: Preliminary dumping margins

Noting the dumping margins presented in Table 2, I am satisfied that the goods exported to Australia from China during the investigation period were at dumped prices because:

- the dumping margins were greater than 2% and therefore is ‘not negligible’,¹² and
- the volume of dumped goods from China was greater than 3% of the total Australian import volume of goods and there is ‘not negligible’.¹³

¹⁰ EPR 690, item 11, pp 7-8.

¹¹ The commission notes that CON 632 had regard to a Turkish benchmark in constructing a normal value. At this stage of the investigation, the commission has used Comsteel’s constructed approach which uses a European Union benchmark, but will consider the suitability of this, and any other benchmark, during the investigation.

¹² Section 269TDA(1).

¹³ Sections 269TDA(3) and (4).

3 COUNTERVAILING INVESTIGATION

The commission sought information regarding subsidies from exporters and the Government of China through questionnaires. As detailed in chapter 2 of this notice, the commission has not received responses to the exporter questionnaire. The commission has also not received a response from the Government of China (GOC) to the government questionnaire.

At the time of making this PAD, I am not satisfied that there appear to be sufficient grounds at this stage of the investigation to make a PAD in relation to the alleged subsidisation of the goods exported to Australia from China. The commission will undertake further analysis to consider whether the goods have been exported to Australia from China at subsidised prices and this will be outlined in the SEF.

4 INJURY TO THE AUSTRALIAN INDUSTRY

4.1 Preliminary findings

The Commissioner considers that there appear to be sufficient grounds to support Comsteel that the Australian industry has experienced injury over the injury analysis period in the form of:

- lost sales volume and market share
- lower production volumes
- price suppression
- loss of profits
- loss of profitability
- decline in asset values
- reduced research and dev
- reduced revenue
- reduced return on investment
- reduced capacity utilisation
- reduced productivity.¹⁴

4.2 Application

In its application, Comsteel claimed that the Australian industry has experienced injury in the form of:

- lost sales volume and market share
- lower production volumes
- price suppression
- loss of profits
- loss of profitability
- decline in asset values
- reduced R&D
- reduced revenue
- reduced ROI
- reduced capacity utilisation
- reduced productivity.

Comsteel alleges that the material injury in its various forms and arising from the volume and price effects of the dumped goods from China, has transpired throughout the proposed injury assessment and investigation periods.¹⁵

4.3 Approach to injury and causation analysis

The matters that may be considered in determining whether the Australian industry producing like goods has experienced material injury are set out in section 269TAE.

This section analyses the economic condition of the Australian industry producing like goods from 1 July 2021. In its analysis of volume, price and profit effects, the commission

¹⁴ An earlier version of this PAD incorrectly included 'price depression' in this list. This has been corrected.

¹⁵ EPR 690, Item 1 – Application, p. 26

has used Comsteel’s verified data in respect of its domestic sales and costs.

All data including volume, price, profit, other injury indicators and market share have been compiled on an annual basis for year ending 30 June.

The commission’s assessment of the economic condition of the Australian industry is at **Confidential Attachment 3**.

4.4 Volume injury

4.4.1 Market size and share

The commission extracted data from the ABF import database based on the tariff classifications and statistical codes listed in section 1.6.1 of this report.

The commission’s estimate of the relative change in Comsteel’s market share (indexed) is shown in the following table:

	FY ¹⁶ 2022	FY 2023	FY 2024	FY 2025
Market share (index)	100	91	90	92

Table 3: Index of Comsteel market share, compared to FY 2022.

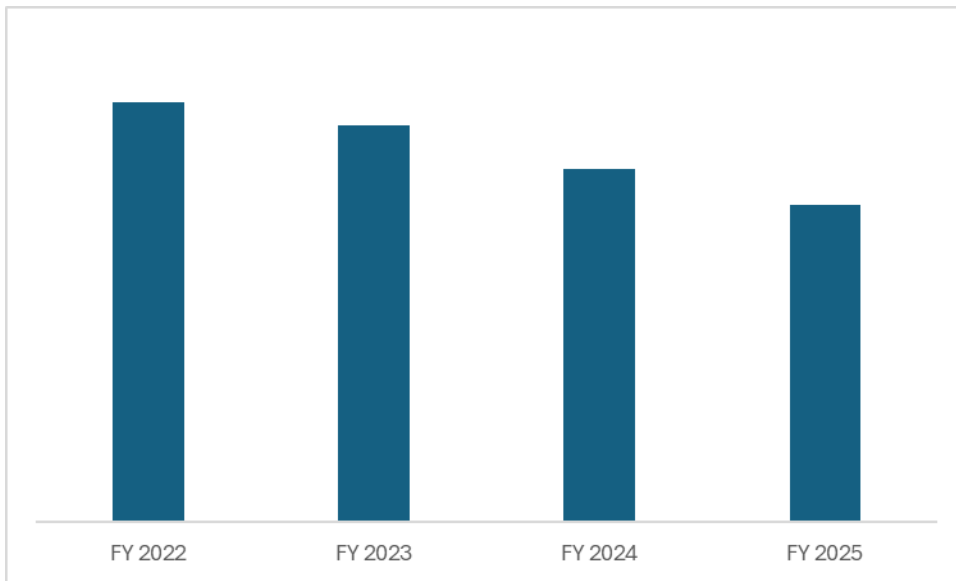
Table 3 shows that the Australian industry experienced a decline in market share from FY 2022 to FY 2024, which represents the lowest point in the analysis period. There was a slight recovery in FY 2025, but the market share remained below FY 2022 levels.

Based on the data analysed at the time of making this PAD, there appear to be sufficient grounds to support the Australian industry’s claim that it has experienced injury in the form of reduced market share.

The commission’s analysis of market share is at **Confidential Attachment 1**.

4.4.2 Sales volume

Figure 1 shows that Comsteel’s domestic sales volume has decreased year on year from FY 2022 to FY 2025.



¹⁶ FY, or financial year, refers to the 12-month period ending 30 June.

Figure 1: Comsteel's domestic sales volume of FRW

Based on the data analysed at the time of making this PAD, the commission therefore considers that there appear to be sufficient grounds to support the Australian industry's claim that it has experienced injury in the form of lost sales volume.

4.5 Price effects

4.5.1 Price suppression

Price suppression occurs when price increases, which otherwise might have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs. In determining whether price suppression has occurred, the commission may assess:

- whether prices have increased at the same rate as costs over time or within a specified period, and/or
- whether prices for the Australian industry's like goods are lower than prices that may have been achieved in the absence of dumping.

Figure 2 and Figure 3 compare the weighted average selling price and weighted average CTMS of like goods manufactured and sold by Comsteel over the injury period, on an actuals basis and indexed basis, respectively.

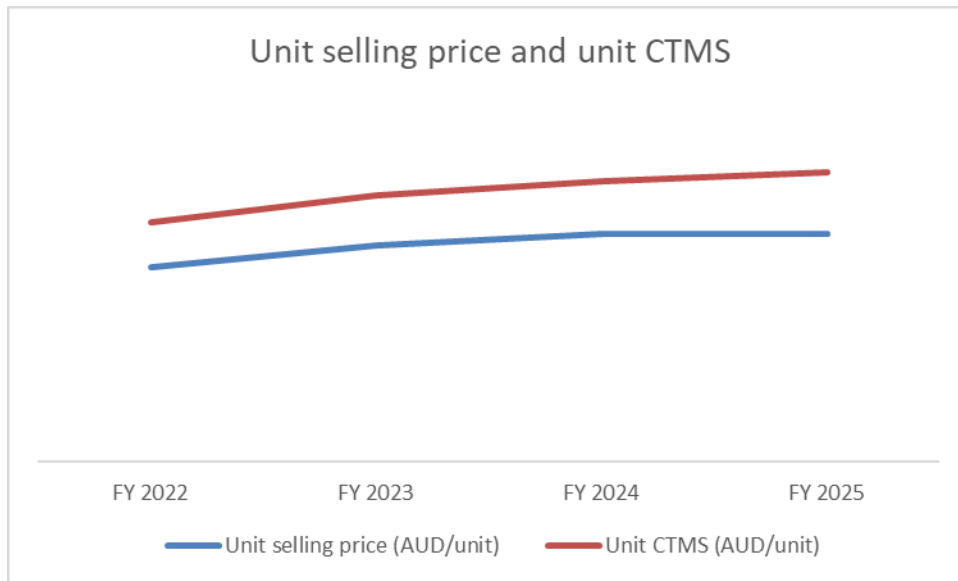


Figure 2: Comsteel unit selling prices and cost to make and sell (CTMS) (AUD/kg) – injury period

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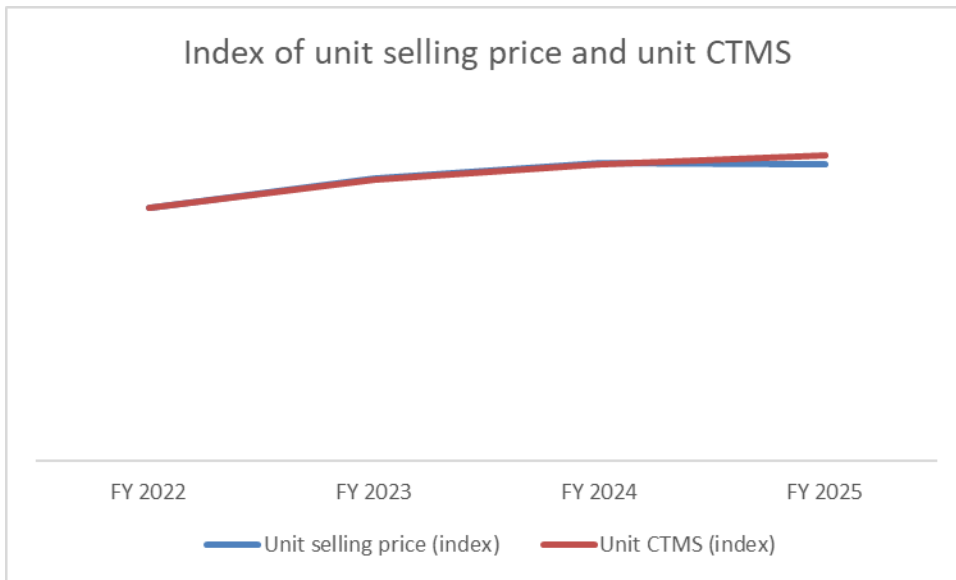


Figure 3: Index of Comsteel unit selling prices and CTMS – Injury period, compared to FY 2022

Figure 2 shows a consistent margin of higher cost to make and sell (CTMS) compared to selling prices across the injury period. This consistency is confirmed in Figure 3, which shows increases in CTMS have been closely matched by increases in price.

Over the investigation period, there is a similar margin between unit CTMS and unit selling price as there is in the injury period. See Figure 4.

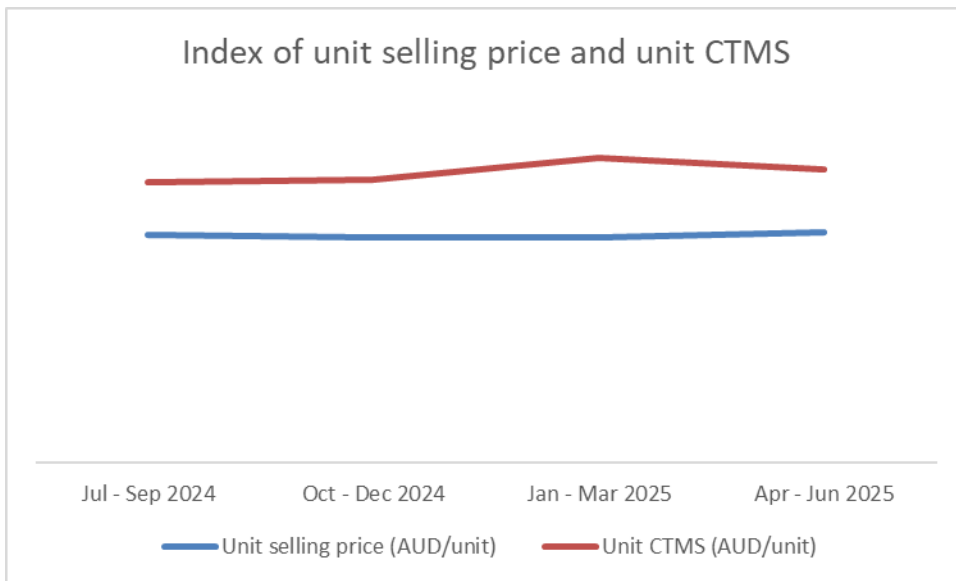


Figure 4: Comsteel unit selling price and CTMS (AUD/kg) – Investigation period

While Comsteel has been able to increase its prices roughly in line with cost increases since FY 2022 (Figure 3), it has been unable to increase its prices over the injury period to the extent necessary to cover all its costs (Figure 2). Accordingly, it has been making a consistent loss in the sale of like goods.

The commission considers that the inability of Comsteel to realise a selling price at or above its costs over entirety of the injury period (which has continued throughout the investigation period) is an indicator of price suppression.

Preliminary analysis indicates that the Australian industry's selling prices are likely lower than they otherwise would have been in the absence of dumping. Based on the data analysed at the time of making this PAD, I consider that there appear to be sufficient

grounds to support that the Australian industry has experienced injury in the form of price suppression. A more detailed assessment of price effects and causation is outlined in section 5.4.

4.5.2 Price depression

Price depression occurs when a company, for some reason, lowers its prices.

As shown in Figure 2 and Figure 3, Comsteel’s prices rose between FY 2022 and FY 2024, before falling slightly during the investigation period. This is also shown in Table 4.

	FY 2022	FY 2023	FY 2024	FY 2025
Unit selling price (index)	100	112	118	117

Table 4: Index of Comsteel unit sales price, compared to FY2022.

As shown in Figure 4, while there was some movement in the unit selling price within the investigation period, the price remained consistent over the full investigation period. See also Table 5.

	Jul - Sep 2024	Oct - Dec 2024	Jan - Mar 2025	Apr - Jun 2025
Unit selling price (index)	100	99	99	101

Table 5: Index of Comsteel unit selling prices, compared to Jul – Sep 2024

At this stage of the investigation, the commission considers that there is insufficient evidence to indicate that Comsteel has experienced price depression. Comsteel’s selling prices for FRW have risen throughout the injury period, except for a fall of less than 1% between FY 2024 and FY 2025. Over the investigation period, Comsteel’s selling prices have increased by 1%.

The commission’s price injury analysis is available at **Confidential Attachment 4**.

4.6 Profit and profitability effects

In its application, Comsteel claims ongoing price suppression and depression has impacted negatively on its profits and profitability of the injury and investigation periods. Comsteel considers that its unit revenue and profitability would not have declined to its current levels in the absence of price suppression and depression. Lower sales volumes has also resulted in higher fixed costs on a per unit basis (with those fixed costs accordingly allocated across fewer units). Comsteel states that this has placed pressure not only on Comsteel’s Australian FRW business, but also its entire manufacturing operation.¹⁷

Comsteel considers that this injury was caused by sales of FRW exported from China and that the injury experienced is material.

Figure 5 shows the Australian industry’s total profit (indexed) and profitability over the injury analysis period. Comsteel’s profit was negative at the start of the injury period and declined further in FY 2023. It recovered slightly in FY 2024 before falling again in FY 2025. Profitability, measured as a unit profit (or loss) as a percentage of unit revenue, followed a similar trend during the investigation period.

¹⁷ EPR 690, Item 1 – Application, p. 37

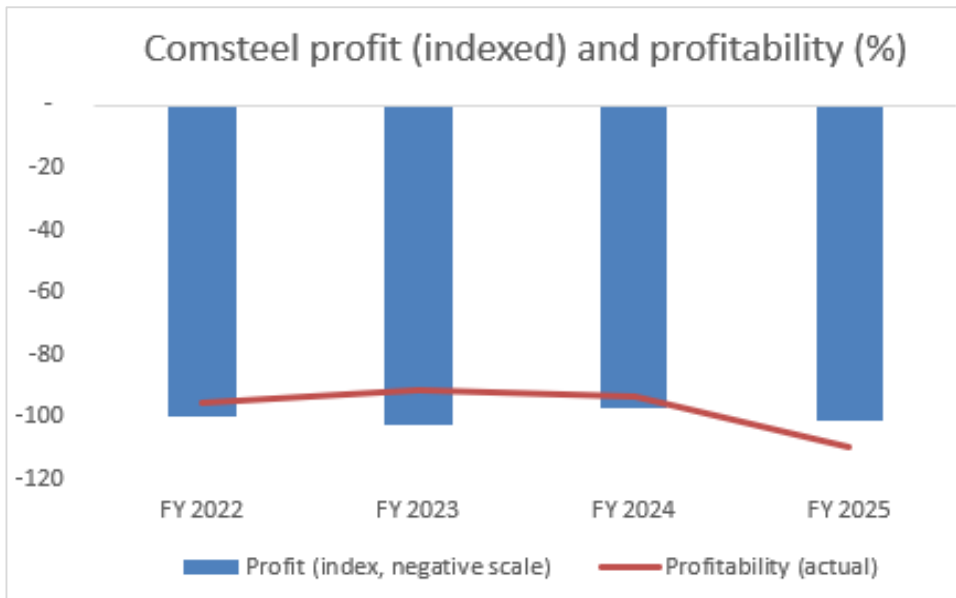


Figure 5: Negative index of Comsteel profit, compared to FY2022, and actual profitability (%)

The commission considers that negative profits and profitability are demonstrative of injury, driven in this case by lost sales volume and price suppression. Accordingly, based on the data analysed at the time of making this PAD, I consider that there appear to be sufficient grounds to support that the Australian industry has experienced injury in the form of lost profit and profitability.

The commission’s analysis of profit and profitability is available at **Confidential Attachment 3**.

4.7 Other economic factors

In its application, Comsteel also claimed injury in the form of the following other economic factors:

- decline in asset values
- reduced research and development (R&D)
- reduced revenue
- reduced return on investment
- reduced capacity utilisation
- reduced productivity

Table 4 shows the change and variation in other economic factors between FY 2022 to FY 2025, indexed with respect to FY 2022.

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	FY 2022	FY 2023	FY 2024	FY 2025
Assets	100	117	76	74
Capital investment	100	99	237	111
Research and development (R&D) expenses	100	98	81	19
Revenue	100	108	99	88
Return on investment (profit % of revenue)	- 100	- 106	- 236	- 266
Capacity utilisation - like goods	100	95	94	74
Productivity (output per employee)	100	89	87	75
Employment (persons) - like goods	100	107	107	98
Wage bill (like goods)	100	104	111	99
Inventory (closing stock)	100	65	104	112
Inventory turnover	100	128	115	80

Table 4: Other economic factors (FY 2022 = 100)

Based on the above, the commission considered that there appear to be sufficient grounds to support that the Australian industry has experienced injury over the period examined in the form of:

- reduced value of assets
- reduced R&D expenses
- reduced revenue
- reduced return on investment (profit % of revenue)
- reduced capacity utilisation
- reduced productivity (output per employee).

5 CAUSE OF INJURY TO THE AUSTRALIAN INDUSTRY

5.1 Preliminary findings

Based on the commission's preliminary assessment, I consider that:

- imported goods and like goods purchased produced by the Australian industry are substitutable
- importers purchased the goods from China at dumped prices, which allowed those importers to be more competitive on price than otherwise would be the case
- the Australian industry's prices were undercut by the dumped goods imported in the investigation period
- by responding to the lower priced dumped imports, the Australian industry has experienced price suppression, which in turn lead to material reductions in the Australian industry's revenue, profit and profitability.

I also note that the Material Injury Direction¹⁸ states that dumping or subsidisation need not be the sole cause of injury to the Australian industry. As such, I am satisfied at this point in the investigation that there appear to be sufficient grounds to support the conclusion that brackets exported from China are at dumped prices and caused material injury to the Australian industry producing like goods.

5.2 Legislative background

Under section 269TG, one of the matters the Minister must be satisfied of in order to publish a dumping duty notice is that, because of the dumping, material injury has been, or is being caused, or is threatened to the Australian industry producing like goods.

Section 269TAE(1) outlines the factors, to which the Minister (and I) may have regard to when determining whether material injury has been, or is being, caused or threatened.

Section 269TAE(2A) also requires the Minister (and I) to consider whether any injury to an industry is being caused or threatened by a factor other than the exportation of the goods and provides examples of such factors.

5.3 Size of the dumping margin

Subsection 269TAE(1)(aa) provides that regard may be given to the size of each of the dumping margins, worked out in respect of goods of that kind that have been exported to Australia.

The preliminary dumping margins outlined in section 2.4 of this notice (refer Table 2) are above a negligible level (i.e. above 2%).

The commission considers that the magnitude of dumping provided exporters with the ability to offer brackets to importers at lower prices than would otherwise have been the case, and gave importers a competitive advantage in terms of their pricing in the Australian market.

5.4 Price effects

Comsteel submitted in its application that it has responded to the presence of dumped imports in the Australian market by depressing and suppressing its price for like goods. Comsteel contends that, in the absence of dumped and/or subsidised imports from China,

¹⁸ Ministerial Direction on Material Injury 2012, available at www.adcommission.gov.au.

it would have achieved selling prices indicative of a level playing field in the Australian market.

As outlined in the Australian industry verification report¹⁹, the commission considers that the like goods produced by the Australian industry are comparable to those exported from China, serving the same purpose and sold to the same customers. Given the substitutability between the Australian industry's manufactured FRW and Chinese exports, price is considered the key factor influencing purchasing decisions.

For the purpose of the PAD, the commission conducted a preliminary analysis of price undercutting claims made by the Australian industry. The analysis supports the Australian industry's assertion that its prices have been undercut by dumped exports from China. The commission's findings also indicate that the presence of dumped imports has suppressed the Australian industry's ability to increase its prices.

Comsteel has provided documentary evidence in its application and in the Australian industry verification highlighting that Australian end user customers (including Australian importers) reference Chinese import prices of FRW during negotiations and seek lower prices from the Comsteel as a result. These price negotiations demonstrate that the pricing behaviour of imports directly influences the Australian market for FRW and have undercut Comsteel's prices during the investigation period. The commission further considers this to support Comsteel's assertion that this has led to price suppression as Comsteel has been unable to increase its prices to levels that would otherwise prevail in the absence of dumped imports during negotiations.

Consistent with the Dumping and Subsidy Manual, the commission assessed the level of prices the Australian industry is likely to have achieved in the absence of dumping. This commission made this assessment by uplifting the import prices of FRW by the dumping margin of 36.9% and used that uplifted price as a benchmark price that Comsteel could have expected to achieve in direct competition unaffected by dumping.

When compared to Comsteel's selling prices during the investigation period, this benchmark suggests that Comsteel could have achieved prices of approximately 22% higher.

Based on this analysis I am satisfied that there appear to be sufficient grounds to conclude that there is a causal link between the lower prices of the dumped imports from China and price undercutting and price suppression experienced by the Australian industry. Further, I consider that the 22% increase in the price Comsteel could have achieved in the absence of dumping is material.

The commission's price analysis is available at **Confidential Attachment 4**.

5.5 Volume effects

As noted in section 4.4, the commission considers that there appear to be sufficient grounds to conclude that the Australian industry suffered injury in the form of lost sales volumes and reduced market share. The Australian industry's lost sales volumes and reduced market share have coincided with an increase in dumped imports from China that have undercut the Australian industry's selling prices.

This is supported in section 5.4, where the commission observed that the Australian industry and Chinese exporters share common customers in the Australian FRW market and provided evidence indicates that sales volumes have shifted from the Australian industry to Chinese suppliers during the investigation period, coincident with the levels of

¹⁹ EPR 690, item 11, pp 7-8.

price undercutting observed. While the commission is still considering the extent of the volume shift, this behaviour is considered consistent with the broader indicators of volume injury experienced by the Australian industry and the preliminary information available at this stage supports a finding of volume injury.

On the basis of the information currently available, I am satisfied that there appear to be sufficient grounds to conclude that goods exported from China at dumped prices have undercut the Australian industry's prices, causing a material reduction in sales volumes and market share.

5.6 Profit effects

Based on the information currently available, the commission considers there are sufficient grounds to support a preliminary finding that the Australian industry has experienced injury in the form of negative profits and profitability. This view is informed by the commission's assessment of price effects outlined in section 5.4, which found that dumped imports from China have contributed to price suppression and price undercutting.

As outlined in section 4.6 and illustrated in Figure 5, Comsteel's profit was negative at the start of the injury period and remained negative throughout, despite a slight improvement in FY 2024. Profitability, measured as unit profit (or loss) as a percentage of unit revenue, followed the same trend and declined further in the investigation period (FY 2025). These persistent losses indicate material injury, driven by lost sales and suppressed prices.

The commission considers these outcomes to be materially linked to the presence of dumped imports, which exerted downward pressure on domestic prices, constrained the Australian industry's ability to achieve sustainable returns and undercut Australian industry prices.

Accordingly, based on the data analysed at the time of making this PAD, there appear to be sufficient grounds to support that the Australian industry has experienced in the form of lost profit and profitability.

The commission's analysis of profit and profitability is available at **Confidential Attachment 4**.

5.7 Jetransit Pty Ltd and the China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME) submissions concerning injury

In its submission dated 30 October 2025, Jetransit Pty Ltd (Jetransit) states that:

- The claimed injury to the Australian industry is not caused by dumping or subsidies.
- Its competitive advantage arises from efficient manufacturing, processes, modern technology, streamlined supply chains and superior product standards.
- These factors demonstrate that its pricing and performance are based on efficiency and product superiority rather than unfair practices.

In its submission dated 1 December 2025, the China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME) states that:

- The evidence presented in the application does not demonstrate that dumped or subsidised imports from China caused material injury to the Australian industry
- Comsteel's injury indicators do not move in tandem with Chinese import trends; losses worsened when import share was stable or falling and narrowed when share rose slightly

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- Declines in Comsteel's production, sales and profitability are primarily attributable to non-import factors, including:
 - Significant contractions in overall market demand for FRW in Australia
 - Rising input costs (e.g. steel, energy, compliance) and rigid cost structure reducing profitability
 - Comsteel's own efficiency and technological limitations, weak export performance and past quality concerns
 - Strategic procurement decisions by major mining companies, including broader commercial considerations linked to Australia-China relations, not caused by price dumping.
- Evidence does not support claims of a significant surge in Chinese imports and any share increase reflects shrinking overall demand rather than volume growth
- Price and cost trends do not show systematic price depression or suppression caused by imports and Comsteel's selling prices increased during most of the injury period while price–cost inversion reflects cost pressures and demand constraints
- Import share and injury indicators do not move in tandem and Comsteel's losses deepened when import share was stable or declining and narrowed when import share rose slightly
- Causation analysis relies on subjective lost tender anecdotes and hypothetical counterfactuals instead of objective evidence.

In addition to the two submissions noted above, the commission received a submission from Shandong Bohong Rail Transportation Equipment Technology Co., Ltd (Shandong) and an additional submission from Jetransit. These submissions did not specifically address injury but focused on differentiating between privately owned manufacturers from state-owned enterprises (SOEs), arguing that competitive pricing reflects efficiency and technology rather than dumping. Both parties requested that any measure avoid punitive effects on legitimate trade and be based on current market conditions.

The commission also received two submissions from Comsteel supporting the imposition of provisional measures. These submissions reiterated claims of material injury caused by dumped and subsidised imports and requested preliminary duties to prevent further injury pending final determination.

The commission also received a third submission from Comsteel on 12 December 2025. As this submission was received shortly before the publication of the PAD, the commission will have regard to its contents in preparing the SEF.

5.7.1 Commission's consideration of submissions concerning injury

The commission has considered the submissions received from interested parties. CCCME argued the Australian industry's injury is attributable to factors such as declining market demand, rising input costs and operational constraints, rather than dumped imports from China. CCCME also contended that price and cost trends do not demonstrate systematic price depression or suppression caused by imports and that movements in import share do not align with Comsteel's injury indicators.

The commission also acknowledges Jetransit's submission, which suggested that its pricing and performance advantages stem from efficiency and product quality rather than unfair trade practices.

While the commission recognises that injury factors other than dumping have influenced Comsteel's performance, verified Australian industry data demonstrates that dumped

imports materially impacted domestic pricing and sales outcomes beyond these factors. Analysis of pricing, volume, and market share data indicates that dumped imports exerted downward pressure on domestic prices and displaced the Australian industry's sales volume. This is evidenced by price undercutting and price suppression during the injury and investigation period, as outlined in section 5.4. In addition, verified correspondence between Comsteel and its customers indicates that purchasing decisions were influenced by lower-priced imports, supporting the conclusion that undercutting materially affected sales outcomes.

The commission considers that the pricing of dumped imports suppressed Comsteel's ability to raise prices to a level that would reflect rising costs, resulting in suppressed pricing and contributing to lost sales and reduced market share. Comsteel has suffered material injury in the form of lost sales, declining market share and sustained negative profitability, which is closely linked to the presence of dumped imports. Accordingly, the commission maintains its view that the injury analysis appropriately attributes material injury to dumped imports from China.

5.8 Injury factors other than dumping

The commission has considered whether factors other than dumping may have contributed to the injury experienced by Comsteel during the investigation period. Submissions from interested parties, including CCCME and Jetransit, have raised issues such as declining market demand, rising input costs, operational constraints, and claims of product superiority and efficiency in Chinese production facilities. These matters have been outlined in section 5.7.1.

Based on the information available at the time of the PAD, the commission does not consider these factors sufficient to explain the extent of injury observed. Verified Australian industry data indicates that price undercutting and suppressed price movements during the injury period have materially influenced the Australian industry's pricing decisions and sales volumes. The commission's preliminary assessment is that the injury experienced by Comsteel is closely linked to the presence and pricing of dumped imports from China.

Further analysis of injury factors other than dumping will be undertaken during the course of the investigation, including in the preparation of the Statement of Essential Facts and the Final Report.

6 UNSUPPRESSED SELLING PRICE AND NON-INJURIOUS PRICE

6.1 Introduction

Interim dumping duty (IDD) may be applied where it is established that dumped imports have caused material injury to the Australian industry producing like goods. The level of IDD imposed by the Minister cannot exceed the margin of dumping. Where the Minister is required to determine the IDD, section 8(5B) of the *Customs Tariff (Anti-Dumping) Act 1975* (Dumping Duty Act) applies.

The non-injurious price (NIP) is relevant to section 8(5B) of the Dumping Duty Act, which requires the Minister to consider the desirability of specifying a lesser amount of duty if sufficient to remove injury to the Australian industry,²⁰ unless one of the exceptions in section 8(5BAA) of the Dumping Duty Act applies. The commission also utilises the NIP as an additional test to establish whether there is a causal link between the alleged dumping and material injury.

The Manual specifies that the commission will generally derive the NIP from an unsuppressed selling price (USP). The USP is a selling price that the Australian industry could reasonably achieve in the market in the absence of dumped or subsidised imports.²¹

The commission's preferred approach to establishing the USP is outlined in Chapter 24 of the Manual and observes the following hierarchy:

- Australian industry's selling prices at a time unaffected by dumping or subsidisation (market price method)
- constructed industry prices, using the Australian industry's CTMS and a rate for profit, or
- selling prices of undumped imports.

6.2 Commission's assessment and findings

The commission has preliminarily found that the NIP is not less than the normal value for all exporters. As a result, the NIP should not be the operative measure for exports from China. The commission therefore recommends that duties be imposed at the full dumping margin.

The commission's approach to determining the USP and NIP is outlined in section 6.2.1.

6.2.1 Assessment of USP and NIP

The commission found that the goods exported to Australia from China during the investigation were dumped. Further, the commission found that imports from China were prevalent in the Australian market in preceding periods. Given this, the commission does not consider it preferable to determine the USP, and therefore NIP, using the Australian industry's domestic prices for like goods sold during the investigation period and the preceding periods as these periods were affected by imports from China.

Noting that the Australian industry's selling prices are not suitable for establishing a USP, the commission considers that a constructed USP using the Australian industry's CTMS and an amount for profit would be preferable. Accordingly, the commission determined a

²⁰ This is determined by ensuring that the sum of the ascertained export price and the IDD does not exceed the NIP.

²¹ [Dumping and Subsidy Manual](#), page 137.

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USP having regard to the Australian industry's CTMS in the investigation period and a level of profit.

The commission applied the profit calculated in CON 632, based on the assessment that this period was least affected by the presence of dumped imports. Comsteel reported negative profit margins throughout the injury period (see section 4.6), which the commission considers affected by dumping and therefore unsuitable for determining a reasonable profit margin. In the absence of REQs, the commission relied on CON 632 findings for ore carriage railway wheels exported from China. Following Comsteel's verification, the commission is satisfied that ore carriage railway wheels are sufficiently comparable to FRW for calculating the NIP at this stage. Consistent with CON 632, the NIP was calculated by deducting from the constructed USP the costs of transporting the goods on a free-on-board basis to the relevant level of trade in Australia, including overseas freight, insurance, into-store costs, and import-related expenses.

The commission's calculation of the USP and the NIP is at **Confidential Attachment 5**.

7 PROVISIONAL MEASURES AND FORM OF DUTY

7.1 Form of duty

The forms of duty available under the *Customs Tariff (Anti-Dumping) Regulation 2013* include:

- combination fixed and variable duty method ('combination duty method');
- fixed duty method;
- floor price duty method; and
- *ad valorem* duty method (i.e. a percentage of export price).

These forms of duty all have the same objective of removing the injurious effects of dumping and subsidisation, however, in achieving this objective, certain forms of duty will better suit particular circumstances more so than other forms of duty.

For the purposes of this PAD, I had regard to the *Guidelines on the Application of Forms of Dumping Duty – November 2013* (the Guidelines).²²

I have found that there are many different types of FRW that are exported to Australia. I have also found that there is a price variation between the different types of FRW. The Guidelines specify that the *ad valorem* duty method has an advantage where there are many models or types of goods which have varied prices, as the method does not require an ascertained export price or floor price which may not be meaningful where prices differ significantly between models.

The commission will continue to assess information received during the investigation to determine and propose measures that will effectively remedy the injury that has been caused to the Australian industry, while at the same time not setting a form of measures above the level that is required to prevent further injury from occurring.

The above considerations may become more relevant for the purposes of publishing a dumping duty and / or countervailing duty notice, and therefore I will reassess the most appropriate form of measures, should that form part of my recommendations.

7.2 Securities

As outlined in sections 4 and 5 of this notice, I am satisfied that there appear to be sufficient grounds to establish that the dumped goods from China caused material injury to the Australian industry during the investigation period. I note that following the investigation period, imports of the goods from China have continued.

Given the continued volumes of imports from China, I am satisfied that it is necessary to take securities to prevent material injury occurring whilst the investigation continues.

I have determined that securities will be taken as an amount worked out in accordance with the *ad valorem* dumping duty method.²³ Securities will be imposed in relation to the goods exported to Australia from China at the rates specified in Table 5.

²² The [Guidelines](#), available at www.adcommission.gov.au.

²³ An earlier version of this PAD did not specify the duty method as '*ad valorem*'. This has been corrected.

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Exporter	Dumping security
Uncooperative and all other exporters	36.9%

Table 5: Dumping securities

7.3 Anti-Dumping Commission contact

Affected parties should contact clientsupport@adcommission.gov.au on telephone number 13 28 46 or +61 2 6213 6000 (outside Australia) for further information regarding the actual security liability calculation in their circumstance.

Enquiries about this notice may be directed to the case manager via email at investigations4@adcommission.gov.au.

David Latina
Commissioner
Anti-Dumping Commission

22 December 2025