



*CUSTOMS ACT 1901 - PART XVB*

## **REPORT NO 653**

**ALLEGED DUMPING AND SUBSIDISATION OF  
CEILING STEEL FRAMING MEMBERS  
EXPORTED TO AUSTRALIA FROM  
THE PEOPLE'S REPUBLIC OF CHINA**

**16 January 2026**

**REP 653 – CSFM – China**

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## ABBREVIATIONS

\$	Australian dollars
ABF	Australian Border Force
ABS	Australian Bureau of Statistics
The Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
The applicant	Rondo Building Services Pty Limited
China	the People's Republic of China
the commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
CSFM	ceiling steel framing members
CTMS	cost to make and sell
Customs Direction	<i>Customs (Extensions of Time and Non-cooperation) Direction 2015</i>
Dumping Duty Act	<i>Customs Tariff (Anti-Dumping) Act 1975</i>
EPR	electronic public record
FOB	free on board
FY	Financial year (1 July–30 June)
GOC	Government of China
the goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
HRC	hot rolled coil
HSS	hollow structural sections
ICD	interim countervailing duty
IDD	interim dumping duty
LTAR	less than adequate remuneration
the Manual	the <i>Dumping and Subsidy Manual</i>
Material Injury Direction	<i>Ministerial Direction on Material Injury 2012</i>
MCC	model control code
the Minister	the Minister for Industry and Innovation and Minister for Science
NIP	non-injurious price
PAD	preliminary affirmative determination
REP 644/645	<i>Anti-Dumping Commission Report No 644 and 645</i>
REP 590	<i>Anti-Dumping Commission Report No 590</i>
REP 611	<i>Anti-Dumping Commission Report No 611</i>
SCM Agreement	Agreement on Subsidies and Countervailing Measures
SEF	statement of essential facts
SIE	State-invested enterprise
SG&A	selling, general and administrative expenses

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SOE	State-owned enterprise
USP	unsuppressed selling price

## 1 SUMMARY OF FINDINGS AND RECOMMENDATIONS

### 1.1 Introduction

The Anti-Dumping Commission (the commission) has prepared this report following an investigation by the Commissioner of the Anti-Dumping Commission (the Commissioner) in respect of an application seeking the publication of a dumping duty notice and a countervailing duty notice on certain ceiling steel framing members (CSFM, or the goods) exported to Australia from the People's Republic of China (China).

The application was lodged by Rondo Building Services Pty Limited (Rondo, or the applicant). Rondo alleges that the Australian industry producing CSFM has suffered material injury caused by the goods exported to Australia from China at dumped and subsidised prices.

The Commissioner has found that during the investigation period (1 July 2023 to 30 June 2024) the goods exported to Australia from China were dumped and that countervailable subsidies have been received in respect of those goods. The Commissioner has also found that the dumped and subsidised goods exported from China have caused material injury to the Australian industry producing like goods. Based on these findings, the Commissioner recommends that the Minister for Industry and Innovation and Minister for Science (the Minister) publish a dumping duty notice and a countervailing duty notice in respect of the goods exported to Australia from China.

This report sets out the Commissioner's recommendations to the Minister and sets out the material findings of fact on which those recommendations are based and provides details of the evidence relied upon to support those findings.

### 1.2 Recommendations

Based on the findings outlined in this report, the Commissioner recommends that the Minister publish a dumping and countervailing duty notice in respect of the goods exported to Australia from China.

There were no cooperating exporters in this investigation. Consequently, only an *uncooperative and all other exporters* IDD rate and ICD rate have been determined. The commission has calculated combined dumping and subsidy margin of 132%.

The Commissioner finds that applying the lesser duty amount is adequate to remove the injury caused by dumped and subsidised goods from China (see Chapter 11). Therefore, the combined interim dumping duty (IDD) and interim countervailing duty (ICD) is 14.5%. This combined IDD and ICD has been determined after applying the lesser duty rule and after removing the double count of a subsidy program. The IDD and ICD rates are summarised in Table 1.

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Exporter	Rates	IDD		ICD	Combined IDD and ICD	Form of measures
		Before LTAR removed <sup>1</sup>	After LTAR removed			
Uncooperative and all other exporters.  <i>There were no cooperating exporters in this investigation</i>	Before the lesser duty rule applied	128.5%	127.5%	4.5%	132%	<i>Ad valorem IDD and ICD</i>
	After lesser duty rule applied	11%	10%	4.5%	<b>14.5%</b>	

**Table 1: Recommended measures**

The Commissioner recommends that the IDD and ICD be applied using the *ad valorem* duty method.

### 1.3 Conduct of the investigation

Division 2 of Part XVB of *Customs Act 1901* (the Act)<sup>2</sup> describes, among other things, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to an application under section 269TB(1) of the Act.

The commission assisted the Commissioner to conduct the investigation, pursuant to the commission's function specified in section 269SMD of the Act.

Further information on Rondo's application and the conduct of the investigation is included in Chapter 2 of this report.

### 1.4 Summary of findings

The Commissioner's findings in this report are summarised in the sections below. Detailed information concerning these findings and conclusions are contained in each of the relevant chapters of this report.

#### 1.4.1 Preliminary affirmative determination (PAD) (chapter 2)

A PAD can be made any time after day 60 on an investigation. At day 60 of the investigation the Commissioner published a status report, indicating that the Commissioner was not satisfied that a PAD was necessary, noting that it would be reconsidered later.

In preparing *Statement of Essential Facts No 653* (SEF 653), the Commissioner reconsidered whether to make a PAD in view of the additional evidence available. The Commissioner was satisfied that a PAD should be made and that securities were necessary to prevent material injury to the Australian industry occurring while the investigation continues under section 42 of the Act in respect of IDD and ICD that may become payable in relation to the goods exported to Australia from China.

<sup>1</sup> Less than adequate remuneration (LTAR).

<sup>2</sup> All legislative references in this report are to the Act, unless otherwise specified.

Securities were applied to imports of like goods from China and entered for home consumption in Australia on or after 27 November 2025. The securities were taken at a rate of 14.5%.

#### **1.4.2 The goods, like goods and the Australian industry (chapters 3 and 4)**

The goods are described at section 3.3 of this report. The Commissioner is satisfied that locally produced CSFM are 'like' to the goods the subject of the application. The Commissioner is satisfied that there is an Australian industry producing like goods. The Australian industry comprises of the following manufacturers of like goods:

- Rondo
- Studco Australia Pty Ltd (Studco)
- Etex Australia Pty Ltd (branded Siniat) (Etex)
- Nashco Pty Ltd (Nashco)
- Bryko Pty Ltd (Bryko).<sup>3</sup>

The commission considered various submissions on like goods (addressed in section 3.6.7) which claimed that CSFM are part of a 'wall and ceiling' system and should not be treated as standalone goods. It was further argued that imported CSFM are not interchangeable at the component level and that competition only occurs at the system level. The commission disagrees with this assertion and notes that it received the application from Rondo with a goods description of CSFM. The Commissioner has no capacity to change that goods description and therefore undertook the investigation on this basis.

#### **1.4.3 Australian market (chapter 5)**

The Commissioner finds that the Australian market is supplied by locally produced CSFM and imported CFSM predominantly from China, with a smaller volume imported from Malaysia, Vietnam and other countries.

The commission has estimated that the Australian market size for CSFM was relatively steady over the injury analysis period (financial years (FY) 2021 to 2023), with a slight decline in FY2022, before peaking in FY2023.<sup>4</sup> During the investigation period (FY2024), the Australian market for CSFM decreased in size while the share of the market supplied by imports from China increased.

#### **1.4.4 Dumping investigation (chapter 6)**

The Commissioner finds that the goods exported to Australia from China during the investigation period were dumped. The dumping margin is set out in Table 2.

<b>Exporter</b>	<b>Dumping margin</b>
Uncooperative and all other exporters	128.5%

**Table 2: Dumping margin**

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<sup>3</sup> Collectively referred to in this report as the Australian industry.

<sup>4</sup> Financial year (FY) covers the period 1 July to 30 June of the specified year.



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The Commissioner is satisfied that the goods exported to Australia from China by the uncooperative and all other exporters were at dumped prices, and that:

- the dumping margin for goods was not negligible; and
- the volume of dumped goods exported from China was not negligible.

### **1.4.5 Subsidy investigation (chapter 7)**

The Commissioner finds that the goods exported to Australia from China were subsidised. The subsidy margin is set out in Table 3.

<b>Exporter</b>	<b>Subsidy margin</b>
Uncooperative and all other exporters	4.5%

**Table 3: Subsidy margin**

The Commissioner is satisfied that the goods exported to Australia from China by the uncooperative and all other exporters during the investigation period were at subsidised prices, and that:

- the countervailing margin for goods was not negligible; and
- the volume of countervailable goods was not negligible.

### **1.4.6 Economic condition of the Australian industry (chapter 8)**

The Commissioner finds that the Australian industry has experienced injury in the investigation period in the form of:

- lost sales volume
- lower production volumes
- price suppression and depression in relation to all like goods is not evident, however in an important subcategory of the goods, being ceiling battens there is price suppression and depression, which is not the case in the furring channels segment of the goods<sup>5</sup>
- reduced profitability and profit
- decline in asset values
- reduced capacity utilisation
- reduced productivity
- reduced revenue.

### **1.4.7 Have dumping and subsidisation caused material injury? (chapter 9)**

The Commissioner is satisfied that exports of the dumped and subsidised goods from China has caused material injury to the Australian industry producing like goods. With respect to price, volume and profit injury the Commissioner finds the following.

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<sup>5</sup> Further information regarding the distinction between these products and the significance to the Australian industry's economic performance is drawn out in chapters 3, 8 and 9 of this report.

In relation to volume effects:

- The Australian industry's market share declined in the investigation period to the lowest level seen over the injury analysis period.
- The total sales volume of the Australian market reduced in the investigation period by 13%.
- Whilst some Australian industry manufacturers have likely lost volume due to this contraction in market size and due to competition between Australian industry members, the commission considers that part of the Australian industry's volume injury was also caused by the presence of dumped and subsidised goods from China<sup>6</sup>.
- The increased volume of dumped and subsidised imports in FY2024 equated to 0.6% of the total Australian market. When assessed against the Australian industry's sales volume, the increased import volume equated to 0.7% of the total Australian industry's sales volume for FY2024.

In relation to price effects:

- The prices of imported dumped and subsidised goods from China have undercut the Australian industry's prices.
- For the ceiling battens segment of the goods, price undercutting has caused price suppression and depression. The Australian industry has suffered declining sale prices for ceiling battens over the investigation period despite increasing costs.
- Whilst price suppression and price depression is not evident in the furring channels segment, when assessed as the combined goods (both ceiling battens and furring channels), the price suppression and depression for battens has caused the Australian industry to suffer an overall reduction in revenue.

In relation to profit effects:

- The Australian industry has experienced negative profit and profitability in the ceiling battens segment of the goods during the investigation period.
- Whilst this injury was not evident in the furring channels segment, when assessed as the combined goods, the Australian industry has suffered overall injury in the form of reduced profits and profitability in the investigation period.
- The profit and profitability injury experienced in the ceiling battens segment of the goods has contributed to the Australian industry's overall profit and profitability<sup>7</sup> being lower. The commission has calculated that the profitability as being 4 percentage points<sup>8</sup> lower (which represents a 32% reduction in profitability)<sup>9</sup> than what it otherwise could have achieved in the absence of dumped and subsidised goods from China.

Other economic factors have also shown decline in the investigation period in the presence of dumped and subsidised imports from China.

When considered in totality, consistent with the goods description, the Commissioner is satisfied that the injury experienced by the Australian industry caused by dumped and

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<sup>6</sup> Noting that dumping or subsidisation need not be the sole cause of injury to the industry.

<sup>7</sup> Net profit divided by revenue.

<sup>8</sup> Expressed as the arithmetic difference between 2 percentages.

<sup>9</sup> The difference between the actual net profit and the potential net profit divided by the actual profit.

subsidised goods is material in that it is not immaterial, insubstantial or insignificant. Therefore, the Commissioner is satisfied that exports of the dumped and subsidised goods caused material injury to the Australian industry producing like goods.

#### 1.4.8 Will dumping and subsidisation continue? (chapter 10)

The Commissioner is satisfied that exports of the goods to Australia from China may continue in the future at dumped and subsidised prices.

#### 1.4.9 Non-injurious price (chapter 11)

The Commissioner finds that the non-injurious price (NIP) is less than the normal value for all exporters. The NIP was established based on a constructed unsuppressed selling price (USP), which is discussed in chapter 11 of this report.

The *Customs Tariff (Anti-Dumping) Act 1975* (Dumping Duty Act) requires the Minister to have regard to the desirability of specifying a lesser amount of duty than the full dumping or subsidy margin where the imposition of that lesser amount is adequate to remove injury.<sup>10</sup>

Section 269TACA of the Act concerns the NIP of the goods exported to Australia and states inter alia that it is '...the minimum price necessary...to prevent the injury, or a recurrence of the injury...' which arises from dumping or subsidisation. These provisions incorporate the principle in Article 9.1 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 and Article 19.2 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement), which concern the desirability of imposing a lesser duty where it is adequate to remove the injury.<sup>11</sup>

The Commissioner has found that applying the lesser duty amount is adequate to remove the injury caused by dumped and subsidised goods from China. The Commissioner finds that the Minister should consider applying the lesser duty rule.

#### 1.4.10 Recommended measures (chapter 12)

The Commissioner recommends that the Minister have regard to the *ad valorem* duty method when working out the amount of IDD and ICD payable in respect of the goods.

In working out the amount of IDD and ICD payable in respect of the goods, the Commissioner applied a lesser amount of duty such that the combined rate of IDD and ICD payable does not exceed the NIP. The combined rate of IDD and ICD payable on the goods imported from China is summarised in Table 4.

Exporter	Duty method	Combined rate of IDD & ICD (%)
Uncooperative and all other exporters	<i>Ad valorem</i>	14.5%

Table 4: Combined IDD and ICD rate

<sup>10</sup> The *Dumping and Subsidy Manual* (the Manual), page 113.

<sup>11</sup> *ibid.*

## **1.5 Information considered in preparation of this report**

In preparing this report, the Commissioner had regard to the following:

- Rondo's application
- importer questionnaire responses received from participating importers and other information received from participating importers concerning their questionnaire responses
- Australian industry questionnaire responses from participating members of the Australian industry
- submissions received concerning the publication of the dumping duty notice and countervailing duty notice, including data provided by interested parties, prior to the publication of the statement of essential facts (SEF)
- submissions received from interested parties in response to the SEF
- information obtained during verification visits to Rondo and an Australian importer of the goods, Intex Group International Pty Ltd (Intex)
- data from the Australian Border Force (ABF) import database
- data obtained from independent third-party data providers
- the commission's previous findings with respect to the steel industry and markets in China as specified in the SEF and
- all other relevant matters and information as outlined in this report.

## 2 BACKGROUND

### 2.1 Legislative framework

#### 2.1.1 Legislative test

Division 2 of Part XVB of the Act describes, among other things, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application under section 269TB(1) of the Act, for the purpose of making a report to the Minister.

Under section 269TEA(1) of the Act, in the report to the Minister, the Commissioner must recommend whether the Minister ought to be satisfied as to the grounds for publishing a dumping duty notice under section 269TG of the Act and/or a subsidy notice under section 269TJ of the Act.

Under sections 269TG, 269TJ and 269TJA of the Act, to publish a dumping duty and/or countervailing duty notice, the Minister must be satisfied that, because of dumping and/or subsidisation, the Australian industry has experienced material injury.

Section 269TDA of the Act sets out certain circumstances in which the Commissioner must terminate an investigation.

Section 269TDA(1) of the Act requires that the Commissioner must terminate the investigation, in so far as it relates to an exporter, if satisfied that there has been no dumping by the exporter, or there has been dumping during the investigation period, but the dumping margin is less than 2%.

Section 269TDA(2) of the Act requires that the Commissioner must terminate a countervailing investigation, in so far as it relates to an exporter of the goods, if satisfied either that:

- an exporter did not receive a countervailable subsidy in respect of the goods, or
- if an exporter did receive a subsidy, at no time during the investigation period did the level of the subsidy exceed a negligible level.

Section 269TDA(3) of the Act requires that the Commissioner must terminate the investigation, in so far as it relates to a country, if satisfied that the total volume of goods that have been, or may be, dumped is 'negligible' (i.e. less than 3% of the total Australian import volume).

Section 269TDA(7) of the Act requires that the Commissioner must terminate a countervailing investigation, in so far as it relates to a country, if satisfied that the total volume of goods that has been, or may have been, exported to Australia during a reasonable examination period and in respect of which a countervailable subsidy has been, or may be, received, is negligible (i.e. less than 4% of the total Australian import volume).

If the Commissioner is satisfied that the injury, if any, to an Australian industry, that has been, or may be, caused by goods exported to Australia from a particular country of

export, is negligible, then the Commissioner must terminate the investigation in relation to that country:

- in relation to an application for a dumping duty notice, pursuant to section 269TDA(13) of the Act
- in relation to an application for a countervailing duty notice, pursuant to section 269TDA(14) of the Act.

### **2.1.2 Statement of essential facts**

As required by section 269TDAA(1) of the Act, the Commissioner must, within 110 days after the initiation of an investigation or such longer period as is allowed under section 269ZHI(3) of the Act place on the public record a SEF on which the Commissioner proposes to base a recommendation to the Minister in relation to the application.

The SEF was originally due to be published on or before 16 December 2024. The commission obtained extensions of time for the due date for the SEF and final report.<sup>12</sup>

The Commissioner published SEF 653 on 26 November 2025.<sup>13</sup>

### **2.1.3 Final report**

Section 269TEA(1) of the Act requires the Commissioner, after conducting an investigation in respect of the application, to give the Minister a report which recommends (among other things) whether a dumping duty notice, or countervailing duty notice (as relevant), should be published and the extent of any duties that are, or should be, payable because of that notice.

Section 269TEA(3) of the Act requires the Commissioner, in deciding on the recommendations to be made to the Minister in the report, to have regard to:

- the application
- any submissions to which the Commissioner had regard to in formulating the SEF
- the SEF
- any submissions made in response to the SEF received within 20 days of the publication of the SEF
- any other matters the Commissioner considers relevant.

Under section 269TEA(4) of the Act, the Commissioner is not obliged to have regard to a submission received by the Commissioner after the 20 days if to do so would, in the Commissioner's opinion, prevent the timely preparation of the report to the Minister.

The Commissioner's report and recommendations in relation to this investigation were initially due to be provided to the Minister by 16 December 2024, however this due date

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<sup>12</sup> See ADN 2024/083, ADN 2025/042, ADN 2025/108 and ADN 2025/116.

<sup>13</sup> Electronic public record (EPR) 653, item no 24. The EPR is available on the commission's website via [www.adcommission.gov.au](http://www.adcommission.gov.au).

was extended.<sup>14</sup> The report and recommendations in relation to this investigation was provided to the Minister on 16 January 2026.

## **2.2 Initiation and application**

On 18 July 2024, Rondo lodged an application seeking the publication of a dumping duty notice and a countervailing duty notice in relation to CSFM exported to Australia from China at dumped and subsidised prices.

In its application, Rondo alleged that the Australian industry producing like goods has suffered material injury caused by dumped and subsidised goods exported to Australia from China.

After receiving further information, the last of which was received on 26 July 2024, the Commissioner considered the application in accordance with section 269TC of the Act and was satisfied that:

- the application complied with the requirements of section 269TB(4) of the Act, in that the application was lodged in writing, was lodged in an approved form, contained such information as the form requires, was signed in the manner indicated in the form, was supported by a sufficient part of the Australian industry, and was lodged in the approved manner,
- there is an Australian industry in respect of like goods, and
- that there appeared to be reasonable grounds for the publication of a dumping duty notice and a countervailing duty notice in respect of the goods the subject of the application.

Accordingly, the Commissioner decided not to reject the application and initiated an investigation into the alleged dumping and subsidisation of the goods exported to Australia from China. CON 653 provides further details relating to the consideration of the application.<sup>15</sup>

Public notification of initiation of the investigation was made in ADN 2024/053, which was published on the EPR on 28 August 2024.<sup>16</sup>

## **2.3 Previous cases**

There have been no previous cases relating to the alleged dumping and/or subsidisation of CSFM.

## **2.4 Conduct of the investigation**

### **2.4.1 Investigation period and injury analysis period**

At initiation of the investigation, the Commissioner established an investigation period of 1 July 2023 to 30 June 2024. The Commissioner examined exports to Australia of the

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<sup>14</sup> ADN 2024/083, ADN 2025/042, ADN 2025/108 and ADN 2025/116.

<sup>15</sup> EPR 653, item no 2.

<sup>16</sup> EPR 653, item no 3.



goods from China during this period to determine whether dumping and subsidisation occurred.

The Commissioner also examined information relating to the economic condition of the Australian industry and Australian market from 1 July 2020 for the purposes of the injury analysis.

#### **2.4.2 Questionnaires and verification**

##### **Australian industry**

The Commissioner is satisfied that there is an Australian industry producing like goods to the goods the subject of the application, the largest being Rondo.

Rondo produces goods that are similar or have characteristics that closely resemble the goods the subject of the investigation and that the goods are wholly manufactured in Australia.

The commission visited Rondo's manufacturing premises in April 2025 to verify the accuracy, completeness and relevance of Rondo's sales and cost data, including other information provided in Rondo's application.

The commission initiated the investigation based on the data and evidence Rondo provided in its application. Following the initiation of the investigation and during the verification, the commission identified that Rondo produced other products meeting the goods description but were not included in the sales and costs data provided to the commission as part of the application process.

The commission identified that Rondo's CSFM sales operate within two different segments of the market and that the data provided by Rondo in its application pertained only to the ceiling battens segment which made up approximately 30% of Rondo's total CSFM sales. Rondo's application and the evidence presented alleged material injury suffered by the Australian industry from dumped and subsidised goods within this segment of the market.

As the goods description the subject of the investigation covered a wider range of goods produced by the Australian industry, which includes furring channels, the commission requested and was provided the sales and cost data for all goods that met the goods description. A verification report summarising the findings from this verification is available on the EPR.<sup>17</sup>

Throughout this report, the commission examined CSFM as the combined goods incorporating ceiling battens and furring channels that meet the goods description. Where it is necessary to differentiate between the two segments of the goods, the commission has specifically identified that segment of the goods it is referring to.

The commission also sent Australian industry member market questionnaires to Etex and Studco, being the two other major Australian manufacturers identified by Rondo that produce like goods. The commission received a completed response to the questionnaire

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<sup>17</sup> EPR 653, item no 17.



from Studco, which was published on the EPR on 4 August 2025.<sup>18</sup> The commission did not receive a questionnaire response from Etex. The commission contacted Etex via emails and phone calls inviting Etex to participate in the investigation, however, Etex declined.

The commission conducted open source<sup>19</sup> research and was satisfied that Nashco and Bryko also produced like goods. However, the commission did not contact these entities to participate in the investigation because, based on the commission's market share estimates, together Nashco and Bryko made up less than 10% of the Australian CSFM market. The commission was satisfied that the data it received from Rondo and Studco (who together make up more than 67% of the CSFM market) was sufficiently representative of the Australian CSFM market as a whole.

### **Residential and commercial construction builders**

Following the publication of the SEF, the commission contacted 10 builders within the residential and commercial construction sector via phone and email. The purpose of the contact was to request further information to supplement the commission's understanding of the Australian CSFM market, the dynamics of competition within that market and factors influencing buyers' preferences. The commission did not receive any responses to its request for information.

### **Importers**

The commission identified importers from Rondo's application and the ABF import database. The commission sent importer questionnaires to:

- Australia Building & Construction Depot Pty Ltd (ABC Depot)
- Intex
- BM Sydney Building Materials (BM Sydney)

The commission also placed a copy of the importer questionnaire on the commission's website for importers to complete.

The commission received a response to the importer questionnaire from Intex, a plastering products supplier that primarily imports and distributes light gauge steel wall and ceiling products for use in commercial and residential construction in Australia and New Zealand. The commission also received a partial response to the importer questionnaire from BM Sydney. ABC Depot advised the commission that it did not import the goods in the investigation period.

The commission visited Intex's premises in August 2025 to verify the accuracy, completeness and relevance of Intex's information and data provided in its response to the importer questionnaire. A verification report outlining the key findings from this verification is available on the EPR.<sup>20</sup>

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<sup>18</sup> EPR 653, item no 14.

<sup>19</sup> See: <https://www.nashco.com.au/services/custom-solutions>; <https://bryko.au/>

<sup>20</sup> EPR 653, item no 22.

No verification visit was conducted in relation to BM Sydney on the basis that the questionnaire response was only partially complete.

## **Exporters**

The commission initially invited exporters of the goods to participate in this investigation by completing a preliminary information request (PIR) and associated spreadsheets by 11 September 2024. The commission received a response to the PIR from Shidailong Building Material Co Ltd, and Wenan Jinkai Building Material Co Ltd.

The commission subsequently requested a full exporter questionnaire from these entities by the due date of 15 November 2024. A copy of the full exporter questionnaire was also placed on the EPR. The commission did not receive any responses to the full exporter questionnaire by the due date.<sup>21</sup>

### Uncooperative exporters and non-cooperative entities

The Commissioner considered sections 269T and 269TAACA of the Act and the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (Customs Direction) and determined that any exporter which did any of the following is an ‘uncooperative exporter’ for the purposes of the dumping investigation and non-cooperative entities for the purposes of the countervailing investigation:

- failed to provide a response to the exporter questionnaire or failed to request a longer period to provide a response within the time specified in ADN 2024/053, being 11 September 2024,<sup>22</sup> or
- provided a REQ within the legislated period that did not provide information relevant to the case.

The Commissioner determines that all exporters are ‘uncooperative exporters’ for the purposes of the investigation.

Section 269T(1) of the Act provides that an exporter is an ‘uncooperative exporter’ in relation to an inquiry where the Commissioner is satisfied that:

- the exporter did not give the Commissioner information that the Commissioner considered to be relevant to the investigation within a period the Commissioner considered to be reasonable, or
- the exporter significantly impeded the investigation.

Section 269TACAA of the Act similarly provides for circumstances where exporters do not cooperate with a subsidy investigation.

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<sup>21</sup> Hebei Metalking Co., Ltd and Qingdao Yinglong Machinery Col., Ltd advised that they did not export any of the goods the subject of the investigation.

<sup>22</sup> This is the relevant legislated period.

The Customs Direction states at sections 8 and 9 that the Commissioner must determine an exporter to be an uncooperative exporter and a non-cooperative entity if that exporter:

- fails, within the legislated period, to:
  - provide a response, or
  - request a longer period to provide a response, or
- provides a response within the legislated period that the Commissioner considers did not provide information relevant to the case.

## **Government of China**

At initiation, the commission sent a questionnaire to the Government of China (GOC) to complete. The questionnaire included questions relating to Rondo's claims concerning subsidisation and particular market situation (PMS). The questionnaire included questions relating to the Chinese steel industry and market.

The commission did not receive a response to this questionnaire.

### **2.4.3 Preliminary affirmative determination**

In accordance with section 269TD(1) of the Act, the Commissioner may make a preliminary affirmative determination (PAD) if satisfied that:

- there appears to be sufficient grounds for the publication of a dumping duty notice or a countervailing duty notice,<sup>23</sup> or
- it appears that there will be sufficient grounds for the publication of a dumping duty notice or a countervailing duty notice subsequent to the importation of the goods into Australia.<sup>24</sup>

A PAD may be made no earlier than day 60 of the investigation (in relation to this investigation, 28 October 2024)<sup>25</sup> and the Commonwealth may require and take securities at the time a PAD is made or at any time during the investigation after a PAD has been made if the Commissioner is satisfied that it is necessary to do so to prevent material injury to an Australian industry occurring while the investigation continues.<sup>26</sup>

On 26 November 2025, the Commissioner was satisfied that there appeared to be sufficient grounds for the publication of a dumping and countervailing duty notice in relation to the goods exported to Australia from China, and made a PAD to that effect.<sup>27</sup> The security that was determined was an amount worked out in accordance with the *ad valorem* duty method in accordance with the findings in the SEF, at the rate specified in Table 5:

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<sup>23</sup> Section 269TD(1)(a) of the Act.

<sup>24</sup> Section 269TD(1)(b) of the Act.

<sup>25</sup> Section 269TD(1) of the Act.

<sup>26</sup> Section 269TD(4)(b) of the Act.

<sup>27</sup> Refer ADN No 2025/122, item no 25 on EPR 653.

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Country	Exporter	Duty method	Rate of ICD (%)	Rate of IDD (%)	Combined rate of ICD and IDD security
China	Uncooperative and all other exporters	<i>Ad valorem</i>	4.5%	10%	<b>14.5%<sup>28</sup></b>

**Table 5: Securities**

Following the making of the PAD, and to prevent material injury to the Australian industry occurring while the investigation continued, securities were taken in respect of any IDD and ICD that may become payable in respect of the goods exported from China and entered for home consumption in Australia on or after 27 November 2025.

As outlined in SEF 653, the Commissioner was satisfied that it was necessary to require and take securities to prevent material injury to the Australian industry occurring while the investigation continued.

### 2.4.4 Submissions from interested parties

The commission has received 15 submissions during the investigation. Non-confidential versions of these submissions are available on the EPR.

The submissions listed in Table 6 were received prior to the publication of SEF 653 which the commission had regard to in preparing the SEF.

EPR document no	Interested party	Date received	Chapter reference
4	Rondo	25 September 2024	Chapter 9
7	Intex	19 February 2025	Chapter 9
8	Rondo	12 March 2025	Chapter 9
9	Armstrong Ceiling Solutions Australia	14 March 2025	Chapter 3
10	Intex	16 April 2025	Chapter 9
11	Rondo	25 May 2025	Chapter 9
13	Rondo	10 July 2025	Chapter 9
15	Intex	27 August 2025	Chapter 9
16	Rondo	10 September 2025	Chapter 9
19	Intex	24 September 2025	Chapter 9
20	Rondo	22 October 2025	Chapter 9
21	Intex	27 October 2025	Chapter 9

**Table 6: Submissions received prior to publication of SEF 653**

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<sup>28</sup> The combined rate of security is the combined ICD and IDD after applying the lesser duty rule. See Chapter 11 for the commission's assessment of the unsuppressed selling price (USP), the non-injurious price (NIP) and the application of the lesser duty rule.

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Table 7 lists the submissions received subsequent to the publication of SEF 653.

<b>EPR document no</b>	<b>Interested party</b>	<b>Date received</b>	<b>Chapter reference</b>
26	Rondo	16 December 2025	Chapter 9
27	Studco	17 December 2025	Chapter 9
28	Intex	16 December 2025	Chapter 9

**Table 7: Submissions received subsequent to publication of SEF 653**

The Commissioner had regard to all submissions referred to in Tables 6 and 7 in preparing this report. All submissions are addressed in the relevant chapters of this report.

## 3 THE GOODS AND LIKE GOODS

### 3.1 Finding

The Commissioner found that:

- locally produced goods are 'like' to the goods the subject of this investigation
- there is an Australian industry producing like goods, and
- the like goods are wholly or partly manufactured in Australia.

### 3.2 Legislative framework

Section 269TC(1) of the Act requires that the Commissioner must reject an application for a dumping duty notice if, inter alia, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

In making this assessment, the Commissioner must firstly determine that the goods produced by the Australian industry are 'like' to the imported goods. Section 269T(1) of the Act defines like goods as:

*...goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.*

An Australian industry can apply for relief from injury caused by dumped or subsidised imports even if the goods it produces are not identical to those imported. The industry must however, produce goods that are 'like' to the imported goods.

Where the locally produced goods and the imported goods are not alike in all respects, the Commissioner assesses whether they have characteristics closely resembling each other against the following considerations:

- i. physical likeness;
- ii. commercial likeness;
- iii. functional likeness; and
- iv. production likeness.

The Commissioner must also be satisfied that 'like' goods are produced by the Australian industry in Australia. Section 269T(2) of the Act specifies that for goods to be regarded as being produced in Australia, they must be either wholly or partly manufactured in Australia. Under section 269T(3) of the Act, to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

### **3.3 The goods**

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

*Ceiling steel framing members, metallic coated, whether or not containing alloys, with a height of up to and including 45 millimetres, a width (face) up to and including 60mm, of a base metal thickness of up to and including 0.65 millimetres of varying steel grades.*

Further information concerning the specification of the goods and exclusions, as specified in the application, is provided below.

#### **Further information**

*A ceiling steel framing member is a horizontal structural member used to support ceiling linings or other internal ceiling systems. Further worked from either zinc coated (galvanised) steel or aluminium zinc coated steel as the raw material (including all variants thereof, for example whether or not containing magnesium or other alloys), ceiling steel framing members are installed perpendicular to the ceiling joists or rafters and are fixed into place using screws or other fasteners. Ceiling steel framing members come in various sizes and profiles depending on the specific requirements of the ceiling system and the load it needs to support. The goods provide a framework onto which ceiling materials such as plasterboard, gypsum board, or metal panels can be attached. Trade or common/generic names and terminology often used to describe the subject goods include, but are not limited to:*

- *steel ceiling battens;*
- *steel furring channels; and*
- *steel top hats.*

*Rondo considers that the Australian manufactured like goods are fully substitutable with all types of imported ceiling steel framing members.*

#### **Exclusions**

*Excluded from the application are the direct fix clips used to install ceiling steel framing members. Excluded also are ceiling steel framing members made from stainless steel.*

### 3.4 Tariff classification

The goods are classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

Tariff code	Statistical code	Description
7216		Angles, Shapes and Sections of Iron or Non-Alloy Steel:
7216.61.00	57	<i>Angles, shapes and sections, not further worked than cold-formed or cold-finished: obtained from flat-rolled products</i>
7216.69.00	58	<i>Angles, shapes and sections, not further worked than cold-formed or cold-finished: other</i>
7216.91.00	59	<i>Angles, shapes and sections, not further worked than cold-formed or cold-finished: other cold-formed or cold-finished from flat-rolled products</i>
7308		Structures (excluding prefabricated buildings of 9406) and parts of structures (for example bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared use in structure, of iron or steel.
7308.90.00	52	<i>Columns, pillars, posts and beams, girders, bracing, gantries, brackets, struts, ties and similar structural units; roll formed structures: hot rolled</i>
7308.90.00	53	<i>Columns, pillars, posts and beams, girders, bracing, gantries, brackets, struts, ties and similar structural units; roll formed structures: plated or coated with zinc or with aluminium-zinc alloys, of a thickness less than 1.2 mm</i>
7308.90.00	55	<i>Columns, pillars, posts and beams, girders, bracing, gantries, brackets, struts, ties and similar structural units; roll formed structures: other</i>
7308.90.00	56	<i>Columns, pillars, posts and beams, girders, bracing, gantries, brackets, struts, ties and similar structural units; roll formed structures: other</i>

**Table 8: Tariff classification of the goods**

The commission has provided these tariff classifications for guidance only and importers should make their own enquiries with the ABF when declaring imports. The above tariff subheadings and statistical codes may include goods that are both subject and not subject to this investigation.

The listing of these tariff subheadings 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.



### 3.5 Model control codes

At initiation, the commission proposed a model control code (MCC) structure to identify key characteristics for, among other things, model matching when comparing export prices and normal values.<sup>29</sup>

Category	Sub-category	Identifier <sup>30</sup>	Sales data	Cost data
Alloy content	Alloy	A	Mandatory	Not applicable
	Non-Alloy	NA		
Coating type	Zinc Coated	Z	Mandatory	Mandatory
	Zinc Aluminum coated	ZA		
	Zinc Magnesium coated	ZM		
	Aluminum Zinc coated	AZ		
	Aluminum Zinc Magnesium coated	AM		
	Other	B		
Coating Mass	≤ 100 g/m <sup>2</sup>	1	Mandatory	Mandatory
	> 100 g/m <sup>2</sup> – ≤ 200 g/m <sup>2</sup>	2		
	> 200 g/m <sup>2</sup> – ≤ 300 g/m <sup>2</sup>	3		
	> 300 g/m <sup>2</sup>	4		
Base Metal Thickness (BMT)	≤ 0.20mm	1	Mandatory	Mandatory
	> 0.20mm – ≤ 0.35mm	2		
	> 0.35mm – ≤ 0.50mm	3		
	> 0.50mm – ≤ 0.65mm	4		
	> 0.65mm – ≤ 0.85mm	5		
Width (face)	≤ 30mm	A	Mandatory	Mandatory
	> 30mm – ≤ 45mm	B		
	> 45mm – ≤ 60mm	C		
Height	≤ 10mm	1	Mandatory	Mandatory
	> 10mm – ≤ 20mm	2		
	> 20mm – ≤ 35mm	3		
	> 35mm – ≤ 50mm	4		

**Table 9: MCC structure for INV 653**

Interested parties were invited to make submissions with proposals to modify the MCCs. The commission did not receive any submissions which contained a proposal to modify the MCCs.

Due to the limited cooperation in the investigation, the proposed MCC structure had minimal relevance to the investigation. As outlined in various sections of this report, the commission found that the most influential characteristic of the goods is the distinction between ceiling battens and furring channels. Ceiling battens are a standalone, commoditised product that is easily interchangeable across multiple brands. It is typically applied directly to timber ceilings prior to the installation of plasterboard. Furring channels are typically a component in an engineered suspended ceiling system, attached to interconnected parts and designed specifically to fit other components in a trademarked ceiling system. Downstream users face various barriers to substituting furring channels at the component level. This distinction is more crucial for the purposes of comparing locally

<sup>29</sup> See ADN 2024/053 and chapter 14 of [the Manual](#).

<sup>30</sup> The codes detailed in the identifier column of the proposed table are used by interested parties to identify the characteristics of the goods as listed in the sub-categories.

produced goods with imported like goods than the physical characteristics included in the proposed MCC structure.

For Rondo and Intex, the commission was also able to compare goods at the product code level, based on the respective product codes for the goods, which provided a direct comparison of the products sold in the Australian market.

### **3.6 Like goods**

#### **3.6.1 Finding**

The commission conducted research into whether the locally produced goods are like to the goods during verification visits of Rondo and Intex and through open source research of the known importers and local producers.

The Commissioner is satisfied that the locally produced goods are like to the goods because the following characteristics of each closely resemble each other:

- physical likeness
- commercial likeness
- functional likeness and
- production likeness.

The following analysis outlines the commission's assessment of whether the locally produced goods are identical to, or closely resemble, the goods the subject of the application and are therefore like goods.

#### **3.6.2 Legislative framework**

Section 269TC(1) of the Act requires that the Commissioner reject an application for a dumping and countervailing duty notice if, among other things, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

Like goods are defined under section 269T(1) of the Act. Sections 269T(2), 269T(3), 269T(4), and 269T(4A) of the Act are used to determine whether the like goods are produced in Australia and whether there is an Australian industry producing like goods.

#### **3.6.3 Physical likeness**

The commission found that the primary physical characteristics (including dimension, shape and colour) of the imported and locally produced goods are almost identical.

#### **3.6.4 Commercial likeness**

The commission found that the imported and locally produced goods are commercially alike as they are sold to common customers and compete for the same customers in the same market segment.

The commission found that both the imported and locally produced goods are sold to retailers and wholesalers, who on-sell the goods to end users (typically, plasterers), or directly to contractors (again, typically plasterers).

### **3.6.5 Functional likeness**

The commission found that both the imported and locally produced CSFM are used in conjunction with plastering applications, either installed directly to timber or connected to a clip before being finished with plasterboard ceiling applications.

#### Ceiling battens

Ceiling battens are typically used in house construction, installed directly to timber ceilings on a standalone basis prior to plasterboard ceiling applications. The locally produced ceiling battens are wholly and directly interchangeable with imported ceiling battens.

#### Furring channels

Furring channels typically form part of a system, as a component in a ceiling system with interconnected parts. The ceiling system is typically installed prior to the application of plasterboard. Furring channels are more commonly used in commercial construction, either high rise apartment construction or non-residential construction.

There are various structural impediments to directly substituting a locally produced furring channel for an imported furring channel at the level of the component, such as product warranties or more stringent construction standards (explored in more depth in section 5.2.5). However, at the system level, locally produced suspended ceiling systems that include furring channels as a crucial component are wholly interchangeable with imported suspended ceiling systems.

### **3.6.6 Production likeness**

The commission found that the Australian industry produces like goods in a similar manner to the imported goods, using the same raw material inputs (steel coil) and manufacturing processes which transform the steel coil into the desired CSFM, either battens or furring channels.

### **3.6.7 Submissions received in relation to like goods**

#### Armstrong Ceiling Solutions Australia Pty Ltd (Armstrong)

The commission received a submission from Armstrong on 14 March 2025 seeking clarification regarding various steel products they import that are used to produce their steel suspended ceiling grid (SSCG) systems.<sup>31</sup>

Armstrong raised concerns with the description of ‘ceiling steel framing members’ as it is not an established term used in the industry, and that they wished to confirm that their SSCG products are excluded from the goods under consideration. They provided details

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<sup>31</sup> EPR 653, item no 9.

of their SSCG system and highlighted the following differences between SSCG and CSFM:

- Physical likeness: SSCG are installed differently to CSFM, forming a grid to hold ceiling tile pieces, as opposed to CSFM where plasterboard is fastened to form the ceiling. They are not interchangeable and use is dictated by the construction type.
- Commercial likeness: SSCG and CSFM compete in different markets, with SSCG being used exclusively in non-residential applications. The ceiling tiles held by the SSCG are designed to allow easy access to ducts, sprinklers and electrical features in commercial buildings.
- Functional likeness: SSCG are not designed to have plasterboard attached with screws or other fasteners, rather the ceiling tiles are placed into the grid. CSFM are entirely covered with plasterboard whilst SSCG are installed with exposed surfaces and require different design and finishing standards.
- Production likeness: CSFM and SSCG are made of similar materials, however SSCG require a more intricate design and finishing process as they perform a different function and are visible after completed installation.

The commission has assessed the details provided by Armstrong in its submission, reviewed the provided product brochure and examined the ABF import data and is satisfied that Armstrong's SSCG products are not the goods under consideration. Therefore, the commission has not included Armstrong's imports in its assessment of the Australian market or in the injury assessment.

#### Intex Group International Pty Ltd

The commission received a submission from Intex on 20 February 2025, relating to the like goods assessment, which claimed that CSFM are part of a 'wall and ceiling' system and should not be treated as standalone goods.<sup>32</sup> On this basis, Intex argued that imported CSFM are not interchangeable at the component level and that competition only occurs at the system level.

Rondo responded to Intex on 12 March 2025 disputing Intex's claim, instead positing that CSFM are independent products that are installed directly to timber or connected to a clip. Rondo argued that they are decisive in end user preference and that buyers choose between CSFM separate to other wall and ceiling components.<sup>33</sup>

The commission does not agree with Intex's claim that all types of CSFM should be understood as part of a 'wall and ceiling system'. The commission notes that furring channels, which are included within the overall CSFM market are components in a ceiling system, but ceiling battens are not. Ceiling battens are a commoditised product and wholly interchangeable with an imported batten on a standalone basis (explored in more depth in section 5.2.4). Battens are typically installed directly to timber and not attached to any other component.

On the other hand, furring channels are typically part of a ceiling system attached to interconnected parts that are designed to specifically fit other components in the same

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<sup>32</sup> EPR 653, item no 7.

<sup>33</sup> EPR 653, item no 8.

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trademarked ceiling system. There are entrenched impediments to direct component level competition, such as product warranties and construction standards, that limit the scope of downstream users to substitute furring channels with imported furring channels on a direct basis (as explored in more depth in section 5.2.5). However, both imported and locally produced furring channels are invoiced and purchased separately and have similar physical, commercial, production and functional likenesses.

Notwithstanding the differences between furring channels and ceiling battens, the commission considers that it is reasonable to assess imported CSFM as like goods and the commission is satisfied that imported and domestically produced CSFM closely resemble each other. It is also noted that the Commissioner has no capacity to change that goods description and therefore undertook the investigation based on the goods described in Rondo's application.

## 4 THE AUSTRALIAN INDUSTRY

### 4.1 Finding

The Commissioner is satisfied that:

- at least one substantial process of manufacture of the like goods is carried out in Australia
- the like goods are either wholly or partly manufactured in Australia depending on the manufacturer
- there is an Australian industry consisting of five manufacturers producing like goods to the goods exported to Australia.

### 4.2 Legislative framework

The Commissioner is satisfied that the 'like' goods are in fact produced in Australia. Sections 269T(2) and 269T(3) of the Act specify that for goods to be regarded as being produced in Australia, they must be wholly or partly manufactured in Australia. For the goods to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

### 4.3 Production process

The commission examined the manufacturing process of CSFM during the verification visit to Rondo's premises in Erskine Park NSW. Rondo advised the commission that there are additional manufacturers producing like goods in Australia, including Etex, Studco, Bryko and Nashco. The commission received a response to the industry member questionnaire from Studco confirming that they manufacture like goods in Australia. Discussions with Rondo and the relevant entities, as well as open source research confirmed that Etex, Studco, Bryko and Nashco produce like goods that are wholly or partly manufactured in Australia using a similar process to Rondo.

CSFM are manufactured by Rondo using coated steel. The steel is typically sourced in coils or sheets mostly from an Australian manufacturer with a smaller volume obtained from import sources.

The commission observed that steel coils or sheets are first cut into appropriate lengths based on the desired dimensions of the CSFM. They are then shaped into the required profile. This involves roll forming, where the steel is passed through a series of rollers to gradually form the desired shape.

Holes or slots are then punched or drilled into the CSFM to facilitate attachment to the ceiling structure, or to allow for wiring and other installations.

Once the CSFM have been manufactured and passed quality control checks, they are packaged for protection during transportation and storage. They are then shipped to Australian distributors, construction sites, or other end users.

#### **4.4 Conclusion**

The Commissioner is satisfied that the Australian industry consists of Rondo, Etex, Studco, Bryko and Nashco. The Commissioner is further satisfied that these manufacturers produce like goods that are wholly or partly manufactured in Australia, with each of these producers carrying out in Australia at least one substantial process of manufacture.

## **5 AUSTRALIAN MARKET**

### **5.1 Finding**

The Australian CSFM market is supplied by the Australian industry and imports. Imports are predominantly sourced from China with a relatively small volume from Malaysia, Vietnam and other countries.

### **5.2 Market structure**

#### **5.2.1 Marketing segmentation and end uses**

CSFM includes furring channels and ceiling battens, which are both used in construction but across different segments. The commission considers that furring channels and ceiling battens differ in how they are applied in their end use, however the goods are sold through the same channels, have broadly similar functional characteristics and are produced in a similar way, making it reasonable to consider CSFM as an integrated market. Both furring channels and ceiling battens are horizontal steel members that are concealed behind plasterboard. The production of both products involves the folding and cutting of galvanised steel into a shape that is suitable for the application of plasterboard to ceiling structures. Furthermore, the commission considers that furring channels and ceiling battens are, in some cases, substitutable, and downstream users may use a furring channel in place of a ceiling batten.

Ceiling battens and furring channels differ largely in how and when they are applied by end users, which generates distinct demand dynamics in the two product categories. Ceiling battens are a commoditised product that is largely used in residential housing. It is a standalone good that is typically installed directly to timber. Furring channels are commonly used as part of a ceiling system where it is engineer designed to create a flat, flush surface for the attachment of plasterboard and other finishing materials. Furring channels are engineered specifically to work in a ceiling system, attached to other components manufactured specifically for the ceiling system. Suspended ceiling systems are typically used in commercial construction projects, such as schools, hospitals, hotels, retail buildings, high-rise apartments and offices. The downstream markets for ceiling battens and furring channels are also shaped by regional specificities in building preferences.

In certain Australian states such as Victoria, Queensland, Western Australia and in the Australian Capital Territory, ceiling battens are installed in residential homes as standard due to the preferred construction methods of builders in those regions. In other states, the preference is typically that ceiling battens are not used in detached housing unless the project is an architectural/premium build. In these cases, the builder may use a furring channel in place of a ceiling batten. These regional preferences mean that ceiling batten sales are overwhelmingly concentrated in Victoria, due to the size of the Victorian construction sector relative to other states that use ceiling battens.

The differing market segments of ceiling battens and furring channels mean that patterns of demand are dependent on regionally specific construction trends and the differing market conditions in residential housing construction and commercial construction, which is to be discussed in more depth below.



### 5.2.2 Supply and distribution arrangements

Both ceiling battens and furring channels are sold either to trade store distributors or directly to installers (contractors). In both cases, trade store distributors account for a greater share of demand than contractors. The commission reviewed the verified sales of Rondo and found that this pattern was consistent for both ceiling battens and furring channels. Figure 1 outlines the supply and distribution arrangements:

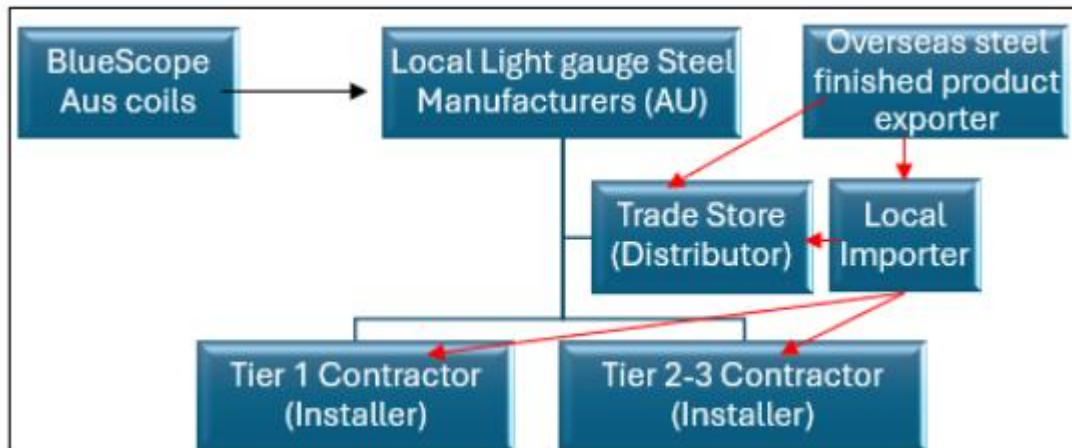


Figure 1: CSFM marketing and distribution arrangements<sup>34</sup>

Rondo distributes its goods mainly via a network of independent distributors located in New South Wales, Victoria, Queensland, South Australia and Western Australia with a smaller percentage supplied directly to contractors. Smaller states such as Tasmania and Northern Territory are serviced by distributors located in Victoria and Queensland.

In its application, Rondo stated that trade store distributors can source imported finished steel products either directly from overseas manufacturers or from local importers who source finished products from overseas. These local importers also supply products directly to contractors. Tier 1 contractors typically work on larger, more complex projects such as multi-level office buildings or hospitals, schools and retail buildings while tier 2 and tier 3 contractors are involved in medium to smaller construction projects. The commission confirmed with Intex that the channels to market are broadly similar for imports and Intex's sales are mostly concentrated in supplying trade stores, with a smaller proportion of sales going directly to contractors.

### 5.2.3 Demand

CSFM are primarily used on domestic and commercial construction projects with demand closely aligned to the level of construction activity in Australia. However, the drivers of demand are distinct for furring channels and ceiling battens, which is reflective of the different segments of construction that furring channels and ceiling battens supply.

In Australia, while residential and commercial construction are shaped by different economic and policy drivers, their structural linkages and shared supply chains often lead to broadly correlated fluctuations in demand. Analysis published by the Australian Bureau of Statistics (ABS) of Producer Price Indexes identified that both sectors have faced

<sup>34</sup> 653 – Rondo application for the publication of dumping and countervailing duty notice, p 17.

significant cost inflation and labour shortages, which has generated supply-side bottlenecks and driven up construction delays.<sup>35</sup> However, building approvals statistics published by the ABS identify divergent trends in dwelling commencements and non-residential building approvals, which has driven distinct trends in residential and non-residential building construction activity during the injury analysis period. The commission considers that this has influenced the overall market for CSFM.<sup>36</sup>

#### **5.2.4 The Australian market for ceiling battens**

As noted in section 5.2.1, residential building preferences vary in different states, particularly regarding the use of ceiling battens in residential houses. This dynamic heavily concentrates demand for ceiling battens in Victoria. Although ceiling battens are used in other states, the use of battens is far less widespread than in Victoria and the relative size of the Victorian construction sector compared with other states drives further regional concentration. The commission has reviewed the available evidence, including the verified sales of Rondo and Intex, which have confirmed the concentration of ceiling batten sales in Victoria. Therefore, the commission has focused on trends in residential building activity in Victoria when assessing the Australian market for ceiling battens.

Analysis published by the ABS has identified that the COVID-19 pandemic and its aftermath contributed to volatile fluctuations in demand from the residential housing sector over the injury analysis period.<sup>37</sup> The ABS identified that in FY2021, low interest rates and high rates of fiscal stimulus drove a surge in investment in house construction and home renovations, particularly in single unit housing.<sup>38</sup> Dwelling commencement statistics published by the ABS also demonstrate that commencements of new houses in Victoria rose sharply in FY2021, peaking in the June 2021 quarter.<sup>39</sup> The ABS dwelling commencement statistics also identified that house commencements consistently trended downward after the FY2021 peak.<sup>40</sup> Analysis published in the ABS identified that an extended cycle of interest raises, starting in FY2022, cooled investment in new housing and drove a particularly sharp decline in house commencements in Victoria.<sup>41</sup> Figure 2 outlines the trend over the injury analysis period.

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<sup>35</sup> Australian Bureau of Statistics, [Insights into Output of Building construction prices](#), 2 August 2024; Australian Bureau of Statistics, [Home building through the pandemic](#), Residential building approvals and activity in Australia from 2019-2024, 19 November 2024.

<sup>36</sup> Australian Bureau of Statistics, [Building Approvals Australia](#), Table 68 Number of non-residential building jobs approved – Australia, 30 September 2025, Table 33 Number of dwelling unit commencements by sector – Australia, 15 October 2025.

<sup>37</sup> Australian Bureau of Statistics, [Home building through the pandemic](#), Residential building approvals and activity in Australia from 2019-2024, 19 November 2024.

<sup>38</sup> *ibid.*

<sup>39</sup> Australian Bureau of Statistics, [Building Activity, Australia](#), Table 34, Number of Dwelling Unit Commencements by Sector, States and Territories, 15 October 2025.

<sup>40</sup> *ibid.*

<sup>41</sup> Australian Bureau of Statistics, [Home building through the pandemic](#), Residential building approvals and activity in Australia from 2019-2024, 19 November 2024.

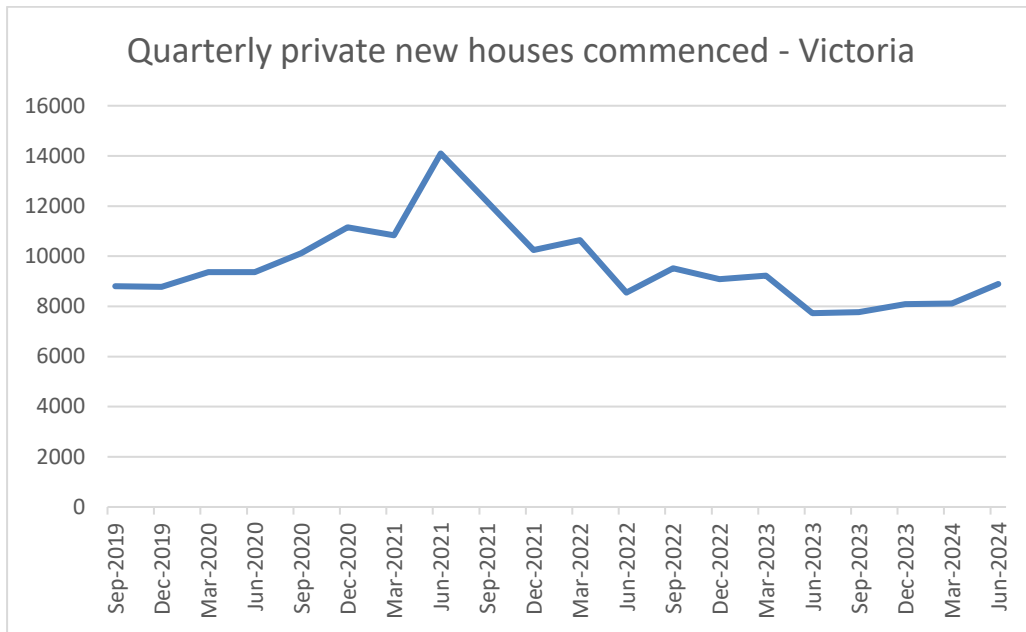


Figure 2: quarterly dwelling units commenced, new houses, Victoria – seasonally adjusted<sup>42</sup>

A surge in dwelling commencements coincided with an observed nationwide surge in private new house approvals in FY2021, identified in building approval statistics published by the ABS, which was particularly pronounced in Victoria.<sup>43</sup> Figure 3 outlines the trend:

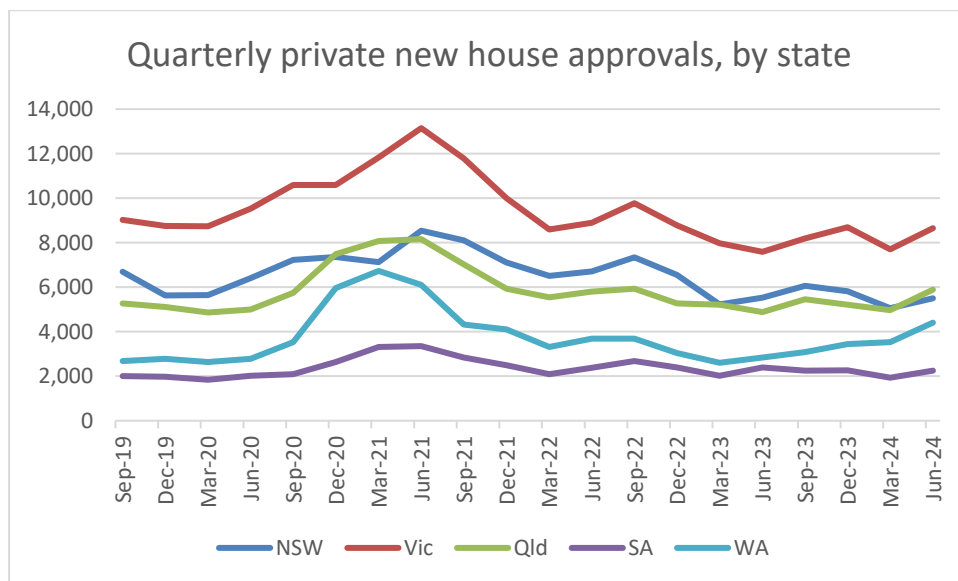


Figure 3: quarterly private new housing approvals, by state<sup>44</sup>

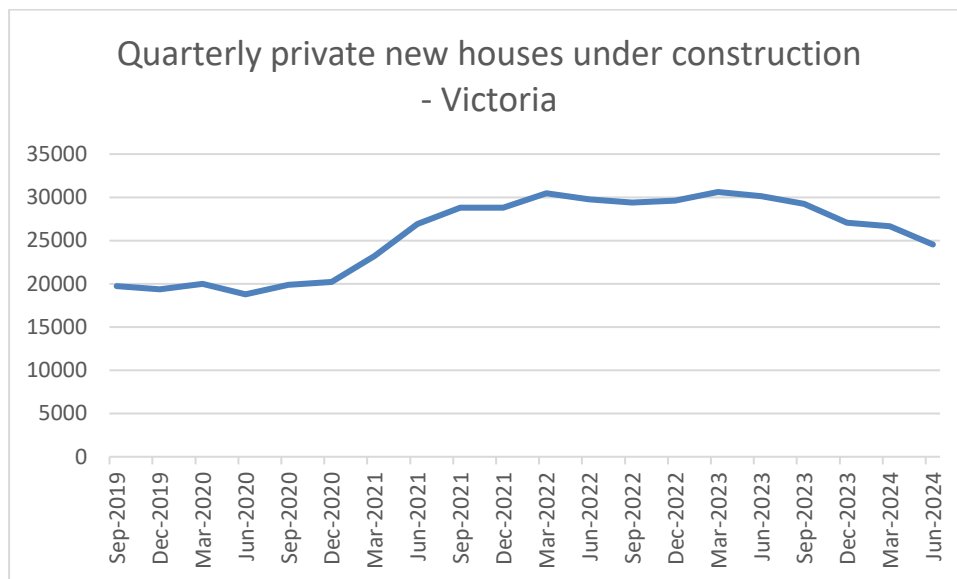
ABS analysis identified that residential builders, including in Victoria, faced material and labour shortages in the wake of the pandemic, which slowed project completions and

<sup>42</sup> Australian Bureau of Statistics, [Building Activity, Australia](#), Table 34, Number of Dwelling Unit Commencements by Sector, States and Territories, 15 October 2025.

<sup>43</sup> Australian Bureau of Statistics, [Home building through the pandemic](#), Residential building approvals and activity in Australia from 2019-2024, 19 November 2024.

<sup>44</sup> *ibid.*

contributed to an observed rise in the volume of private new houses under construction.<sup>45</sup> At the same time, total dwelling completions remained below pre-pandemic levels.<sup>46</sup> The result was an observed supply and demand bottleneck over the injury analysis period, whereby residential construction projects took longer to complete and private new houses under construction reached record highs in the March quarter of 2023.<sup>47</sup> At the same time, analysis of Producer Price Indexes published by the ABS identified a marked increase in labour and material costs in FY2022.<sup>48</sup> Dwelling completions data published by the ABS show an uptick in total dwelling completions during FY2024, which indicates that the bottlenecks in residential construction were easing in FY2024.<sup>49</sup> In addition, ABS statistics showing the quarterly volume of houses under construction demonstrate a downward trend in the volume of houses under construction in the June 2023 quarter, followed by an accelerated decline in FY2024.<sup>50</sup> This trend is outlined in Figure 4.



**Figure 4: quarterly dwelling under construction, new houses, Victoria – seasonally adjusted<sup>51</sup>**

The commission considers that the supply and demand bottlenecks noted above have influenced the market for ceiling battens, both in terms of price and volume. The commission observes that the volume of demand spiked in FY2021 amid a sharp rise in commencements, before partially slowing down in FY2022. As supply and demand bottlenecks gradually eased, the volume of demand peaked in FY2023, before trending downward in FY2024.

<sup>45</sup> Input price rises in house construction were particularly acute over the injury analysis period, whereas input price rises were lower in non-residential construction and other residential construction, Australian Bureau of Statistics, [Insights into Output of Building construction prices](#), 2 August 2024.

<sup>46</sup> Australian Bureau of Statistics, [Building Activity, Australia](#) Table 37, Number of dwelling unit completions by sector, Australia, 15 October 2025.

<sup>47</sup> Australian Bureau of Statistics, [Home building through the pandemic](#), Residential building approvals and activity in Australia from 2019-2024, 19 November 2024.

<sup>48</sup> Australian Bureau of Statistics, [Insights into Output of Building construction prices](#), 2 August 2024.

<sup>49</sup> Australian Bureau of Statistics, [Building Activity, Australia](#) Table 37, Number of dwelling unit completions by sector, Australia, 15 October 2025.

<sup>50</sup> Australian Bureau of Statistics, [Building Activity, Australia](#) Table 77, Number of Dwelling Unit Under Construction by Sector, States and Territories, 15 October 2025.

<sup>51</sup> *ibid.*

Analysis published by the Reserve Bank of Australia has highlighted the cost pressures on residential builders amid high levels of inflation, particularly given the widespread use of fixed price contracts in the residential building sector.<sup>52</sup> The commission considers that this dynamic appears to have contributed to an observed increase in import volumes in FY2023. In FY2024, the growth in import volumes slowed, but still rose while volumes in the Australian market declined, which contributed to an observed increase imports share of the overall CSFM market.

### **5.2.5 The Australian market for furring channels**

Furring channels are predominantly used in multi-unit apartment construction and non-residential construction, including commercial and institutional building construction. As described above, furring channels are a component in a suspended ceiling system, which alters the market dynamics for furring channels, as competition often occurs at the system level. In contrast, competition among suppliers for ceiling battens is more direct, downstream users can more easily switch suppliers based on price.

The picture for furring channels is more complex, with greater obstacles for downstream users to switch suppliers, particularly at the level of the component. All major suppliers in the market offer a warranty with the sale of ceiling systems, which limits the scope of downstream users to mix and match with different brands.<sup>53</sup> Moreover, products supplied at the system level face more stringent construction standards. Suspended ceiling systems have a specified Australian standard (AS/NZ 2785:2020), which is distinct from the minimum standards applied to commoditised products and it may further insulate Australian industry from competition at the level of the component.<sup>54</sup> Taken together, these dynamics produce structural barriers to entry that limit the scope of import competition to take market share from Australian industry in the sale of components within a suspended ceiling system.

In contrast with ceiling battens, the market for furring channels is far less regionally concentrated and used across a wider range of downstream construction segments. This means that the drivers of demand are more diffuse. Although furring channels are less exposed to trends in residential building activity than ceiling battens, the use of suspended ceiling systems in multi-unit apartment construction and premium domestic houses, means that the volume of demand is influenced by trends in residential building activity, as well as non-residential construction. Given demand is spread across

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<sup>52</sup> For a sampling of analysis that explores the implications of a sharp rise in inflation for residential builders that use fixed price contracts, see:

Reserve Bank of Australia, [Financial Stress and Contagion Risks in the Residential Construction Industry](#), Financial Stability Review, October 2022; UNSW Sydney, [Construction Nightmares: How builder bankruptcies are costing Aussie homeowners millions](#), UNSW Newsroom, 14 October 2024.

<sup>53</sup> For example, Rondo's warranty is voided if damage to the ceiling system is caused by 'the fitting or use of components not supplied by Rondo'. There are similar warranty exclusions in the other major supplier's warranty. For a sample of the warranties provided by each brand, see:

[Rondo Building Services Pty Ltd, Warranty](#); [Studco Building Systems Warranty](#); [Siniat Warranty](#).

<sup>54</sup> Australian manufacturers of suspended ceilings systems must meet the minimum design, construction and installation requirements that ensure performance, including on fire rating, acoustic rating, structural capacity and other aspects of performance (Standards Australia AS/NZ/2785:2020). For a PDF copy of the most recent Australian standards for suspended ceiling systems, see:

[AS/NZS 2785:2020 Australian/New Zealand Standard Suspended ceilings — Design and installation](#)

residential and non-residential construction, the commission has considered both segments to understand the market for furring channels.

The commission observes that building approval statistics published by the ABS appears to indicate that fluctuations in demand from non-residential construction has diverged from residential construction during the injury analysis period.<sup>55</sup> Building approval statistics published by the ABS have shown a surge in non-residential building approvals during FY2022, whereas residential approvals surged in FY2021 as explored in the previous section. Figure 5 outlines the trend in non-residential building approvals over the injury analysis period.

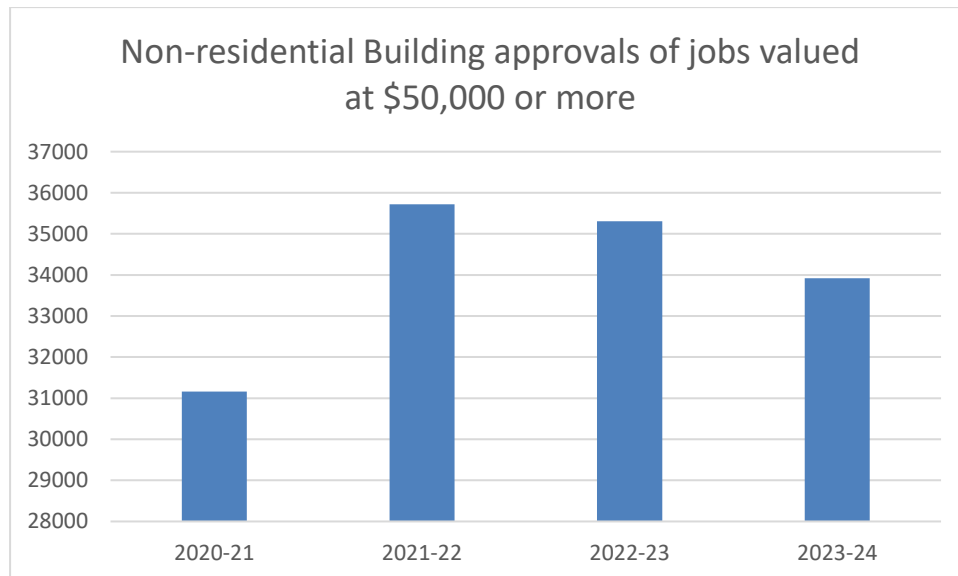


Figure 5: Non-residential Building approvals of jobs valued at \$50,000 or more<sup>56</sup>

Westpac Economics have identified that due to the nature of commercial construction, particularly the time-lag on project completions, non-residential building activity trailed the surge in non-residential construction approvals in FY2022.<sup>57</sup> Furthermore, just as in residential construction, non-residential construction also faced bottlenecks on the supply side in the wake of the pandemic, with labour and material shortages slowing down project completions. The commission considers that these trends appear to have contributed to an observed surge in non-residential building activity in FY2023 as bottlenecks eased and activity caught up with the flurry of approvals in FY2022.<sup>58</sup> In FY2024, growth in non-residential building construction activity appears to have continued, albeit at a slower rate of growth.<sup>59</sup>

Over the entire injury analysis period, the building activity statistics published by the ABS have identified that the value of non-residential building construction activity has

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<sup>55</sup> Australian Bureau of Statistics, [Building Approvals, Australia](#), Table 68, Number of non-residential building jobs approved, by value range, original - Australia, 30 September 2025.

<sup>56</sup> *ibid.*

<sup>57</sup> Westpac Economics noted that non-residential building construction activity was playing 'catch-up' after a surge in approvals during FY2022, citing a rapid uptick in activity in public and private sector activity between the September quarter of 2022 and the September quarter of 2023. Westpac Economics, [Non-residential construction no longer playing catch-up](#), 13 February 2024.

<sup>58</sup> *ibid.*

<sup>59</sup> *ibid.*



accounted for an increased share of total building construction activity, which is indicative of an upward trend in volume.<sup>60</sup> Some of this growth will be the product of an increase in price, however given the similar cost pressures facing residential and non-residential construction, this trend is indicative of an uptick in demand as well as price.<sup>61</sup> Other available indicators also suggest an uptick in the volume of non-residential construction activity over the injury analysis period.<sup>62</sup> Given that furring channels are used nationwide and across a wider range of segments in the construction sector, the market for furring channels has a greater influence on the overall CSFM market than ceiling battens. The commission has reviewed the verified sales of Intex and Rondo, which confirms that furring channels account for a larger share of the CSFM market than ceiling battens.

Therefore, the conditions in downstream markets for furring channels were mixed, although the upward trend in demand from non-residential building construction over the injury analysis period appears to have moderated the fluctuations in demand from residential builders. Nonetheless, supply-side and demand-side bottlenecks in residential and non-residential construction have eased over the injury analysis period, which appear to have partially contributed to an observed fall in demand in FY2024.

#### **5.2.6 Rondo's estimate of market size in application**

The commission estimated the size of the Australian market in volume terms for CSFM in the Rondo verification report, using the domestic sales data from Rondo and data sourced from the ABF import database.<sup>63</sup> The information sourced from the ABF import database was determined using the relevant tariff subheadings and statistical codes for CSFM and additional filtering to remove imports that were not considered to be the goods.

The market size estimate in Rondo's verification report heavily relied on Rondo's methodology for estimating the market size. The methodology differed for furring channels and ceiling battens. Rondo applied the following methodology to establish an estimate of the market size in furring channels:

- Using Oxford Economics quarterly value of building work done, narrowed to include only segments of construction where furring channels are used, which include the following:
  - Commercial construction: retail, offices, accommodation, transport, aged care, health, social and institutional
  - Residential: multi-unit apartment construction.
- Rondo applied a ratio to each segments value, estimating the proportion of total project value, which is accounted for by light gauge steel. This estimate determined Rondo's 'steel opportunity calculation'.

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<sup>60</sup> Australian Bureau of Statistics, [Building Activity, Australia](#), Table 01. Value of building work done by sector, Australia – chain volume measures, 15 October 2025,

<sup>61</sup> Producer price indexes published by the ABS also show that input and output price inflation was higher in residential construction than non-residential construction. This indicates that the volume of demand in non-residential construction has grown at a faster rate than residential construction Australian Bureau of Statistics, [Insights into Output of Building construction prices](#), 2 August 2024.

<sup>62</sup> Rider Levett Bucknall, [Q1 2025, RLB Crane Index](#), 8 April 2025.

<sup>63</sup> EPR 653, item no 17.

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- Rondo then calculated the 'furring channel opportunity', using internal design information to estimate the ratio of furring channels within the light gauge steel totals.
- Rondo compared the furring channel opportunity with its own sales to calculate Rondo's market share. It estimated Studco and Etex's market share using its market intelligence.
- The balance of the furring channel opportunity was apportioned to imports.

Rondo's estimate of the ceiling batten market were calculated using a broadly similar method, although in the case of ceiling battens, Rondo estimated volumes rather than value. Rondo used the HIA housing starts data to estimate the total market volumes and used internal design information to estimate an average volume of ceiling battens used in each house to determine a 'ceiling batten opportunity' total. Rondo then used its own sales volume and customer intelligence to estimate the market share of other members of Australian industry, before apportioning the balance to import volumes.

The commission considers that this method is unreliable, particularly given the inherent issues in combining value and volume data to estimate a total market size for CSFM. Therefore, the commission has opted to use its own methodology to estimate the market size using additional data submitted since the publication of Rondo's verification report and the ABF import database.

### **5.2.7 The commission's updated estimate of market size**

As noted in the previous section, Rondo's estimates used a mix of value and volume. The commission considers that volume is the most appropriate measure for market size and has accordingly opted to estimate the overall market size of CSFM in volume terms (kg).

The commission has since received additional data that has informed an updated estimate of the market size, including additional domestic sales data from Studco and Intex. The commission received Studco's data as part of its response to the industry member questionnaire. Another importer, BM Sydney, also submitted an importer questionnaire, which included sales volume data. However, the commission found that BM Sydney's data is unreliable, which is explored in more depth later in this section.

The commission did not receive data from Etex, despite multiple attempts to obtain sales volume data over the injury analysis period. Therefore, the commission estimated Etex's sales volumes based on Rondo's market share estimates, which is described in the previous section (5.2.6). The commission found that Rondo's estimate of Studco's sales volume had underestimated the volume of Studco's sales of CSFM, despite correctly identifying the sales volume trend. The commission took the following approach to uplifting Etex's sales volume estimates:

- The commission compared previous estimates of Studco's sales volume based on Rondo's methodology with the actual sales volume obtained through Studco's industry member questionnaire.
- Etex's previous estimates were uplifted using the percentage difference between Studco's previous estimates and the actual sales volumes in each financial year.
- The commission removed previous Etex sales volume estimates and added the uplifted annual sales volume estimate for Etex to the Australian market estimate.

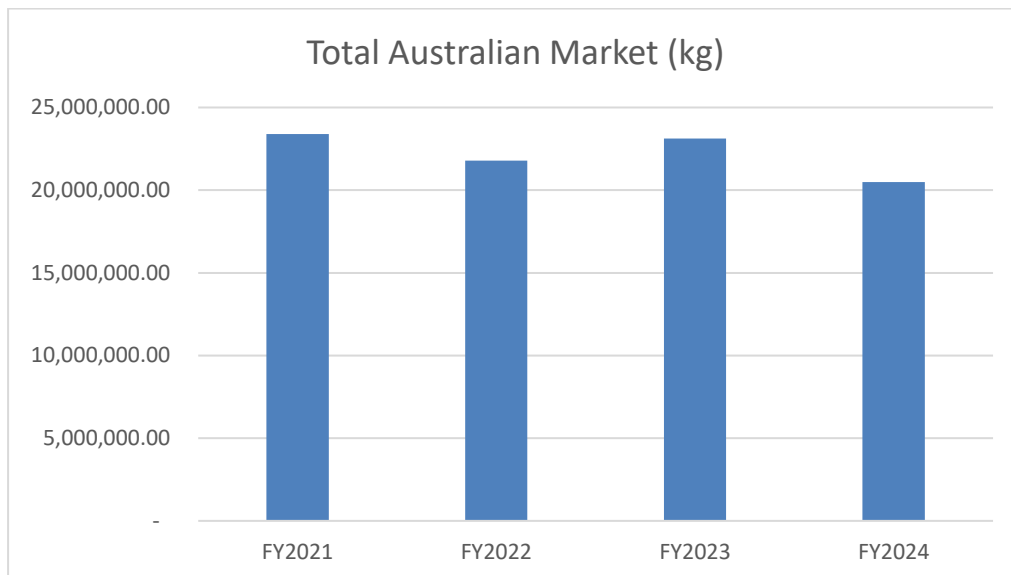


The volume of imports was estimated using a combination of Intex's verified data and the ABF import database. The tariff subheadings that the goods can be classified under cover a broad range of goods made from iron or steel. To identify the goods the subject of this investigation and therefore estimate the size of imports, the commission applied the following methodology:

1. Applied a key word search to either include or exclude the goods based on the goods description in ABF data.
2. Identified a price range that the goods could reasonably cost at import and excluded those products that fell outside this range.
3. Conducted research on the importers listed in the ABF data to give assurance that their business are within the expected industry. If they were evidently not, their imports were excluded.
4. As Intex is the largest importer of the goods and had been verified, the commission determined a goods to non-goods ratio based on Intex's verified imports data.
5. This ratio was then applied across all remaining imports. The commission considers that, whilst some importers may have a different product mix, this is a reasonable method of estimating the volume of imports given the broad ABF goods description.

The commission further amended the market size estimate with the addition of sales volume data provided by Intex. The commission used Intex's verified data in combination with the ABF data estimated using the above method to estimate import volumes over the injury analysis period.

The commission's updated estimate of the Australian market size is shown in Figure 6.



**Figure 6: Australian market size - volume (kg)**

The commission received data from BM Sydney in its importer questionnaire response, but the data was found to be unreliable. The commission examined BM Sydney's data and found that parts of the data provided to the commission were contradictory. As the

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commission did not verify BM Sydney's data, it could not rely on BM Sydney's data to estimate the size of the Australian market. The commission found the following inconsistencies in the data:

- The commission found several instances of non-goods included in the sales listing for the investigation period. The commission was not satisfied that the volumes provided in the injury analysis period included only goods under consideration.
- The commission found that BM Sydney is an importer of CSFM but also purchased the goods from local suppliers. The commission could not be satisfied that the sales data provided to the commission were sales made from only imported sources and did not include double counting.
- The commission found large discrepancies in the sales volume provided in the sales listing for FY2024 that contradicted the sales volumes provided to the commission for the entire injury analysis period. The commission was unable to delineate which volume was correct and could not match price and volume to the relevant source documents.

The commission considers that these discrepancies are partially generated by contradictory units of measurement used in volume data. The commission corresponded with BM Sydney seeking clarification of the unit quantity and received confirmation from BM Sydney the measurement was by weight in kilograms, not pieces. However, after comparing the price per unit with the verified sales of Intex and Rondo, the commission found that the price per unit on models of different lengths tracked Intex's price per piece rather than the price per kilogram. Instead, the commission converted the volume from pieces to weight on equivalent models using a weight to piece ratio provided to the commission by Intex and found that the price per unit was more comparable after conversion.

As the commission did not verify BM Sydney's data, the commission decided not to include BM Sydney's sales volume in its estimate of the market size over the injury analysis period but instead relied on ABF data to determine BM Sydney's import volume. The commission considered that the ABF data will ensure that BM Sydney's allocated sales volumes would not be double counted and the volume data was provided in weight not pieces. The commission took the same approach as in the case of other importers and applied ratios to the total imported volumes as above to estimate the volume of CSFM imported by BM Sydney.

The commission observes, as illustrated in Figure 6 above, that the Australian market size for CSFM was relatively steady, with a slight decline in FY2022, before peaking in FY2023 and contracting in FY2024.

The commission's estimate of the size of the Australian market for CSFM is at **Confidential Attachment 1**.

## 6 DUMPING INVESTIGATION

### 6.1 Finding

The Commissioner finds that the goods exported to Australia from China in the investigation period have been dumped and that the dumping margin and volume of dumped goods is not negligible.

Exporter	Dumping margin before application of lesser duty rule
Uncooperative and all other exporters	128.5%

Table 10: Dumping margin

### 6.2 Legislative framework

Dumping occurs when goods from one country are exported to another country at a price that is less than the normal value of those goods. The export price and normal value of goods are determined under sections 269TAB and 269TAC of the Act, respectively.

In the report to the Minister under section 269TEA(1) of the Act, the Commissioner must recommend whether the Minister ought to be satisfied as to the grounds for publishing a dumping duty notice under section 269TG of the Act.

Under section 269TG of the Act, one of the matters the Minister must be satisfied of to publish a dumping duty notice is that exporters exported dumped goods to Australia.

Section 269TDA(1) of the Act requires that the Commissioner must terminate the investigation, in so far as it relates to an exporter, if satisfied that there has been no dumping by the exporter, or there has been dumping during the investigation period, but the dumping margin is less than 2%.

Section 269TDA(3) of the Act requires that the Commissioner must terminate the investigation, in so far as it relates to a country, if satisfied that the total volume of goods that have been, or may be, dumped is 'negligible' (i.e. less than 3% of the total Australian import volume).

#### 6.2.1 Export price

Export price is determined in accordance with section 269TAB of the Act.

Relevant to this investigation, section 269TAB(3) of the Act provides that, where the export price cannot be established under the preceding sections due to sufficient information not being furnished or not available, the export price is determined having regard to all relevant information.

#### 6.2.2 Normal value

Normal value is determined in accordance with section 269TAC of the Act.

Section 269TAC(1) of the Act provides that the normal value of any goods exported to Australia is the price paid (or payable) for like goods sold in the ordinary course of trade (OCOT) for home consumption in the country of export in sales that are arms length transactions by the exporter or, if like goods are not so sold by the exporter, by other sellers of like goods.

If one of the circumstances set out in sections 269TAC(2)(a) or (b) of the Act is present, such as where there is an absence or low volume of relevant sales of like goods in the market of the country of export, or there is a PMS, section 269TAC(1) of the Act may not be used. In this instance, the normal value of the goods is to be calculated through either a constructed normal value under section 269TAC(2)(c) of the Act or using prices of like goods exported to a third country under section 269TAC(2)(d) of the Act.

Relevant to this investigation, section 269TAC(6) of the Act provides that, where the normal value cannot be established under the preceding provisions, due to sufficient information not being furnished or not being available, the normal value is determined having regard to all relevant information. As no exporters cooperated with the investigation, the commission applied this provision in calculating the normal value. However, it is noted that Rondo claimed in its application that a PMS exists in the Chinese market such that section 269TAC(1) of the Act cannot be used. The commission had regard to Rondo's claims to the extent that it was relevant information to determining the normal value under section 269TAC(6) of the Act.

### **6.2.3 Dumping margin**

Dumping margins are determined under section 269TACB of the Act.

For the dumping margin in this investigation, the commission compared the weighted average Australian export prices with the corresponding quarterly weighted average normal values for the investigation period in accordance with section 269TACB(2)(a) of the Act.

## **6.3 Exporters**

Section 269T(1) of the Act provides that, in relation to a dumping investigation, an exporter is a 'cooperative exporter' if the exporter's exports were examined as part of the investigation and the exporter was not an 'uncooperative exporter'.

At the commencement of the investigation, the commission contacted four entities it had identified as possible exporters of the goods, based on information in the ABF import database and from Rondo's application, and invited them to complete an exporter questionnaire. The commission further published a copy of the questionnaire on its website for other exporters to complete.

The commission requested exporters respond to an exporter questionnaire by 11 September 2024. No responses were received by the due date, nor were any requests for an extension submitted. As such, under sections 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 section 269T(1) of the Act, and as non-cooperative entities under section 269TAACA of the Act.

## 6.4 Dumping assessment – China

### 6.4.1 Uncooperative and all other exporters

The commission has determined that all exporters of the goods from China are uncooperative exporters for the purposes of this investigation.

The commission used the ABF import database to identify exporters that had exported the goods to Australia from China prior to and during the investigation period. As no exporters provided a response to the exporter questionnaire, the Commissioner has deemed all exporters to be uncooperative.

Section 269TACAB(1) of the Act sets out the provisions for calculating export prices and normal values for uncooperative exporters. Export prices are to be worked out under section 269TAB(3) of the Act and normal values are to be calculated under section 269TAC(6) of the Act.

#### Export price

The commission has determined an export price pursuant to section 269TAB(3) of the Act, having regard to all relevant information. The commission considers that the most reliable and relevant information it possesses in relation to exports of the goods from China over the investigation period is Intex's verified data.

The commission conducted an onsite verification of Intex's response to the importer questionnaire (RIQ) and the importer verification report is available on the EPR.<sup>64</sup> In the absence of exporter questionnaire responses, the commission relied on information provided by Intex in its RIQ, which the commission has verified as complete, accurate and relevant for the purposes of this investigation.

Accordingly, the commission has determined the export price of the goods exported to Australia from China under section 269TAB(3) of the Act, based on Intex's selling price to Australian customers, less relevant deductions. These deductions include Intex's post-exportation expenses, selling, general and administrative expenses (SG&A), and an amount of profit. After making these adjustments, the commission determined a free on board (FOB) export price. The commission's calculations of the export price are at **Confidential Attachment 2**.

#### Normal value

As outlined in section 6.3, no exporters of the goods submitted a response to the exporter questionnaire. The commission further notes that the GOC did not provide a response to the government questionnaire.

Due to insufficient information being furnished or not being available concerning domestic selling prices in China or Chinese exports to a third country, the commission has determined the normal value under section 269TAC(6) of the Act, having regard to all

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<sup>64</sup> EPR 653, item no 22.

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relevant information. The normal value has been determined under section 269TAC(6) of the Act using a constructed normal value methodology to determine:

- the cost of production or manufacture of the exported good
- the selling, general and administrative (SG&A) costs and
- an amount of profit.

To calculate the constructed normal value the commission has used:

- average monthly galvanised steel coil prices from Korea and Taiwan
- the conversion costs, including slitting costs of Rondo, adjusted for Chinese labour costs
- an average of the cooperating Chinese exporters SG&A costs from investigation 644 and continuation inquiry 646
- an amount of profit based on the average rate of profit of cooperating Chinese exporters in investigation 644 and continuation inquiry 646.<sup>65</sup>

The commission's assessment of each of these elements of the constructed normal value are detailed separately below.

### Cost of production or manufacture of the exported goods

The cost of production has two key cost elements: raw material costs and conversion costs. The primary raw material used in the manufacture of the goods is coated steel which is typically sourced in coil or sheets. This raw material is then converted into the goods by cutting, shaping and then punching or drilling any required holes or slots.<sup>66</sup> In determining the cost of production the commission has considered these costs separately below. The commission has also considered Rondo's claims of a PMS in China for the subject goods.

### PMS – Rondo's claims

Rondo in its application stated that it did not have access to domestic selling price information for the goods in China. Rondo claimed that a PMS existed for the subject goods which are manufactured from coated steel.<sup>67</sup>

In support of its PMS claim, Rondo referenced the commission's findings in reports 610<sup>68</sup> and 611<sup>69</sup> where the commission was satisfied that because of the situation in the domestic market for the goods in China, sales in the Chinese market were not suitable for determining a normal value. This was on the basis that those prices would not permit a

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<sup>65</sup> The goods in Investigation 644 were interchangeable bolted clipping system brackets from China and in continuation 646 the goods were deep drawn stainless steel sinks from China. The commission considers that the costs and profit from these cases are relevant given that they also relate to producers in China who convert an intermediary steel product into an end product.

<sup>66</sup> EPR 653, item no 1.

<sup>67</sup> EPR 653, item no 1.

<sup>68</sup> EPR 610, Report 610 (REP 610), *Inquiry concerning the continuation of anti-dumping measures applying to aluminium zinc coated steel exported to Australia from China*, EPR 610, item no 12.

<sup>69</sup> EPR 611, Report 611 (REP 611), *Inquiry concerning the continuation of anti-dumping measures applying to zinc coated (galvanised) steel exported to Australia from China, Republic of Korea and Taiwan*, EPR 610, item no 12.

proper comparison with the export price for the purposes of determining the dumping margin.

To evidence the continued existence of the GOC's interventions, Rondo referenced:

- A 2022 study published by the Centre for Strategic and International Studies (CSIS) which identified significant GOC support for Chinese domestic industry under China's industrial policy
- A 2022 article published by the Australian Strategic Policy Institute (ASPI) referencing state owned enterprises in China and subsidies extended to the Chinese private sector
- A 2024 article by the ASPI referring to continuing excess production capacity in China
- A 2024 article published by Platts/S&P Global identifying GOC stimulus policies to aid the Chinese manufacturing sector
- A 2024 article published by the Turkish Steel Producers Association concerning China's continuing focus on export markets with subsidised prices
- The Office of the United States Trade Representative (USTR) 2023 report to congress on China's WTO compliance
- The European Commission's 2024 staff working document on distortions in the Chinese economy for the purposes of trade defence investigations

To further support its claim, Rondo provided a price comparison for galvanised steel between China, Korea, and Taiwan over the 2023 calendar year. The confidential data provided by Rondo demonstrated that Chinese galvanised steel prices were substantially below both Taiwanese and Korean prices during 2023.

#### PMS – The commission's assessment

The following findings and conclusions are made in the absence of the GOC's questionnaire response or exporter questionnaire responses. The commission sought a variety of information and evidence from the GOC, including information on GOC involvement and policies in the steel market generally and the steel industry in particular, the operation of price signals in these sectors, and GOC measures that may or may not be affecting these sectors. The GOC did not cooperate with this request for information.

The GOC's non-cooperation and exporters non-cooperation in this regard limits the evidence available to the commission and constrains the commission's ability to verify whether prices of CSFM in China are market determined and reflect prices at a competitive fair market value. In the absence of this information, the commission has had regard to previous findings in other relevant cases.<sup>70</sup>

In these previous inquiries, the commission considered whether PMS existed in the Chinese domestic market for hot rolled coil (HRC), zinc coated (galvanised) steel and aluminium zinc coated steel.<sup>71</sup> The commission further considered whether prices in these inquiries would permit comparison with the export prices for the purposes of determining the dumping margin. The commission found that, pursuant to section

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<sup>70</sup> Refer REP 610, REP 611, REP 590 and SEF 658.

<sup>71</sup> See also Review 521 and Review 522.



269TAC(2)(a)(ii) of the Act, because of the situation in the domestic market for these goods in China, sales in those markets were not suitable for use in determining a normal value under section 269TAC(1) of the Act.

Specifically, the commission found that the cooperating exporters records in these cases were kept in accordance with the relevant generally accepted accounting practices (GAAP) and that the records reasonably reflected the costs with the production and sale of the goods. However, the commission was not satisfied that these cooperating exporters costs reasonably reflected competitive market costs associated with the production of like goods, due to the influence of the GOC in the domestic Chinese market for HRC, the primary raw material used to manufacture zinc coated (galvanised) steel or aluminium zinc coated steel. Specifically, the commission found that HRC costs in China, which make up a major proportion of the total costs of production of the subject goods were distorted by GOC influence.

The commission also found that the GOC's involvement and influence over the steel industry to be a primary cause of the prevailing structural imbalances within both the broader steel industry and the HRC and galvanised steel markets. The commission considered that the GOC's historic and continued involvement in the Chinese steel industry, through its policies, planning guidelines, plans and directives materially contributed to its steel industry's overcapacity, over supply and distorted structure during the applicable investigation periods. The conditions created by the GOC significantly affected the dynamics and price setting in the Chinese domestic market. These findings related to the Chinese steel market as a whole, including both upstream and downstream steel products. Moreover, based on the available evidence, the selling prices of firms sustaining ongoing operational losses have affected the steel market as a whole, particularly given the extent of state-owned enterprise (SOE) and state-invested enterprise (SIE) involvement in steel production.

The commission also found that both SOEs and private enterprises operating in the Chinese steel market often make decisions based on GOC policy goals and incentives as opposed to properly functioning price signals and the objective or motive to maximise profit. Further, the GOC's support mechanisms have insulated recipient firms from ordinary price and profit signals, which has significantly contributed to the excessive investment in production capacity, excess steel production and ongoing loss-making. This results in a steel market where firms, particularly SOEs, make unprofitable sales because of overcapacity in the industry and collectively place downward pressure on prices in the market that lead to prices that are below the cost of production.

The commission notes that many of the GOC's recent plans are aimed at reducing capacity as well as addressing carbon emissions through reduction or closing of blast furnace-basic oxygen furnace (BF-BOF) plants and replacing them with electric arc furnace (EAF) plants. However, there appears to be limited success in reducing capacity. The GOC has also recognised this contradiction, with all new steelmaking production projects suspended in August 2024 to provide the GOC with time to review its policies aimed at reducing overcapacity.

The commission in these inquiries and other inquiries has found that the price of galvanised steel and other hot rolled steel products such as HRC was influenced by the GOC. Direct intervention by the GOC in the form of imposition of taxes, tariffs, export quotas, direct and indirect financial support and other indirect measures including the



GOC's overarching macroeconomic policies and plans, such as the National Steel Policy, the Steel Industry Adjustment and Upgrade Plan and the GOC's Five Year Plans have influenced and impacted the structure of the Chinese steel industry.

The commission notes that the goods considered in REP 610 (aluminium zinc coated steel) and *Anti-Dumping Commission Report No 611* (REP 611) (zinc coated (galvanised) steel), both being coil steel products that have had different metallic coatings applied, are the key raw material used in the production of the goods subject of this investigation. Using available information sources relevant to this investigation, the commission identified a range of galvanised steel coil monthly prices for the investigation period.<sup>72</sup> Adopting the countries compared in REP 610 and REP 611, the commission compared the monthly galvanised steel prices for China, Taiwan and Korea for the investigation period. From this dataset the commission observed that China's prices were below those of Korea as shown in Figure 7.

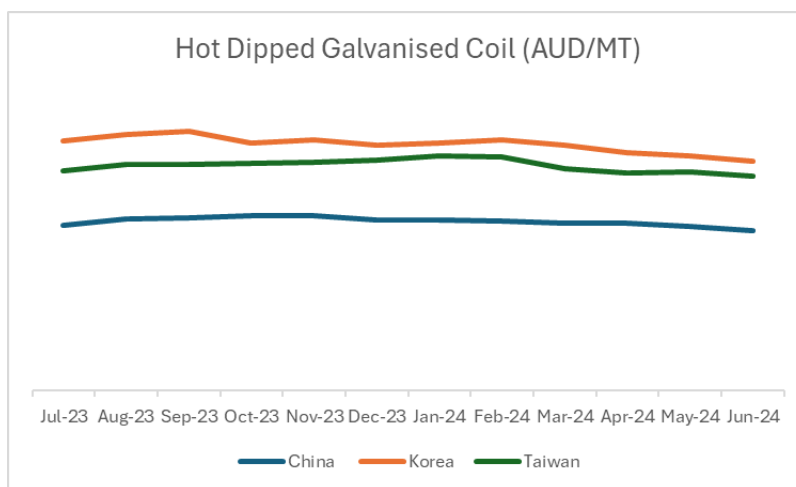


Figure 7: Hot dipped galvanised coil prices

The commission's assessment of these prices is at **Confidential Attachment 3**.

Noting the limited information available due to the lack of cooperation, the commission considers that this price analysis is indicative of the conditions observed in prior inquiries as still occurring in the current investigation period.

The lack of cooperation from Chinese exporters or the GOC in this investigation has limited the commission's ability to obtain relevant information, including Chinese domestic pricing for the goods in the Chinese domestic market. However, available information demonstrates that Chinese prices for the primary raw material used to manufacture CSFM continues to be subject to similar circumstances that supported the PMS findings in REP 610 and REP 611. Given these continuing and prevailing market conditions in China, the commission considers that a price reflecting competitive market prices for galvanised steel should be based on a price that is absent any GOC distortion or influence on the steel market and steel industry in China.

The commission considered using a price based on prices of galvanised steel sold in China. However, as noted previously, the commission considers that the GOC's

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<sup>72</sup> The commission obtained confidential data from MEPS International Ltd.

numerous influences on the Chinese steel industry has materially distorted the entire HRC and galvanised steel market and therefore distorted all prices of those goods, regardless of whether the goods are manufactured by SOEs or private enterprises in China. The commission further examined whether import prices of galvanised steel into China could be used. However, absent information concerning import volume penetration into the Chinese market, the commission is unable to adequately assess whether any import prices would reflect prices absent the GOC's distortions or influence.

The commission considers that normal competitive market conditions, absent the GOC's distortions or influence, prevail in the Korean and Taiwanese domestic markets for galvanised steel, and that purchases of galvanised steel in these markets are not influenced by prices in China. The commission therefore considers that purchases of galvanised steel in these markets are suitable. This is consistent with the countries identified in REP 610 and REP 611. Consequently, the commission has worked out the amount for the primary raw material costs for CSFM by using a galvanised steel coil price based on monthly average prices for Korea and Taiwan.

The commission considers prices are appropriate to use as available information and evidence does not support the making of adjustments to these Korean and Taiwanese prices. The commission examined the websites of major Chinese manufacturers of the goods.<sup>73</sup> Information available to the commission indicates that manufacturers of the goods in China are not fully integrated producers producing both the galvanised coil and the goods. These manufacturer's product catalogues, promotional videos and photos of their facilities, and descriptions of their production capabilities provide no indication they produce their own galvanised coil, rather they cut, bend, roll and shape steel coils they purchase to the required specifications.

As a consequence, the commission considers using Korean and Taiwanese prices is appropriate as manufacturers of the goods in China would be required to purchase the coated steel used to manufacture the goods. The commission has not identified any available information or evidence to indicate a need for or a method for making any other adjustments to these prices.

#### Conversion costs

As noted earlier, Chinese exporters of the goods did not cooperate with this investigation. Consequently, the commission does not have information relating to conversion costs in China for the goods.

The commission examined available information, including information contained in Rondo's application and information available in other inquiries conducted by the commission. As part of Rondo's application, Rondo estimated the conversion costs of Chinese manufacturers by using its own conversion costs, adjusted downwards for Chinese labour costs. Examination of prior inquiries by the commission did not identify any conversion costs that were sufficiently alike to the manufacture of the CSFM which would be suitable to use.

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<sup>73</sup> The commission examined these websites: [New Alpha Building Materials \(Shandong\) Co., Ltd.](#), [Wenan Jinkai Building Material Co., Ltd.](#), [Shandong Haisu Building Materials Co., Ltd.](#), [Hangzhou Youyuan Imp. & Exp. Co., Ltd.](#), and [Taishan Gypsum Co., Ltd.](#)

In the absence of further or better information, the commission has used the conversion costs of Rondo, after a downwards adjustment for labour costs, in calculating the constructed normal value.<sup>74</sup>

#### SG&A costs

In the absence of cooperating exporters in this inquiry, the commission considered other available information to determine SG&A costs. The commission has used the average of the cooperating Chinese exporter's SG&A costs from investigation 644 and continuation inquiry 646. The commission considers that these costs are relevant given that they relate to producers in China who convert an intermediary steel product into an end product.

The commission considers that the SG&A costs used by Rondo in its application for calculating its estimated dumping margin are not preferable given that they relate to selling, distribution, administration and finance costs in Australia.

#### Profit

In the absence of cooperating exporters in this inquiry, the commission has used the average rate of profit of the cooperating Chinese exporters from investigation 644 and continuation inquiry 646. The commission considers that these rates of profit are relevant given that they relate to producers in China who convert an intermediary steel product into an end product which is broadly similar to the activities undertaken by CSFM producers in China.

In its application, Rondo used a profit derived from the European Parliament's *Provisional Agreement Resulting from Interinstitutional Negotiations*, which mandates a profit of no less than 6% to estimate dumping.<sup>75</sup> The commission considers that the profit used by Rondo in its application is not preferable, noting that it relates to a minimum European Union regulatory profit and is not specific to manufacturing in China.

#### Dumping margin

The dumping margin for uncooperative and all other exporters from China was established in accordance with section 269TACB(2)(a) of the Act. The commission has compared the weighted average export price and weighted average normal value.

The dumping margin for uncooperative and all other exporters of CSFM from China is 128.5%.

Details of the dumping margin calculations for all exporters from China are at **Confidential Attachment 4**.

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<sup>74</sup> The conversion costs provided by Rondo in its application were updated to reflect changes made to Rondo's conversion costs.

<sup>75</sup> EPR 653, item no 1.

#### **6.4.2 Level of dumping**

Section 269TDA(1) of the Act provides that the Commissioner must terminate a dumping investigation, in so far as it relates to an exporter of the goods, if satisfied that:

- there has been no dumping by the exporter of any of those goods
- there has been dumping by the exporter of some or all of those goods, but the dumping margin for the exporter is less than 2%.

As detailed in this chapter, the commission is satisfied that all exports of the goods from China to Australia were at dumped prices during the investigation period and the dumping margin for all Chinese exporters of the goods is more than 2%.

#### **6.4.3 Volume of dumped imports**

Pursuant to section 269TDA(3) of the Act, the Commissioner must terminate the investigation, in so far as it relates to a country, if satisfied that the total volume of goods that have been or may be dumped is a negligible volume. Section 269TDA(4) of the Act defines a negligible volume as less than 3% of the total volume of goods imported into Australia over the investigation period. Section 269TDA(5) of the Act states that if the volume of all countries with dumped volumes of less than 3% sum up to more than 7%, then the aggregation of the volumes of dumped goods is not negligible.

Using the ABF import database and having regard to the information collected and verified during the investigation, the commission determined the volume of imports in the Australian market. Based on this information, the commission:

- has determined that section 269TDA(5) of the Act does not apply to this investigation
- is satisfied that, when expressed as a percentage of the total Australian import volume of the goods, the volume of goods that have been exported from China and dumped was 3% or greater of the total import volume
- has determined that the volume of dumped goods is not negligible.

The commission's calculations are at **Confidential Attachment 1**.

## 7 SUBSIDY INVESTIGATION

### 7.1 Finding

The Commissioner finds that countervailable subsidies were received in respect of the goods exported to Australia from China during the investigation period.

As the commission did not receive any information from the GOC, nor any Chinese exporters of CSFM, the commission undertook an assessment of the subsidy programs identified in REP 611 and relied on findings from recently completed Investigation 644 (INV 644) and Investigation 645 (INV 645) to determine if the subsidy programs alleged by the Australian industry in its application may be applicable to the production, manufacture or export of CSFM from China. The commission also assessed publicly available information to consider whether the subsidy programs identified in REP 611 are still active and therefore continued to apply to the goods in the investigation period.

The subsidy margin in respect of the goods exported to Australia from China during the investigation period is summarised in Table 11.

Exporter	Subsidy margin
Uncooperative and all other exporters	4.5%

Table 11: Subsidy margin

### 7.2 Legislative framework

Under section 269TJ of the Act, one of the matters that the Minister must be satisfied of in order to publish a countervailing duty notice is that subsidisation has taken place (to an extent that is not negligible).

Subsidisation occurs when a financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to goods exported to Australia.<sup>76</sup> The amount of a countervailable subsidy is determined in accordance with section 269TACD of the Act.

Section 269TAACA of the Act provides that where certain entities have not provided the requested information within a reasonable period of time or have significantly impeded the investigation, the determination may be made 'on the basis of all the facts available' and 'such assumptions as considered reasonable'.

### 7.3 Consultation with the Government of China

On 30 July 2024, in accordance with section 269TB(2C) of the Act, the commission invited the GOC for consultations during the pre-initiation phase. The purpose of the consultations was to provide an opportunity for the GOC to respond to the claims made within the application in relation to countervailable subsidies, including whether they exist and, if so, whether they are causing, or are likely to cause, material injury to an Australian

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<sup>76</sup> Section 269T(1) of the Act.

industry, with the aim of arriving at a mutually agreed solution. The commission did not receive a request for consultation from the GOC.

On 28 August 2024, at initiation, the commission sent a questionnaire to the GOC to complete. The questionnaire included questions relating to the Australian industry's claims concerning subsidisation and an alleged PMS, including questions relating to the Chinese steel industry and market. The commission did not receive a response to this questionnaire.

## **7.4 Subsidy programs**

### **7.4.1 The applicant's claims**

In its application, Rondo claimed that the commission's previous findings of countervailable subsidy programs from REP 611 into coated (galvanised) steel from China, Korea, and Taiwan and *Anti-Dumping Commission Report No 590* (REP 590) into hollow structural sections from China, Korea, Malaysia and Taiwan also apply to CSFM exported from China.

Rondo claimed that producers of CSFM from China are likely to be in receipt of the same or similar benefits. As the exported goods are products of the Chinese steel industry, and the commission has previously concluded that goods manufactured from galvanised steel attract a broad range of subsidies, the Australian industry considered it reasonable to conclude that previously identified subsidy programs are applicable to Chinese exporters of the goods.

Rondo submitted that these confirmed countervailable subsidies in the Chinese steel industry will equally apply to Chinese exporters of CSFM. Specifically in regard to the provision of HRC, coking coal, and coke at less than fair market value (CON 611) and HRC provided at less than adequate remuneration (CON 590), Rondo submitted that a finding by the commission of galvanised steel provided at less than fair market value or less than adequate remuneration is a logical extension of the findings in CON 590 and CON 611 (as upstream products to CSFMs).<sup>77</sup>

### **7.4.2 Determination of countervailable subsidy if non-cooperation by relevant entities**

Section 269TAACA(1) of the Act provides that, in circumstances where an entity, referred to as a 'non-cooperative entity':

- has not given the Commissioner information the Commissioner considers to be relevant to the investigation within a period the Commissioner considers to be reasonable, or
- has significantly impeded the investigation,

then, in determining whether a countervailable subsidy has been received in respect of the goods, or in determining the amount of a countervailable subsidy in respect of the goods, the Commissioner or the Minister may act on the basis of all the facts available

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<sup>77</sup> EPR 653, item no 1, pp. 54–58.

and may make such assumptions as the Commissioner or Minister (as the case may be) considers reasonable.

The commission sent the GOC a questionnaire requesting information relating to the subsidy programs identified by Rondo in its application. Because the GOC has not provided any information the Commissioner considers relevant to the investigation, in determining whether a 'countervailable subsidy' has been received in respect of the goods, the commission has relied on all facts available and made such assumptions as the Commissioner considers reasonable.

Accordingly, the commission has determined whether a countervailable subsidy has been received in respect of the goods, and the amount of the countervailable subsidy, in accordance with section 269TAACA(1) of the Act.

#### **7.4.3 Information considered by the commission**

The commission has had regard to the following information as part of its assessment of the subsidies received in respect of the goods exported from China:

- information provided by Rondo in its application
- findings from *Anti-Dumping Commission Report No 644* (REP 644) relating to certain interchangeable bolted clipping system brackets (brackets) from China
- findings from *Anti-Dumping Commission Report No 645* (REP 645) relating to certain interchangeable bolted clipping system clip heads (clip heads) from China
- findings from Continuation inquiry 611 relating to certain zinc coated (galvanised) steel from China

#### **7.4.4 Findings of countervailable subsidy in REP 644 and REP 645**

The commission has recently completed investigations into brackets (REP 644) and clips (REP 645) exported to Australia from China. In those investigations, the applicant, Abey Australia Pty Ltd, alleged that the countervailable subsidy programs listed in its application and identified in REP 590 were considered to apply equally to producers of brackets and clips.<sup>78</sup> This was because brackets and clips are made using galvanised HRC, and as HRC is also used in the manufacture of hollow structural sections (HSS), 'it is therefore reasonable... to conclude that subsidy programs that benefit Chinese manufacturers of HSS would also benefit Chinese manufacturers of interchangeable brackets<sup>79</sup> [...and clips]'.<sup>80</sup>

In REP 644 and REP 645, the commission found no evidence that any exporters of the goods the subject of those investigations received any of the subsidies identified by the

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<sup>78</sup> REP 590 concerns a continuation inquiry into HSS exported to Australia from China.

<sup>79</sup> EPR 644, item no 1, p 50.

<sup>80</sup> EPR 645, item no 1, p 50.



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applicant in its application, other than subsidies under 'Program 20'<sup>81</sup> - hot rolled steel provided by government at less than fair market value'.<sup>82</sup>

### Relevance to INV 653

In this current investigation, Rondo has claimed that the commission's previous findings of countervailable subsidy programs from REP 590 also apply to CSFM exported from China.

The commission has considered these claims in light of the recent findings from REP 644 and REP 645 and finds it reasonable to conclude that with the exception of Program 20 (hot rolled steel provided by government at less than fair market value), the subsidy programs from REP 590 would also not apply to exporters of CSFM. The commission's assessment of Program 20 is at Non-Confidential Appendix A.

In REP 644 and REP 645, the commission found 6 additional subsidy programs that conferred benefits to exporters of brackets and clips. These programs are listed in Table 12.

Program #	Program name	Program Type	Countervailable?
1	Transportation subsidy for returning to work after spring festival	Grant	Yes
2	One-time employment retention subsidy	Grant	Yes
3	Reward for overseas business personnel traveling abroad	Grant	Yes
4	Recruitment subsidy	Grant	Yes
5	Industrial reward for 2022	Grant	Yes
6	Preferential tax for micro and small-sized enterprises and individually-owned businesses: Preferential tax rate on income	Tax	Yes

**Table 12: REP 644 and REP 645 subsidy programs**

Although HRC is the raw material input that goes into HSS, brackets and clips and CSFM, the commission considers that CSFM and brackets and clips are more comparable given they are further downstream products and use similar raw material inputs being coated galvanised steel. The commission therefore considers that it is reasonable to assume that subsidies received by Chinese exporters of brackets and clips would also be available to exporters of CSFM from China.

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<sup>81</sup> In the investigation concerning HSS (Investigation 177), a subsidy program entitled 'hot rolled steel provided by government at less than fair market value' was designated as Program 20. This subsidy program was designated as Program 20 in subsequent cases concerning HSS exported from China. The subsidy program entitled 'hot rolled steel provided by government at less than fair market value' was also designated as Program 1 in the investigation concerning zinc coated (galvanised) steel (Investigation 193), and was designated as Program 1 in subsequent cases relating to galvanised steel exported from China, including REP 611.I

<sup>82</sup> EPR 644, Termination report, p 16, EPR 645, Termination report, p 16.

## REP 653 – CSFM – China



#### 7.4.5 Assessment of previously identified programs in REP 611

In REP 611, the commission identified 37 programs applicable to zinc coated (galvanised) steel exported from China. In its application, the Australian industry alleged that the programs applying to zinc coated (galvanised) steel from China will equally apply to Chinese exporters of CSFM. Rondo claimed that producers of CSFM from China are likely to be in receipt of the same or similar benefits.

Program No	Name	Type <sup>83</sup>	Countervailable subsidy (Yes/No)
1	Hot rolled steel provided by government at less than fair market value	Tax and raw material	Yes
2	Coking coal provided by government at less than adequate remuneration	Tax and raw material	Yes
3	Coke provided by government at less than adequate remuneration	Tax and raw material	Yes
4	Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones	Tax	No
5	Preferential Tax Policies for Foreign Invested Enterprises– Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years	Tax	No
6	Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)	Tax	No
7	Preferential Tax Policies for High and New Technology Enterprises	Tax	No
8	Preferential Tax Policies in the Western Regions	Tax	No
10	Preferential Tax Policies for High and New Technology Enterprises	Tax	No
11	Tariff and value-added tax (VAT) Exemptions on Imported Materials and Equipments	Tax	Yes
9	Land Use Tax Deduction	Grant	No
12	One-time Awards to Enterprises Whose Products Qualify for ‘Well-Known Trademarks of China’ and ‘Famous Brands of China’	Grant	No
13	Matching Funds for International Market Development for Small and Medium Enterprises	Grant	No
14	Superstar Enterprise Grant	Grant	No
15	Research & Development (R&D) Assistance Grant	Grant	No
16	Patent Award of Guangdong Province	Grant	No
17	Innovative Experimental Enterprise Grant	Grant	No
18	Special Support Fund for Non State-Owned Enterprises	Grant	No
19	Venture Investment Fund of Hi-Tech Industry	Grant	No
20	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.	Grant	Yes

<sup>83</sup> A subsidy in the form of a grant is generally where a public body has provided direct funding to the recipient. A subsidy in the form a tax is generally where the recipient has received a lower or preferential tax rate. A subsidy in the form of ‘Less than adequate remuneration’ (LTAR) is generally where a manufacturer has purchased cost inputs at a price that is considered less than adequate remuneration for that input.

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Program No	Name	Type <sup>83</sup>	Countervailable subsidy (Yes/No)
21	Grant for key enterprises in equipment manufacturing industry of Zhongshan	Grant	No
22	Water Conservancy Fund Deduction	Grant	No
23	Wuxing District Freight Assistance	Grant	No
24	Huzhou City Public Listing Grant	Grant	No
25	Huzhou City Quality Award	Grant	No
26	Huzhou Industry Enterprise Transformation & Upgrade Development Fund	Grant	No
27	Wuxing District Public List Grant	Grant	Yes
28	Anti-dumping Respondent Assistance	Grant	No
29	Technology Project Assistance	Grant	No
30	Equity injection	Grant	Yes
31	Environmental Protection Grant	Grant	Yes
32	High and New Technology Enterprise Grant	Grant	Yes
33	Independent Innovation and High-Tech Industrialisation Program	Grant	Yes
34	VAT refund on domestic sales by local authority	Grant	Yes
35	Environmental Prize	Grant	Yes
36	Jinzhou District Research and Development Assistance Program	Grant	Yes
37	Enterprise support fund	Grant	Yes

**Table 13: Subsidy programs considered in this investigation**

The commission has verified Rondo's cost data and is satisfied that galvanised steel is the raw material input used to make the goods and is the largest cost element. The commission has therefore examined the evidence associated with the programs identified in REP 611.

For each of the programs identified in REP 611, the commission considered:

- the eligibility requirements of each identified program
- whether the program was likely relevant to the production of the goods during the investigation period (including whether the program has expired)
- whether any benefit under the program may be a subsidy in respect of the goods

The commission has assessed each of the programs identified by Rondo and considers that there is adequate evidence indicating 12 out of the 37 programs from REP 611 are relevant to CSFM. For these programs, the commission has previously found producers in the Chinese steel industry received a benefit, and that eligibility criteria were not limited to the specific goods in those inquiries; in other words, exporters of CSFM may also be eligible to receive a benefit.

These programs were specific for reasons other than being limited to the specific goods in question (such as location) which may be satisfied by producers of CSFM. In this regard, the commission examined Chinese exporter data in the ABF import database and observed many exporters located in regions where the commission had identified recipients of countervailable subsidies in REP 611.

The commission considers that the subsidies applying to galvanised steel as identified in REP 611 is relevant because subsidies applying to galvanised steel may also apply to other products made from galvanised steel, such as the goods.

## REP 653 – CSFM – China

The commission found that 23 of the programs in REP 611 overlapped with the programs in REP 590. As the commission had relied on the findings from REP 644/REP 645 to conclude that exporters of brackets and clips did not receive any previously countervailed subsidies from REP 590, the commission removed these programs from its calculation of the subsidy margin.

The commission also examined the programs identified by the GOC in its notifications to the World Trade Organization.<sup>84</sup> The commission's assessment of subsidy programs are detailed at **Appendix A**.

## **7.5 Calculation of subsidy margins**

### **7.5.1 All exporters**

In accordance with section 269TAACA of the Act, the Commissioner has relied upon all facts available and having regard to reasonable assumptions in assessing whether Chinese exporters of CSFM received countervailable subsidies during the investigation period and the amount of countervailing subsidies received.

The commission found that the 6 subsidy programs countervailed in REP 644 and REP 645 and presented at Table 12 apply to exporters of the goods, based on reasonable assumptions that subsidies received by Chinese exporters of brackets and clips would also be available to exporters of CSFM from China. The commission has therefore included these programs in its subsidy calculation.

The commission also finds that 12 out of the 37 programs from REP 611 are relevant to this investigation. The commission undertook an assessment of publicly available information to consider whether these subsidy programs remain in place. The commission did not identify evidence to indicate these programs have ceased. Absent any new information that would warrant a reconsideration of the determinations made in the previous inquiries, the commission has therefore maintained its position that these programs are countervailable.

### **7.5.2 Subsidy margin**

As stated in section 6.4.1, the commission has determined that all exporters from China are non-cooperative exporters.

The total calculated subsidy margin applicable to exports by non-cooperative and all other exporters from China is 4.5%.

The commission's countervailable subsidy calculations for non-cooperative Chinese entities are contained in **Confidential Attachment 5**.

### **7.5.3 Countervailable subsidisation – assessment**

In relation to goods exported from China (a Developing Country), countervailable subsidisation is negligible if, when expressed as a percentage of the export price of the

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<sup>84</sup> [WTO G/SCM/N/372/CHN, 27 August 2021](#)

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goods, that subsidisation is not more than 2 per cent or where the volume is less than 4 per cent of the total Australian import volume.

Section 269TDA(2) of the Act requires that the Commissioner must terminate a countervailing investigation in relation to an exporter if countervailable subsidisation for that exporter is determined to be negligible.

Noting the subsidy margins presented in Table 11, the Commissioner is also satisfied that CSFM exported to Australia from China by the uncooperative and all other exporters during the investigation period were at subsidised prices, and that:

- the countervailing margin was not negligible; and
- the volume of countervailable goods was not negligible.

## **8 ECONOMIC CONDITION OF THE INDUSTRY**

### **8.1 Finding**

The commission finds that the Australian industry has experienced injury during the investigation period in the form of:

- lost sales volume
- lower production volumes
- price suppression and depression in the battens segment, but not in the furring channels segment
- reduced profitability and profit
- decline in asset values
- reduced capacity utilisation
- reduced productivity
- reduced revenue.

### **8.2 Approach to injury 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 of the Act.

This section analyses the economic condition of the Australian industry producing like goods from 1 July 2020. In its analysis of volume, price and profit effects, the commission has predominantly used Rondo's verified data.

To determine the total size of the Australian market and therefore assess whether any dumped and/or subsidised goods exported from China has caused material injury to the Australian industry producing like goods, the commission has predominantly relied on the production volume and sales data provided by Rondo in its application. The commission considers that Rondo's verified data is a good indicator of the overall performance of Australian industry given the high market share of Rondo.

Where the data allows, the commission has also included Studco's information about sales volumes from its Australian market questionnaire response.

As Rondo had identified Etex as one of the three largest manufacturers of CSFM in Australia, the commission also sent Etex an Australian market questionnaire for completion. The commission did not receive a questionnaire response from Etex.

In the absence of relevant production and sales data from Etex, the commission has relied on Rondo's estimates of the market share of the other Australian industry members, being the best available information. Based on sales data from Rondo and Studco, the commission applied a ratio to determine the market share of the remaining Australian industry members and then the total size of the Australian market by also using ABF data and verified importer information.

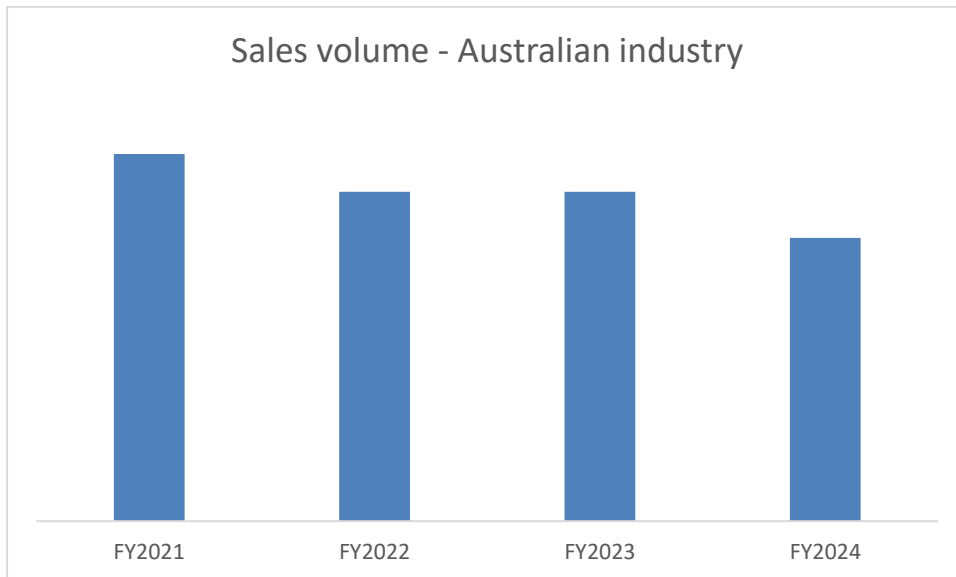
The commission has also considered data from the ABF import database as well as verified importer information, where relevant.

The commission has assessed the economic condition of the Australian industry from 1 July 2020, being the start of the injury analysis period.

The commission's assessment of the economic condition of the Australian industry is at **Confidential Attachment 6**.

### 8.3 Volume effects

#### 8.3.1 Sales volume

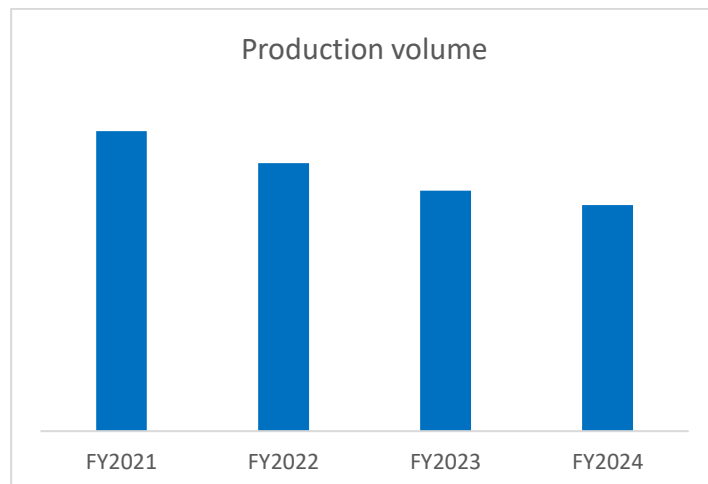


**Figure 8: Sales volume (kg)**

Figure 8 shows the sales volume of the Australian industry over the injury analysis period.

This data relates to Rondo and Studco. Based on this data, the commission considers that the Australian industry as a whole has experienced injury in the form of lost sales volume during the investigation period.

#### 8.3.2 Production volume



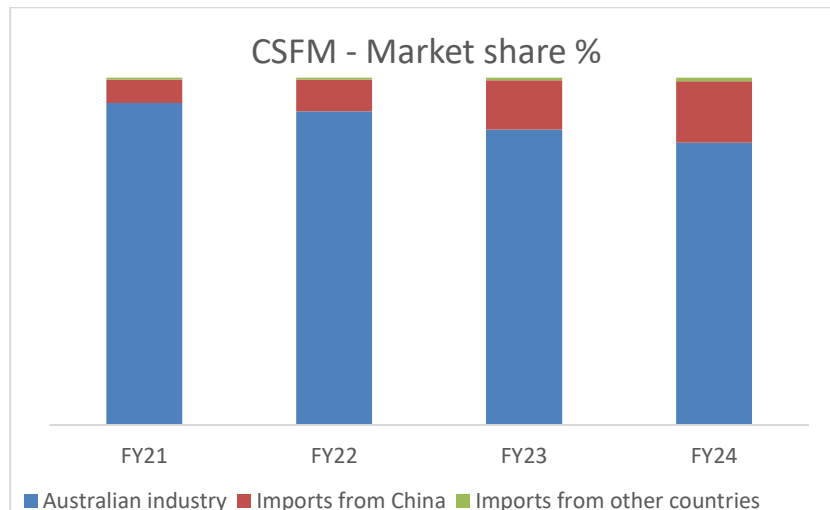
**Figure 9: Rondos production volume (lineal metres)**

Figure 9 shows that Rondo’s production volumes in lineal metres have decreased year on year over the injury analysis period.

Based on the production data the commission considers that the Australian industry as a whole has experienced injury in the form of lower production volumes during the investigation period.

### 8.3.3 Market share

Figure 10 depicts the market share for CSFM, which shows the estimated market share of the Australian industry and imported CSFM over the injury analysis period.<sup>85</sup>



**Figure 10: CSFM market share in sales volume**

Figure 10 demonstrates that the Australian industry’s market share has steadily declined over the injury analysis period, while imports from China and other countries have increased. China was the largest source of these imports.

Based on this analysis, the commission considers that the Australian industry has experienced injury in the form of reduced market share during the investigation period.

## 8.4 Price suppression and depression

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs.

The commission examined pricing for all goods and separately for battens and furring channels. The commission’s analysis identified that:

- Assessed as combined CSFM, Rondo did not experience price suppression and price depression.

<sup>85</sup> The methodology for estimating the market share is outlined in chapter 5, at section 5.2.7.

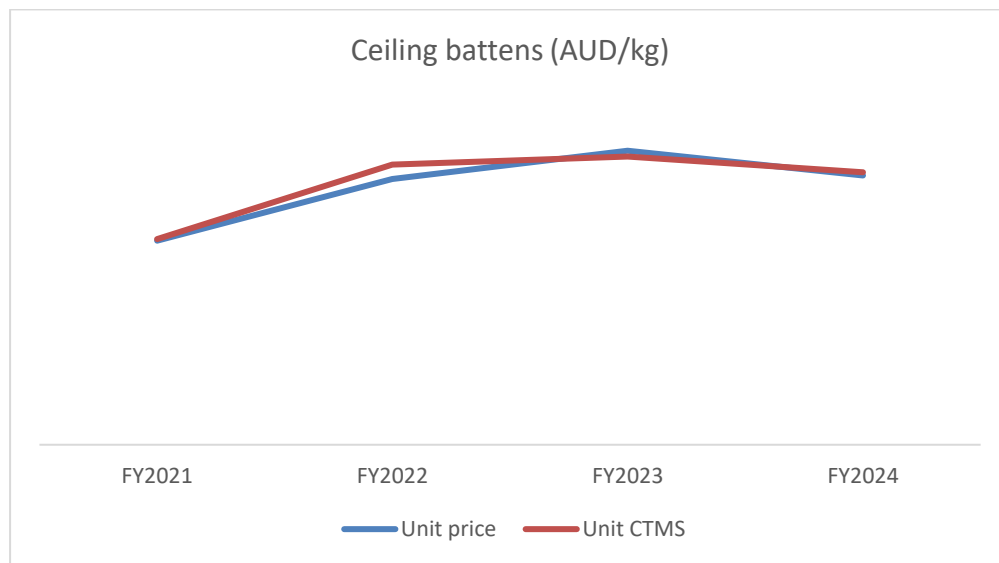
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- Rondo experienced price suppression and price depression in the battens segment.
- Rondo did not experience price suppression and price depression in the furring channels segment.
- When assessed as the combined CSFM goods, the price suppression and depression in the ceiling battens segment was not as evident.

Further details of the commission's analysis is below.

### 8.4.1 Ceiling battens segment

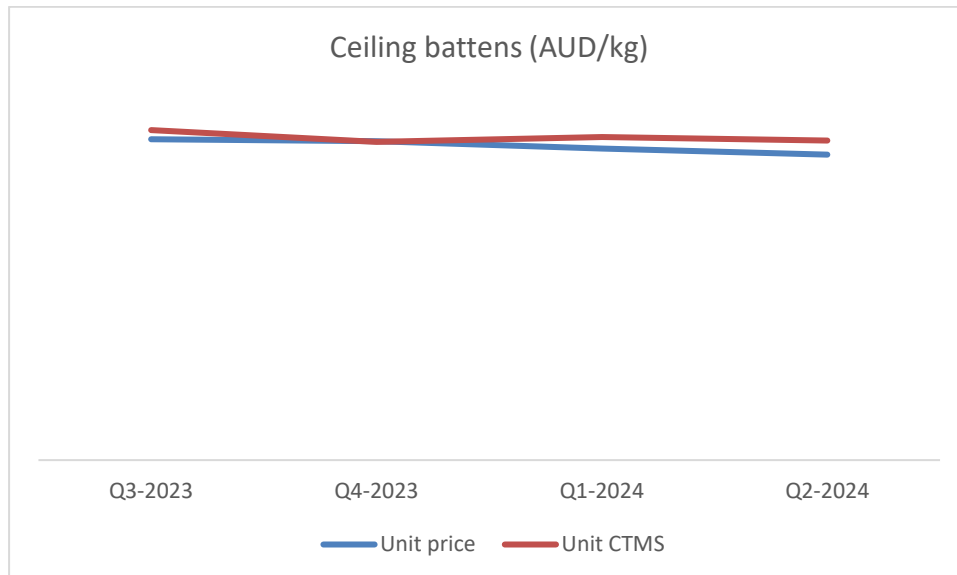
The commission examined whether price suppression and price depression may have occurred at the battens segment level.



**Figure 11: Unit price and unit CTMS (Ceiling battens)**

In the ceiling battens segment, there is a small difference between Rondo's unit selling price and its unit CTMS and this trend persisted across the whole injury analysis period. During the investigation period unit sales revenue reduced, being indicative of price depression.



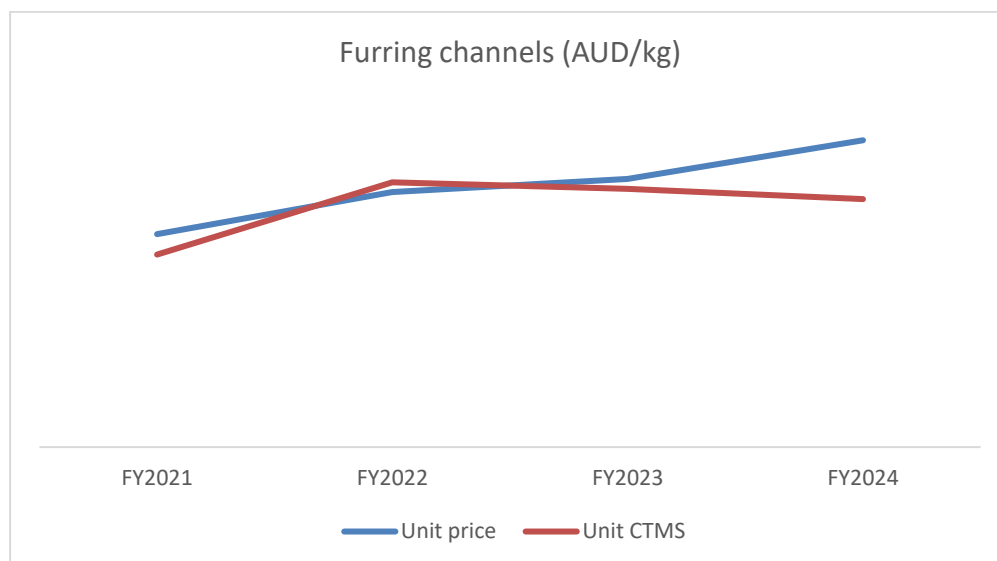


**Figure 12: Quarterly unit price and unit CTMS (Ceiling battens) for FY2024**

When examined on a quarterly basis in the investigation period, unit CTMS increased above the unit price which is indicative of price suppression.

As a consequence, the commission is satisfied that Rondo experienced price suppression and price depression in the battens segment during the investigation period.

#### 8.4.2 Furring channel segment

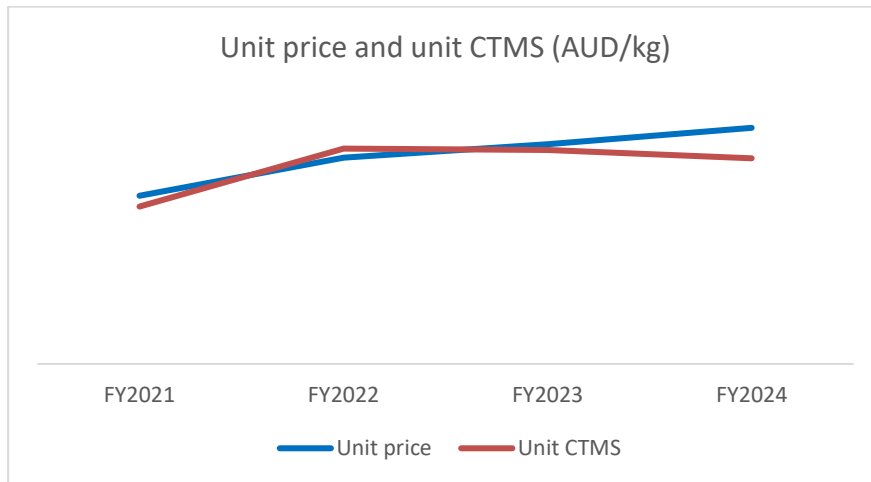


**Figure 13: Unit price and unit CTMS (Furring channels)**

Figure 13 shows that the selling price and CTMS for furring channels were relatively aligned between FY2021 and FY2022. However, from FY2023 Rondo's selling price was on an upward trend while costs trended downwards. The margin between price and CTMS in FY2024 was the largest seen in the injury analysis period.

The commission considers that Rondo has not experienced price suppression and price depression in the furring channels segment of the goods.

### 8.4.3 All goods



**Figure 14: Unit price and unit CTMS (CSFM)**

Figure 14 shows that at the combined goods level (which includes both ceiling battens and furring channels), Rondo's unit price has steadily increased year on year over the injury analysis period while unit CTMS peaked in FY2022 before steadily declining. In FY2024, the margin between the unit price and unit CTMS was the largest seen over the injury analysis period.

In FY2024, furring channels saw a greater margin between unit price and unit CTMS than at the combined goods level. In contrast, unit CTMS was below unit price for ceiling battens during FY2024. Ceiling battens make up about one third of the Australian industry's CSFM sales, with furring channels making up the remainder.

The commission considers that at the overall CSFM level, the price suppression and depression in the ceiling battens segment was not as evident.

## 8.5 Profits and profitability

The commission examined profit and profitability for all goods and also for battens and furring channels separately. The commission's analysis identified that:

- Rondo experienced injury in the form of lost profit and profitability during the investigation period in the battens segment.
- Rondo did not experience injury in the form of lost profit and profitability during the investigation period in the furring channels segment.
- When assessed across all goods, Rondo experienced injury in the form of lost profit and profitability during the investigation period.

Further details of the commission's analysis is below.

### 8.5.1 Ceiling battens segment

The commission finds that Rondo has experienced injury in the form of lost profit and profitability during the investigation period within its ceiling battens segment of the goods. This is reflected in Figure 15.

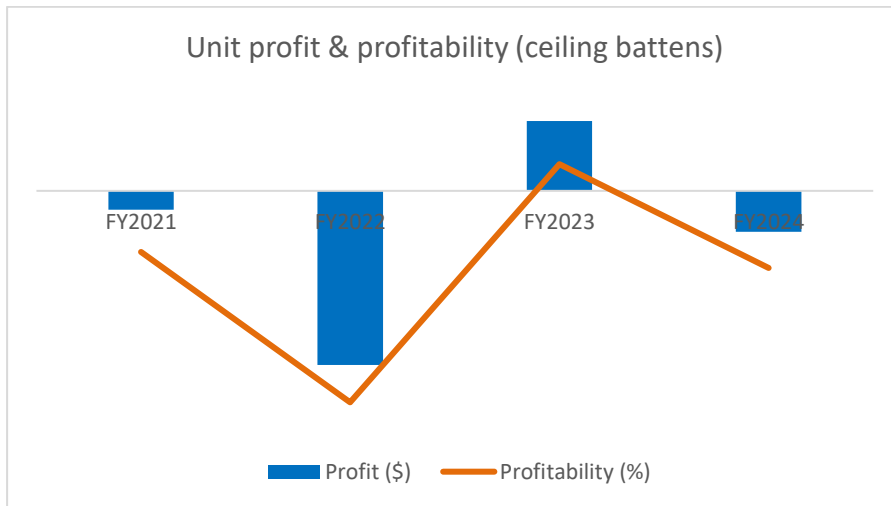


Figure 15: Profit and profitability (ceiling battens)

### 8.5.2 Furring channel segment

During the investigation period, Rondo achieved its highest unit profit and profitability within the furring channels segment. This indicates that Rondo has not suffered profit and profitability injury within the furring channels segment.

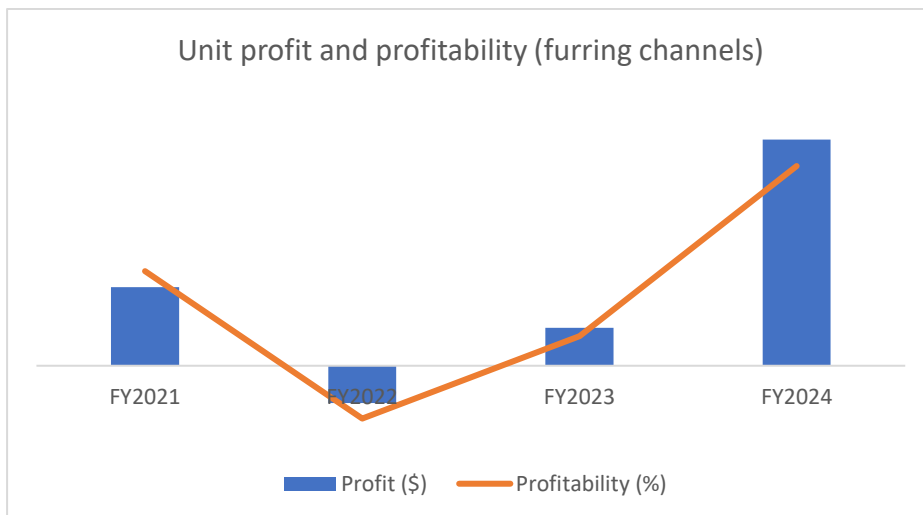
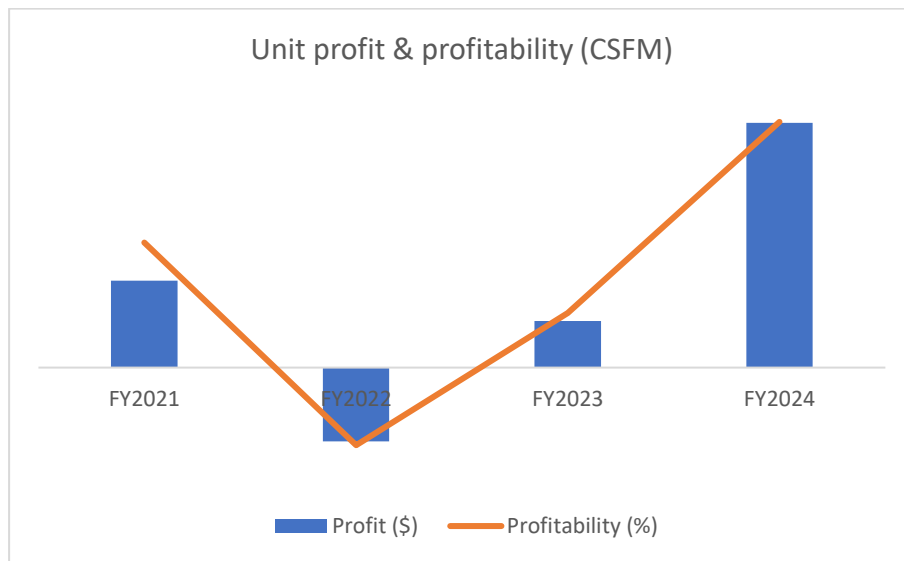


Figure 16: Profit and profitability (furring channels)

### 8.5.3 All goods



**Figure 17: Profit and profitability (CSFM)**

Figure 17 shows that for the overall goods, aside from FY2022, Rondo was profitable in over the injury analysis period. There was a continuing improvement in profit and profitability from FY2023 to FY2024.

Given that furring channels make up a greater proportion of Australian industry sales, the profitability of furring channels has weighted the overall picture. At the overall CSFM level, the profit and profitability injury in the battens segment was not as evident. However, the effect of the negative profit and profitability in the battens segment has meant that the Australian industry has suffered overall lost profits and reduced profitability.

## 8.6 Other economic factors

As part of its application, Rondo provided data for the period covering FY2021 to FY2024 in relation to a range of other economic factors that may also be indicative of injury to the Australian industry. Rondo claims that it has experienced material injury in the form of:

- decline in asset values
- reduced capital investment
- reduced return on investment
- reduced capacity utilisation
- reduced productivity.

### 8.6.1 Assets

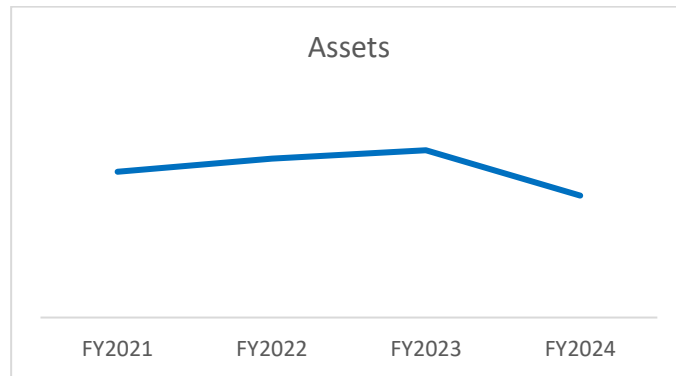


Figure 18: Index – Value of assets (\$)

Figure 18 depicts the value of Rondo’s assets used in the production of like goods from FY2021 to FY2024. The value of Rondo’s assets increased from FY2021 to FY2023 before declining in the investigation period (FY2024).

### 8.6.2 Capital investment

The commission noted that Rondo did not make any capital investments relating to the production of like goods in financial years 2021, 2022 and 2023. There was an amount of capital investment in FY2024 indicating that Rondo’s capital investment increased in the investigation period.

### 8.6.3 Return on investment

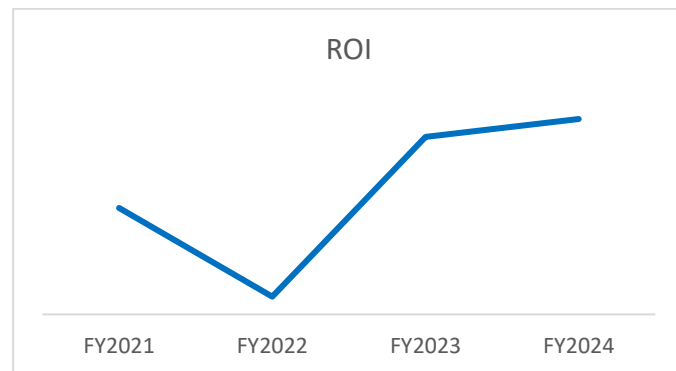


Figure 19: Index – Return on investment (\$)

Figure 19 shows that Rondo achieved its highest ROI in FY2024, being the investigation period.

#### 8.6.4 Capacity utilisation

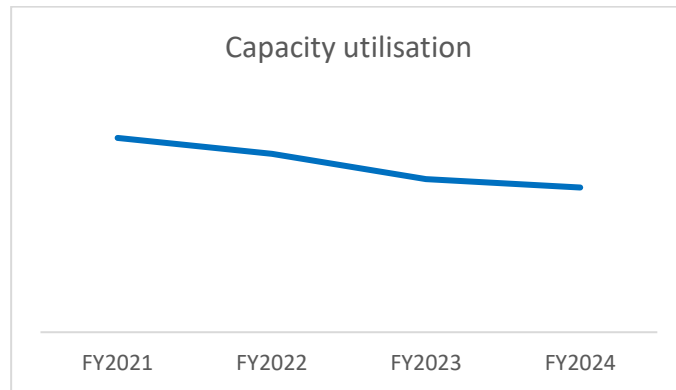


Figure 20: Index – Capacity utilisation (production units)

Figure 20 shows that Rondo's capacity utilisation has declined year on year across the injury analysis period.

#### 8.6.5 Productivity

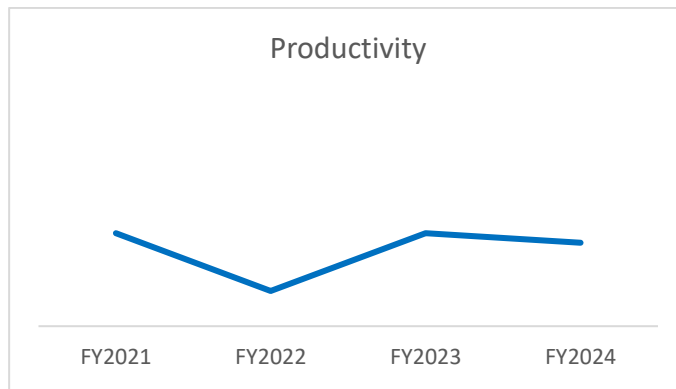


Figure 21: Index – Productivity (production units)

Figure 21 shows that Rondo's productivity has fluctuated during the injury analysis period. Productivity was at its lowest level in FY2022 before recovering in FY2023. During the investigation period, Rondo experienced a decline in productivity relative to its peaks in FY2021 and FY2023.

#### 8.6.6 Revenue

Whilst Rondo did not claim lost revenue injury, the commission assessed Rondo's revenue over the injury analysis period.

Figure 22 shows that Rondo achieved an increase in revenue year on year from FY2021 to FY2023 before experiencing a decline in revenue during the investigation period.

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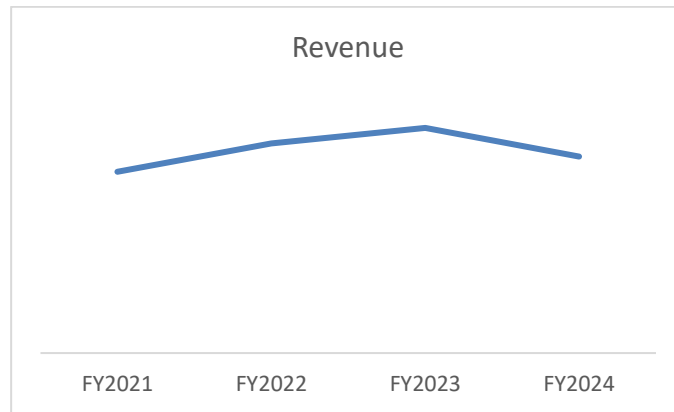


Figure 22: Index – Revenue (\$)

### 8.7 Conclusion

The commission considers that the Australian industry has experienced injury over the injury analysis period in the form of:

- lost sales volume
- lower production volumes
- price suppression and depression in the battens segment, but not in the furring channels segment
- reduced profitability and profit
- decline in asset values
- reduced capacity utilisation
- reduced productivity
- reduced revenue

## **9 HAVE DUMPING AND SUBSIDISATION CAUSED MATERIAL INJURY?**

### **9.1 Finding**

The Commissioner is satisfied that the injury to the Australian industry caused by dumped and subsidised goods exported to Australia from China is material.

In relation to volume effects:

- The Australian industry's market share declined in the investigation period to the lowest level seen over the injury analysis period.
- The total sales volume of the Australian market reduced in the investigation period by 13%.
- Whilst some Australian industry manufacturers have likely lost volume due to this contraction in market size and due to competition between Australian industry members, the commission considers that part of the Australian industry's volume injury was also caused by the presence of dumped and subsidised goods from China.
- The increased volume of dumped and subsidised imports in FY2024 equated to 0.6% of the total Australian market. When assessed against the Australian industry's sales volume, the increased import volume equated to 0.7% of the total Australian industry's sales volume for FY2024.

In relation to price effects:

- The prices of imported dumped and subsidised goods have undercut the Australian industry's prices.
- For the ceiling battens segment of the goods, price undercutting has caused price suppression and depression. The Australian industry has suffered declining sale prices for ceiling battens over the investigation period despite increasing costs.
- Whilst price suppression and price depression is not evident in the furring channels segment, when assessed for the goods as a whole, the price suppression and depression from ceiling battens has caused the Australian industry to suffer an overall reduction in revenue.

In relation to profit effects:

- The Australian industry has experienced negative profit and profitability in the ceiling battens segment of the goods.
- Whilst this injury was not evident in the furring channels segment, when assessed for the goods as a whole, the Australian industry has suffered injury in the form of reduced profits and profitability during the investigation period. The profit injury experienced in the ceiling battens segment of the goods has contributed to the Australian industry's overall profit and profitability being 4% lower than what it otherwise could have achieved in the absence of dumped and subsidised goods from China.

Other economic factors have also shown decline in the investigation period in the presence of dumped and subsidised imports from China.



When considered in totality, the Commissioner is satisfied that the injury experienced by the Australian industry caused by dumped and subsidised goods is material, given that it is not immaterial, insubstantial or insignificant.<sup>86</sup> Therefore, the Commissioner is satisfied that exports of the dumped and subsidised goods from China caused material injury to the Australian industry producing like goods.

The Commissioner's relevant findings of fact and evidence in respect of this conclusion are based on the evidence as it relates to the overall CSFM market. Where it is necessary to differentiate between the two segments of the goods in its analysis, the commission has specified this throughout this chapter.

## **9.2 Legislative framework**

Under sections 269TG, 269TJ and 269TJA of the Act, one of the matters that the Minister must be satisfied of in order to publish a dumping duty and/or countervailing duty notice is that, because of dumping and subsidisation, the Australian industry has experienced material injury.

Section 269TAE(1) of the Act outlines the factors, to which the Commissioner has had regard, and that may be taken into account when determining whether material injury to an Australian industry has been, or is being, caused or threatened.

Section 269TAE(2A) of the Act requires that regard be had to the question as to whether any injury to an industry is being caused by a factor other than the exportation of the goods, and provides examples of such factors.

Section 269TDA of the Act sets out the circumstances in which the Commissioner must terminate an investigation. If the Commissioner is satisfied that the injury, if any, to an Australian industry, that has been, or may be, caused by goods exported to Australia from a particular country of export, is negligible, then the Commissioner must terminate the investigation in relation to that country:

- in relation to an application for a dumping duty notice, pursuant to section 269TDA(13) of the Act
- in relation to an application for a countervailing duty notice, pursuant to section 269TDA(14) of the Act.

## **9.3 Approach to causation analysis**

As outlined in chapter 8, the commission considers that the Australian industry has experienced injury in the investigation period in the form of lost sales volume, reduced market share, lower production volumes, reduced profitability, a decline in asset values, reduced capacity utilisation, reduced productivity and a reduction in revenue.

The commission has also observed price suppression and depression injury in the ceiling battens segment of the market, which forms a smaller proportion of the market compared to furring channels. No price injury was observed in the furring channels segment.

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<sup>86</sup> [ADN 2012/24, New Ministerial Direction on Material Injury](#)

This injury suffered by the Australian industry has coincided with the presence of dumped and subsidised goods from China. This section will analyse whether dumping and subsidisation caused injury to the Australian industry and whether that injury is material.

The commission has had regard to the Act, the Manual and the *Ministerial Direction on Material Injury 2012* (Material Injury Direction)<sup>87</sup> when completing this assessment.

Section 269TAE of the Act outlines the requirements for determining whether material injury to an Australian industry is caused by dumping (causation). The Act envisages that causation is examined through the links between the volume of dumped and subsidised goods and their effect on prices in the Australian market and the consequential impact on the Australian industry. Certain analytical tools are available to the commission to perform causation analysis. The Act does not prescribe any particular methodology for performing causation analysis, which is inherently a qualitative assessment based on all available evidence.

Chapter 22 of the Manual states that the most common way to perform causation analysis is by using a 'coincidence analysis'. Where there is a coincidence in timing between declines in the Australian industry's economic indicators and the volume and price trends of dumped and subsidised imports, this may be taken to mean there is a causal link.<sup>88</sup> This involves comparing the state of the Australian industry in the investigation period to a point in time prior to the injury having commenced. Another approach would be to use a 'but for' analytical method, positing what would have happened in the Australian domestic market 'but for' the presence of the dumped and subsidised goods.

The following evidence was examined for the purposes of assessing injury and causation in the SEF:

- Verified data from the Australian industry regarding volume, price, and profit effects during the injury analysis period and investigation period.
- Verified sales and import data from Intex, a participating importer, to determine export prices, selling prices to Australian customers and associated import costs.
- Information from the ABF import database to determine import volumes.
- The broader context of the economic condition of the Australian industry.

The data supporting the commission's analysis of causation (volume and price effects), as detailed in the remainder of this chapter, is at **Confidential Attachment 7**.

## 9.4 Australian industry's injury claims

In its application, Rondo claimed that:

- There is a direct correlation between the ongoing presence and increase in volumes of CSFM imported from China and the Australian industry's decline in annual sales volume and market share for the like goods.

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<sup>87</sup> *ibid.*

<sup>88</sup> [The Manual](#) (December 2021) p 99.

- The Australian market has declined over the injury analysis period while China has maintained its presence resulting in a material loss of market share for the Australian industry.
- There is a correlation between the Australian industry's quarterly selling prices for the like goods and the annual FOB export prices for the dumped and subsidised imports because Rondo have had to suppress its price increases in response to the presence of dumped and subsidised imports. This was most prevalent during the investigation period.
- Rondo competes on price to maintain production volume. The Australian industry's prices have been undercut and that Rondo would have achieved higher prices in the absence of CSFM exported from China at dumped and subsidised prices.
- Rondo alleges that dumped and subsidised goods have been exported from China at sufficient volumes and at sufficiently low prices to cause material injury to the Australian industry producing like goods.

## **9.5 Size of the dumping and subsidy margin**

### **9.5.1 Size of the dumping margin**

Section 269TAE(1)(aa) of the Act provides that in assessing material injury, regard may be given to the size of each of the dumping margins worked out in respect of the goods exported to Australia.

The commission has calculated the dumping margin to be 128.5%.

### **9.5.2 Size of subsidy margin**

Section 269TAE(1)(ab) of the Act provides that in assessing material injury, regard may be given to the size of each countervailable subsidy margin worked out in respect of the goods exported to Australia.

The commission calculated a countervailable subsidy margin to be 4.5%.

### **9.5.3 Commissioner's assessment of the dumping and subsidy margin**

The Commissioner considers that the dumping and subsidy margins provided exporters with the ability to offer the goods to importers in Australia at prices lower than if there was no dumping and subsidisation.

## **9.6 Volume effects**

The commission finds that the Australian industry has experienced injury in the form of lost sales volume and reduced market share during the investigation period.

### **9.6.1 Injury claims relating to volume**

In its application, Rondo claimed that it has been unable to maintain and/or increase sales volume across the injury analysis period, which has been reflected in its material loss of market share to dumped and subsidised imports from China.

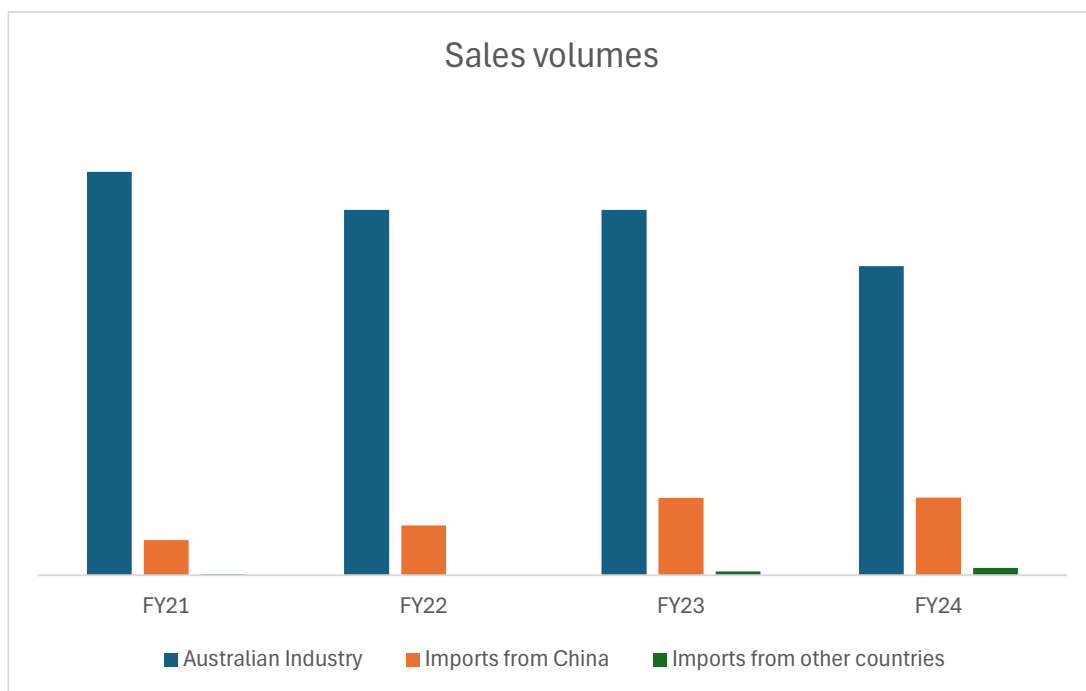
Rondo submitted that imports from China have increased year on year from FY2021 which has led to a decline in the Australian industry's market share. The increased presence of imports from China has translated to a material loss of market share for the Australian industry.

As outlined in the following sections, the commission has found that the Australian industry has experienced injury in the form of lost sales volume and reduced market share. A decline in the Australian industry sales volume coincided with an increase in imports from China and imports from non-subject countries. This is particularly evident by an increase in ceiling batten volumes, and to a lesser extent, furring channels.

The commission also finds that the Australian industry has experienced lost sales volumes due to other factors not related to the dumping and subsidisation of goods from China. These factors are discussed at section 9.11.

### **9.6.2 Sales volume, production volume and market share**

As outlined in sections 8.3.1 and 8.3.2, the commission estimates that Australian industry has seen a consistent decline in sales volume over the injury analysis period which has coincided with increasing import volumes from China and other countries.



**Figure 23: Australian market volumes (kg)**

As shown in Figure 23, import volumes have been increasing year on year over the injury analysis period while the Australian industry's sales volume declined from its high in FY2021, remained stable over FY2022 and FY2023 before experiencing its largest decline in the investigation period. Between FY2023 to FY2024, import volumes from China rose by just over 10%, while the Australian industry's sales volume dropped by just over 15%.

In its submission dated 22 October 2025,<sup>89</sup> Rondo claimed that it has suffered material injury as a result of lost market share, referencing the *Ministerial Direction on Material Injury 2012* which directs that a decline in an industry's rate of growth may be just as relevant as movement from growth to decline.<sup>90</sup> Rondo stated that this Direction recognises that the concept of injury encompasses both foregone market opportunity and consequently foregone revenues – both injury types which Rondo stated have been established in this investigation.

The commission has assessed the sales volume and market share of Rondo and that of the Australian industry producing like goods over the injury analysis period.

Table 14 depicts an index of the sales volume for Rondo, the Australian industry as a whole and the total Australian market. It also includes an index of the import volume of the goods from China over the injury analysis period, which the commission notes has more than doubled when compared to the FY2021 base year.

	FY2021	FY2022	FY2023	FY2024
Rondo	100	95	94	75
All Australian industry	100	91	91	77
Total Australian market	100	93	99	88
Import volume from China	100	125	204	226

**Table 14: Index of sales and import volume**

The commission found that the total Australian market for CSFM contracted in the investigation period and was the lowest seen in the injury analysis period. While the sales volumes for Rondo and the Australian industry as a whole declined in FY2024, imports from China have grown year on year over the injury analysis period.

The commission also found that Rondo and the Australian industry's market share fluctuated during the injury analysis period. During the investigation period, the market share of both Rondo and the Australian industry as a whole declined relative to the previous peak in FY2023. Rondo's market share declined at a greater rate than the Australian industry. However, the market share for both Rondo and the Australian industry was higher when compared to the FY2021 base year.

Based on its analysis of sales volume and market share, the commission considers that the Australian industry suffered injury in the form of lost sales volume and experienced reduced market share relative to the previous peak of FY2023.

With regards to Rondo's claims regarding foregone revenues due to lost market share, this is further discussed in section 9.6.2.

The commission finds that the Australian industry experienced injury in the form of lost sales volume which has coincided with an increase in import volumes from China. This increase in import volumes during the investigation period has contributed to the Australian industry experiencing injury in the form of lost sales volume, reduced production volume and reduced market share. The commission has also considered

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<sup>89</sup> EPR 653, item no 20.

<sup>90</sup> [ADN 2012/24, New Ministerial Direction on Material Injury](#)

factors other than dumping that have caused volume injury and these are discussed below in section 9.11.

## **9.7 Price effects**

### **9.7.1 Injury claims relating to price**

Rondo claimed in its application that Australian industry prices have been undercut by dumped and subsidised imports and that the systemic underselling and price undercutting caused the Australian industry to experience price depression and price suppression. Rondo claimed that it would not have otherwise experienced this injury if not for the offers for sale of dumped and subsidised goods.

### **9.7.2 Price undercutting assessment**

As detailed in section 8.4, the commission found that during the investigation period, the Australian industry experienced price suppression and price depression in the ceiling battens segment. The commission also found that the Australian industry did not experience price suppression and price depression in the furring channels segment during the investigation period.

To assess whether dumped and subsidised exports from China have caused these price effects, the commission has undertaken price undercutting analysis. The commission typically conducts an undercutting analysis as part of assessing whether the price of imports has affected the Australian industry's prices.

As outlined in section 3.3, the goods description the subject of Rondo's application includes ceiling battens and furring channels. To assess whether the price effects impacted both segments of the goods similarly, the commission conducted price undercutting analysis of ceiling battens and furring channels separately at the product level.

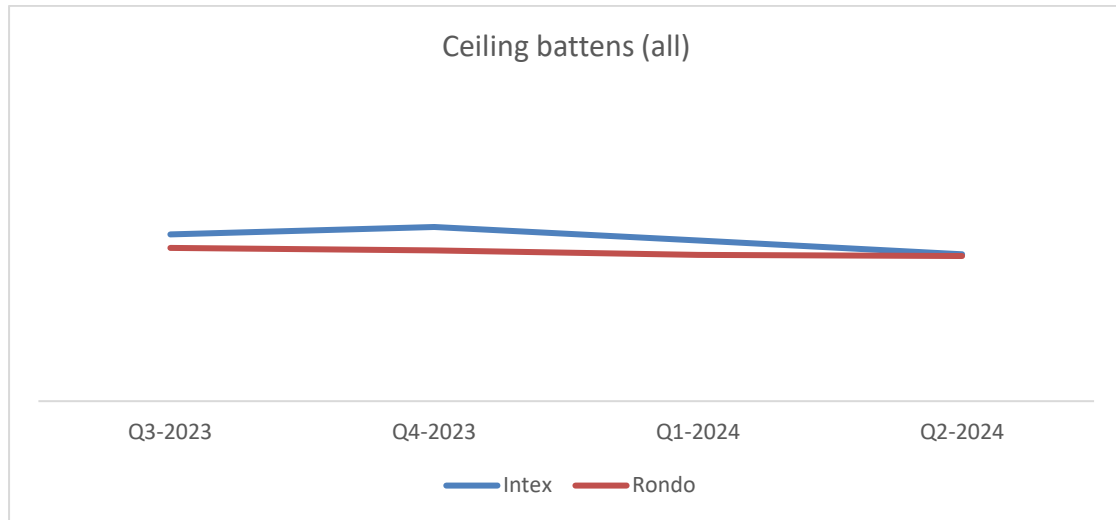
Notwithstanding some specification differences (when assessed within the MCC framework) between the goods offered for sale by Rondo and the largest importer Intex, the commission found that the goods sold by the two entities are functionally alike. The commission compared goods at the product code level, based on Rondo's and Intex's respective product codes for the goods, as it offers a more direct comparison of the products sold in the Australian market.

#### **Ceiling battens – undercutting analysis**

The commission has undertaken an analysis of the price undercutting claims made by the Australian industry based on verified sales data provided by Rondo and Intex. The commission noted during the verifications of Rondo and Intex that ceiling battens sold by Rondo and Intex have some specification differences, however, the goods offered by each entity are functionally substitutable and are considered commodity products. Given that there is little product differentiation and given the substitutability of the Australian manufactured ceiling battens and those imported from China, the commission considers that price is a key consideration in customers' purchasing decisions.

### Overall pricing trend

The commission observed pricing at aggregate level to identify any overall trend. This analysis indicated that Rondo's weighted average selling prices were steadily declining over the investigation period. However, Intex's price declined more significantly in the last three quarters as illustrated in Figure 24.



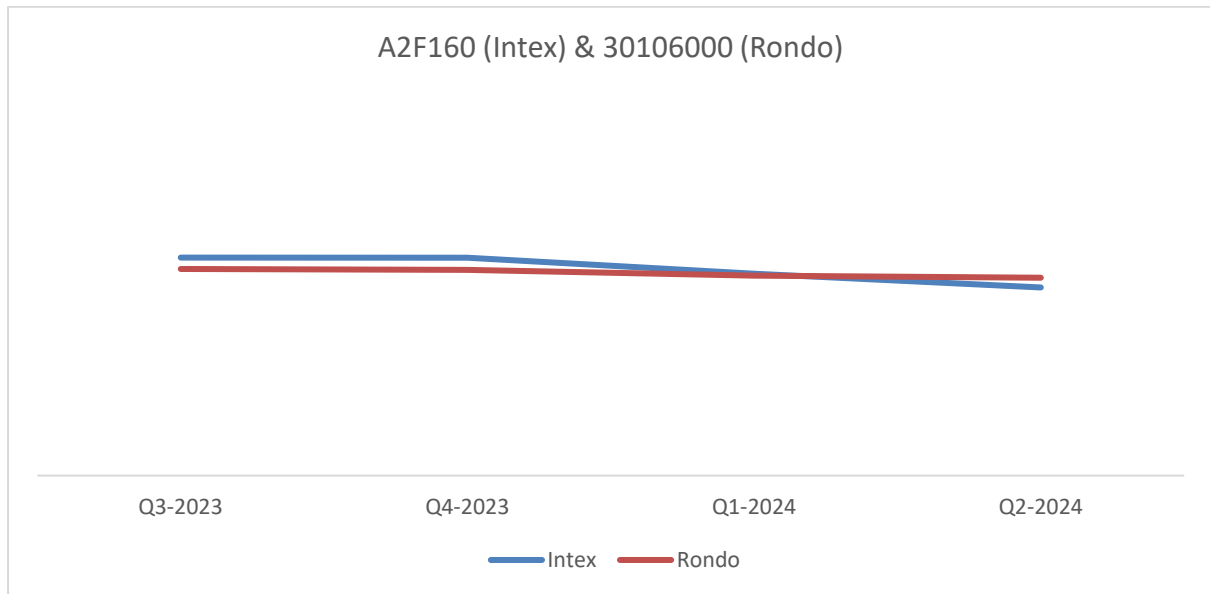
**Figure 24: Ceiling battens price comparison**

### Undercutting analysis at model level

The commission conducted undercutting analysis at the individual product level. The commission considers that this is preferable as it allowed for a more accurate and direct price comparison. **Error! Reference source not found.** The commission compared two batten models sold by Rondo against Intex's equivalent models. These two models made up the greatest volume of sales by both companies and had comparable specifications.

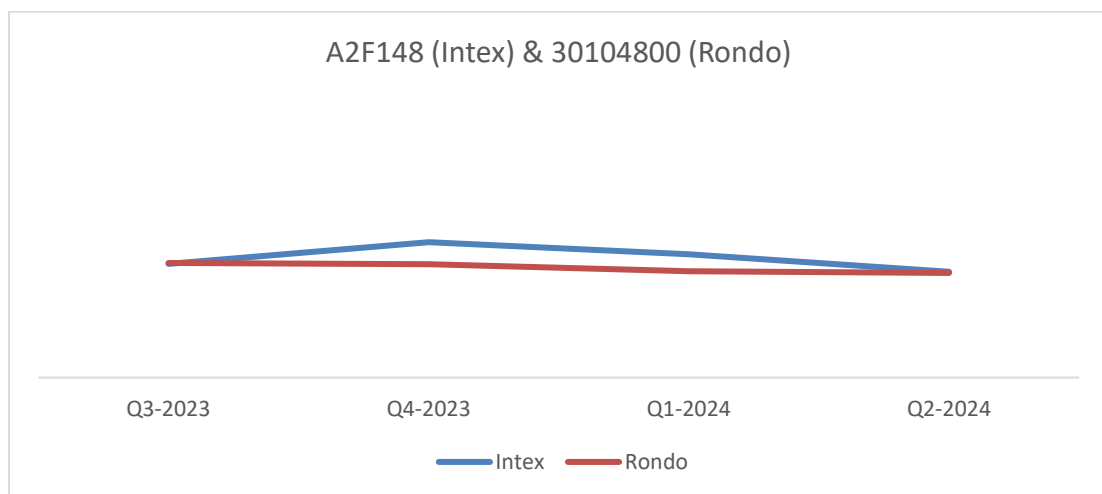
The commission examined Rondo's ceiling battens model 30106000 and Intex's equivalent model A2F160 at the same level of trade, which are also their highest selling models by volume. For these two equivalent models examined, price undercutting was observed in the last quarter of the investigation period. The commission noted that for the first two quarters of the investigation period, Intex's prices were marginally higher than Rondo while in the third quarter, both Rondo and Intex's prices were almost the same. This is reflected in Figure 25.

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**Figure 25: Price comparison models A2F160 (Intex) & 30106000 (Rondo)**

The commission also examined Rondo's ceiling batten model 30104800 and Intex's equivalent model A2F148 at the same level of trade as these were another equivalent ceiling batten product that was sold by both Rondo and Intex. The commission noted that undercutting by Intex was inconsistent, being identified in 3 of the 12 months examined. For all other months, Intex's prices were higher than Rondo, although this difference narrowed towards the end of the investigation period. This is reflected in Figure 26.



**Figure 26: Price comparison models A2F148 (Intex) & 30104800 (Rondo)**

### Common customers

At the distributor level of trade, the commission identified a number of common customers who have purchased from both Rondo and Intex. The commission compared sale prices and volume for these customers and noted that some customers purchased predominantly from Rondo but supplemented with purchases from Intex in some months. For some other customers, the commission noted that they have begun to purchase from Intex in the later months of the investigation period but have retained some volume from Rondo. In two cases, the purchasing behaviour indicates that these customers have switched their supply from Rondo to Intex as evidenced by the decreasing Rondo volume



and an increase in Intex volume. The commission noted that the prices offered by Intex were generally lower for these customers.

### Assessment of prices

Consistent with the Manual, the commission assessed the level of prices Rondo is likely to have achieved in the absence of dumping. The commission made this assessment by uplifting the selling prices achieved by Intex by the combined dumping and subsidy margin after having applied the lesser duty rule determined and used that uplifted price as a benchmark price that Rondo could be expected to achieve in direct competition unaffected by dumping.<sup>91</sup>

The commission determined that for the 2 highest volume products sold in the Australian market, Rondo would likely have achieved a minimum 10% increase in its prices. This is based on the weighted average price of those 2 product codes.

The commission noted that at a customer level within those 2 product codes there is considerable price variability for both Rondo and Intex, and as such the level of price increase that Rondo could achieve at a customer level would likely vary from this average figure.

The commission considers that in the ceiling battens segment where price is a key consideration in customers' purchasing decisions, Rondo faces greater competition from Chinese imports and is required to reduce price in order to compete with dumped and subsidised imports. Undercutting of Rondo's prices was more evident in the last quarter of the investigation period. However, the commission notes that given the close correlation in pricing between Rondo and Intex, Rondo's prices were likely suppressed over the whole investigation period even during periods where there was no undercutting.

The commission also examined imports from all other countries and noted that across all quarters, imported prices from other countries were also lower than the Australian industry's prices. However, these prices were higher than the equivalent Chinese import prices and these other imports formed a very small proportion of the market for the goods.

### Furring channels – undercutting analysis

The commission identified 10 furring channel products sold by both Rondo and Intex. The commission compared the weighted average price of furring channels over the investigation period and found that Intex sells furring channels between 1% to 27% cheaper than Rondo. However, as noted earlier, price suppression or depression were not seen in the furring channels segment despite being undercut by the largest importer.

The commission identified a small number of common customers between Rondo and Intex. The commission observed that a number of these customers have a clear supplier preference where nearly all their volumes are purchased from the one supplier. For other customers, their pattern of purchases shows that they obtain supply from both suppliers, indicating competition within the furring channels market. For one customer who makes

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<sup>91</sup> Using the lesser rate of duty detailed in chapter 11.

up 0.3% of Rondo's sales, there is evidence that this customer has commenced purchasing from Intex from the first quarter 2024.

Based on this analysis, the commission considers that although some customers obtain furring channels from both domestically produced sources and imported sources, this number is small and the volume they purchase are also small when compared to the overall furring channels market.

This can be distinguished from battens where the commission has found evidence of price suppression/depression.

### **9.7.3 Effects of price undercutting**

The commission considers that purchases of ceiling battens from China at dumped and subsidised prices have allowed Australian importers to maintain lower prices and provide a margin of undercutting or close pricing over Australian like goods. This has resulted in the price suppression and depression as evidenced by the Australian industry's declining sale prices over the investigation period and its inability to raise prices in line with costs.

Undercutting and close pricing of ceiling battens have placed pressure on the Australian industry to lower its prices and contributed to lost sales volume. This can be seen in the evidence provided by Rondo of lost batten sales, further discussed in section 9.9.

In the furring channels segment, the commission observed that, while price undercutting was evident, the undercutting did not have the effect of suppressing or depressing the Australian industry's prices in the investigation period. The Australian industry was able to increase its prices to the highest level seen in the injury analysis period while its costs have declined.

Both goods exported from China and other countries were lower priced than the Australian industry, however, the price difference between the Australian industry's prices and that of Chinese goods was greater than the difference between imports from other countries. The volumes of imports from other countries were also not significant.

The commission assessed the effects of price undercutting across the overall goods and noted that the undercutting observed in the ceiling battens segment had the effect of reducing the margins between price and costs.

### **9.7.4 Relationship between price and costs**

The commission examined the relationship between price and cost over the injury analysis period and noted that Rondo's CTMS moved in tandem with the raw material costs, which makes up approximately 90% of the total variable manufacturing costs.

#### **Battens**

In the ceiling battens segment, the commission observed that price and costs also moves in line with the fluctuations in raw material costs. However, with the exception of 3 quarters of the injury analysis period, Rondo was unable to achieve a selling price greater than its costs. In a market where prices are not depressed, the commission would expect that a business would be able to achieve selling prices that would meet or exceed its costs.

### Furring channels

For furring channels, Rondo's selling prices also moved in the same direction as its costs indicating that Rondo adjusts its prices in response to the movement in raw material costs.

With the exception of Q1 2022 where Rondo's furring channels selling prices declined while raw materials and CTMS increased, all other quarters within the injury analysis period saw Rondo respond to changes in costs by adjusting its own selling prices to maintain margins. The commission noted that in the first quarter of the investigation period, there was a small uptick in raw material costs. Rondo responded by raising its prices to the highest level and at a greater margin than at any other quarter in the injury analysis period where there were similar raw material price increases. Raw material costs declined during the investigation period and Rondo responded by lowering its prices in line with the movement in raw material costs but have maintained an elevated profit margin over the whole period.

### Conclusion

In its submission dated 22 October 2025, Rondo stated that the growth in CSFM share has been on the back of price and that price is the only lever that has caused material injury to the Australian industry.<sup>92</sup> The commission agrees with Rondo, only to the extent that it relates to ceiling battens. The commission's analysis shows that Rondo sets its furring channel prices based on the movement in raw material costs which makes up more than 90% of its total variable manufacturing costs. Import price competition, although a consideration, is not the key consideration for Rondo in pricing furring channels.

The commission considers that in the ceiling battens segment, Rondo faces greater competition from Chinese imports and is required to lower its prices in order to compete with dumped and subsidised imports. In this commodity segment, the Australian industry is therefore more sensitive to price competition and has been injured by dumped and subsidised goods from China.

## **9.8 Profit effects**

As outlined in section 8.5, the commission considers that during the investigation period, the Australian industry experienced injury in the form of lost profit and profitability in the ceiling battens segment. The commission also found that the Australian industry did not experience injury in the form of lost profit and profitability in the furring channels segment during the investigation period.

As discussed in section 9.7.2, the Australian industry has suffered price suppression and price depression within the ceiling battens segment of the goods which has led to negative profit and profitability evident within the investigation period. For this segment of the goods, the Australian industry achieved profit and profitability in FY2023, being the only year within the injury analysis period that Rondo was profitable. The commission

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<sup>92</sup> EPR 653, item no 20.

noted that the volume of imports in FY2023 was comparable to FY2024 when Rondo claimed that it has experienced profit injury.

The Australian industry's profit and profitability in the furring channel segment is different to its performance in the ceiling battens segment. Within the furring channels segment, the Australian industry has been able to increase its prices to the highest level seen over the injury analysis period while its costs have declined.

When assessed as the combined goods, the commission's analysis shows that aside from suffering losses in FY2022, the profit and profitability achieved by the Australian industry for the combined goods has been increasing and was the highest over the analysis period.

In its application, Rondo stated that it competes on price in order to maintain production volume. Therefore, the Australian industry's profits (expressed as net gains or loss) and profitability are affected by factors impacting its ability to raise prices sufficient to cover costs.<sup>93</sup>

The commission's verification of Rondo's data shows that for the combined goods which include both ceiling battens and furring channels, the profit and profitability achieved by the Australian industry in the investigation period was the highest seen over the injury analysis period. However, the level of profit and profitability achieved in the furring channels segment was significantly higher than that of ceiling battens. When the two segments were assessed together, the negative profit and profitability in the ceiling battens segment had the effect of lowering the Australian industry's overall profit and profitability.

The commission examined the level of profitability that the Australian industry could reasonably expect to achieve under market conditions that are absent the effects of dumping. As discussed in section 9.7.2, the commission assessed the impact of dumping and subsidisation on the Australian industry's revenue by uplifting the Australian industry's ceiling battens selling prices by the combined dumping and subsidy margin determined, after having applied the lesser duty rule (i.e. 14.5%).<sup>94</sup> The commission then assessed the impact of this revenue foregone and impact on the Australian industry's profitability. In the absence of dumping and subsidisation, the Australian industry could achieve higher revenue and profit leading to an increase in profitability by 4 percentage points.<sup>95</sup>

## **9.9 Rondo's examples of competition with imports**

In its application, Rondo provided the commission with 5 injury case study examples that it claimed shows evidence of price undercutting, price depression and suppression and lost sales to importers of the goods. The commission noted that these examples only related to Rondo's sales of ceiling battens. In 4 of the 5 examples, the Australian

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<sup>93</sup> EPR 653, item no 1, p 25.

<sup>94</sup> Consistent with the commission's stated practice in the Manual at page 109 which states the NIP may be utilised by the commission to assess the materiality of injury caused by dumping [and subsidisation].

<sup>95</sup> Expressed as the arithmetic difference between two percentages.

industry's sales to the customers have declined while in the fifth example, sales to that particular customer were stable.

In 3 of the 5 examples, Rondo alleged that direct competition with Intex, being an importer of dumped and subsidised goods, had caused material injury to the Australian industry. As the commission had access to Intex's verified data, the commission examined Intex's data to determine the veracity of Rondo's claims. In 2 of the examples, the commission observed that Rondo have conceded some sales to Intex but that the revenue lost to Intex was overstated. In the third example, the commission does not have evidence that Rondo's lost sales were due to competition from Intex as the customer did not purchase from Intex.

In a fourth example, Rondo provided evidence that one of its distributors was having trouble competing against Intex's lower prices in the market. As evidence, Rondo provided an Intex price list with comparison to Rondo's prices showing that Intex's prices were between 57% and 71% lower. The commission noted that only one product was relevant to this investigation. The commission also noted that Rondo compared Intex's prices against its own list prices. As the commission has noted in the Australian industry verification report,<sup>96</sup> Rondo negotiates pricing directly with its customers on an individual customer basis with prices set based on a range of factors. Typically, Rondo will provide the customer with a price list with its recommended retail price and then negotiate discounts and rebates. In this instance, the commission considers that Rondo has compared Intex's prices against its own recommended retail prices before any discounts or rebates have been applied. This is not an accurate comparison as it doesn't reflect the actual price paid by Rondo's customers but rather is a starting point for price negotiations. Rondo has also stated in its 12 March 2025 submission that it views its list price as 'non-transparent and irrelevant'.<sup>97</sup>

During the investigation, Rondo provided further evidence demonstrating that it reduced prices for ceiling battens in response to import competition. The commission has considered the evidence and noted Rondo was responding to direct competition from dumped ceiling batten imports by lowering its prices to compete in a segment of goods where price is a determining factor in customer purchasing decisions.

To demonstrate price competition from Chinese exporters, Rondo also provided evidence of quotations it had received for ceiling battens and furring channels manufactured in China. These quotations shows that quoted prices per lineal meter were below Rondo's prices. The commission notes that quoted prices may not be reflective of actual selling prices. Given the unverified nature of this information, the commission did not rely on these quotes. However, the commission considers that Chinese import offers may be used by some customers to negotiate lower prices from the Australian industry and therefore the presence of such offers in the market could affect the way the Australian industry prices its goods.

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<sup>96</sup> EPR 653, item no 17.

<sup>97</sup> EPR 653, item no 8.

## **9.10 Other economic factors**

As outlined in section 8.6, the commission considers that the Australian industry experienced injury in the form of decline in asset values, reduced capacity utilisation, reduced productivity and reduced revenue. As part of its application, Rondo also claimed it had experienced injury in the form of reduced capital investment and reduced return on investment. However, the commission found that Rondos capital investment and return on investment increased in the investigation period.

As outlined in section 9.6, the commission finds that the Australian industry experienced injury in the form of lost sales volume which has coincided with an increase in import volumes from China. This development contributed to a noted decline in asset values, capacity utilisation and productivity related to CSFM. Whilst Rondo did not claim that it experienced reduced revenue, the commission found that a decline in revenue in the investigation period was related to volume loss to imports from China. Therefore, the commission considers that the presence of dumped and subsidised imports contributed to a decline in these other economic factors over the investigation period.

## **9.11 Factors other than dumping and subsidisation causing injury**

Section 269TAE(2A) of the Act states that the Minister must consider whether any injury to an industry is being caused or threatened by a factor other than the exportation of the goods. If so, the Minister must not attribute such injury solely to the exportation of the goods. The section lists the following factors to consider:

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

The commission has examined these factors and other potential causes of injury to the Australian industry, other than dumped and subsidised goods exported from China.

After having regard to these other factors, the Commissioner considers that injury to Australian industry is caused by the presence of dumped and subsidised goods from China undercutting the Australian industry's prices. The following factors are also causes of injury to the Australian industry:

- a contracted domestic Australian CSFM market
- increased competition within the domestic Australian industry, and
- non-price-related factors influencing customer purchasing decisions.

### **9.11.1 Decreasing size of the market**

The commission has found that the market for CSFM declined in FY2024 from the previous financial year, which contributed to the injury experienced by the Australian industry. In a shrinking market, Rondo have conceded market share to imports from China, imports from other countries and other Australian industry members.



The commission has considered numerous sources to understand the conditions in the market, both during the investigation period and the injury analysis period. As noted in chapter 5, furring channels and ceiling battens service different segments of the construction sector. ABS statistics of residential construction shows that the quarterly volume of houses under construction was experiencing a downward trend in the June 2023 quarter, followed by an accelerated decline in FY2024.<sup>98</sup> The declining residential market affected demand for ceiling battens given that these are predominantly used in residential construction.

The commission has found that the conditions in the downstream markets for furring channels were mixed. The upward trend in demand from non-residential building construction over the injury analysis period appears to have moderated and the supply-side and demand-side bottlenecks in residential and non-residential construction have eased, which appear to have partially contributed to an observed fall in demand in FY2024. The commission also notes that building approval statistics published by the ABS have shown a surge in non-residential building approvals in FY2022, followed by a decline in subsequent years. The commission acknowledges that there is a lag between building approvals and building completions, however, the downward trend indicates that the non-residential construction market was contracting during the investigation period.

The commission notes that the contraction in the overall construction market is also reflected in the decline in demand for CSFM as the market for CSFM is closely aligned to the level of construction activity in Australia. In FY2024, the total Australian CSFM market contracted by 13% compared to the previous financial year. In the investigation period, the Australian industry achieved less sales volumes than it had in previous years. This could partially be explained by the decline in the overall Australian CSFM market during the investigation period.

In this declining market, the increased volume of dumped and subsidised imports in the investigation period contributed to increased import volume in FY2024 which equated to 0.6% of the total Australian market. When assessed against the Australian industry's sales volume, the increased import volume equated to 0.7% of the total Australian industry's sales volume for FY2024. The commission considers that this loss of volume to dumped and subsidised imports in a declining market has further materially exacerbated the volume injury suffered by Australian industry.

#### **9.11.2 Competition from other Australian industry manufacturers**

As explored in 9.6.2, Table 14 depicts an index of the volumes for Rondo, all other Australian manufacturers, the Australian market and imports from China. Within the injury analysis period, FY2021 was the peak year where all industry producers achieved their highest sales volume. This was followed by two years of relatively stable volumes before a decline in FY2024. Of all the Australian industry producers, Rondo experienced the greatest decline in sales volume when compared to the previous financial year. Given that other Australian industry manufacturers did not experience the same rate of decline, the

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<sup>98</sup> Australian Bureau of Statistics, [Building Activity, Australia](#), Table 77, Number of Dwelling Unit Under Construction by Sector, States and Territories, 15 October 2025.

commission considers this indicative of Rondo conceding some sales volume to the other Australian industry members.

Therefore, the commission acknowledges that Rondo has lost market share over the injury analysis period to other members of the Australian industry. Nonetheless, the table shows a clear decline in Australian Industry's overall volumes, while imports from China show a corresponding sharp rise, including during the investigation period. The commission considers that this is indicative of the Australian industry losing market share to imports from China.

### **9.11.3 Factors other than price**

The commission considers that there are non-price related factors that are taken into consideration by customers when choosing where to source their supplies of CSFM. The commission does not consider that any one of these factors is decisive in customer purchasing decisions, however, taken together, they have the effect of influencing whether the customer sources their supply of CSFM from local sources or chooses less expensive imported equivalent products.

#### Compliance requirements

As outlined in section 5.2.1, the commission considers that ceiling battens and furring channels operate within two segments of the market. Ceiling battens operate within the commodity segment of the market where price is a determining factor in customer purchasing decisions. As the products are not considered engineered products, the Australian industry faces greater competition from cheaper imports where products in the market compete mainly on price.

Furring channels on the other hand, are engineered specifically to work in a suspended ceiling system, attached to other components manufactured specifically for the ceiling system. Rondo considers that its furring channels operate within the mid-tier project type for installations in apartments, less complex commercial buildings such as schools, retail and accommodation. In this segment of the market, the Australian industry provides moderate support to customers with regards to engineering solutions, on-site technical support and specialised solutions for complex designs. The products are also tested for compliance with AS/NZS 2875 standards and the National Construction Code (NCC) requirements relating to acoustic, fire-rated, wind loading and seismic compliance.<sup>99</sup> These compliance requirements are not applicable to ceiling battens which operate within the commodity segment of the market.

Given the greater regulation and compliance requirements that apply in the non-residential construction market, the commission considers that contractors and builders are likely to also consider choosing products that reduces their non-compliance risks and minimise their chance of project delays.

The commission notes that these compliance requirements are more acute to the furring channel segment as opposed to the ceiling battens segment.

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<sup>99</sup> [AS/NZS 2785](#); [NCC](#)



### Warranty

While it is possible to mix ceiling system components from different suppliers, the commission noted that all Australian manufacturers have strict warranty terms and conditions that would void the warranty if customers were to mix system components. The commission has discussed this in detail in section 5.2.5.

The commission noted that Australian industry manufacturers offer generous warranties that would likely act as an incentive for customers in choosing Australian manufactured products over imported products. An Australian industry member advised the commission that Australian manufactured CSFM are generally perceived as of higher and consistent quality, supported by more stringent quality checks and better documentation which leads to a greater chance of meeting compliance requirements and therefore project sign-offs.

The commission notes that this impact of warranties is only applicable to the furring channel segment and not to ceiling batten segment of the goods.

### Customer considerations

In addition to purchasing compliant products and the warranties offered, the commission considers that other factors including service, availability of products, preference for Australian made goods and the ability of a supplier to provide a holistic and tailored solution are also considered by customers in their buying decisions.

Many distributors of CSFM also offer other building materials such as plasterboard in addition to their walling and ceiling system components. Rondo's major customers at the distributor level also operate in the plasterboard market and stock Rondo CSFM products as part of their product offerings. The largest importer, Intex, also supplies other components for the wall and ceiling industry in addition to their CSFM products. As such, customers purchase CSFM as components of a larger ceiling and walling system. However, it is noted that CSFM products are still an important cost component in the overall purchasing decision.

#### **9.11.4 Submissions concerning factors other than dumping causing injury**

The commission has received several submissions from Intex, which among various other matters, contested the claims that the Australian industry has experienced material injury and that any injury was caused by dumping. The commission also received several submissions from Rondo that directly countered Intex's claims.

### Intex and Rondo submissions

In Intex's submission published 20 February 2025, Intex contested the notion that the Australian industry has experienced material injury during the investigation period, citing the following reasons:

- The goods under consideration are part of a 'wall and ceiling' *system* and should not be treated as standalone goods. On this basis, Intex argued that injury should be measured at the system level instead of at the level of CSFM.

## PUBLIC RECORD

- Intex raised the financial results for Studco, Rondo and Etex as shown in their annual reports for the POI, noting that each industry member had strong overall financial results over the period.
- Strong financial results are based on what Intex argues is the significant pricing power of Australian industry, particularly Rondo. Intex argues this dynamic allowed Rondo to raise its prices and keep them elevated during the injury analysis period.
- Intex argued that imports have a very limited impact on the competitive dynamics in the industry. Intex estimated that Rondo, Studco and Etex control approximately 90% market share, which they argue means that importers have no scope to influence price and profitability of the Australian producers.<sup>100</sup>

On 12 March 2025, Rondo responded to Intex's claims in a submission stating that:

- CSFM are independent products that are installed directly to timber or connected to a clip. Rondo argued that they are decisive in end user preference and that buyers choose between CSFM separate to other wall and ceiling components.
- Rondo argued that the above claim undermines Intex's contestation of the material injury claims and that CSFM can be judged independently of larger wall and ceiling systems.
- Responding to Intex's claim that Rondo's prices were inflated, Rondo noted that the evidence Intex provided is misleading because it did not account for discounts and rebates. On this basis, Rondo described the list price as 'non-transparent and irrelevant'.
- Rondo took issue with Intex's argument that importers like Intex have no scope to influence demand, price or profitability of the large Australian producers. Instead, Rondo claimed that Intex is a significant and expanding presence in the market.<sup>101</sup>

Intex provided a further response to Rondo in a submission on 16 April 2025.<sup>102</sup> Intex reiterated its limited scope to influence the market and pricing power of the large Australian producers. Instead, Intex argued that Rondo and the other major Australian manufacturers use CSFM as a 'loss leader' to lock in demand for their more profitable wall and ceiling systems. Intex claim that this strategy is the driver of any perceived injury on CSFM, which is made up for by the highly profitable sales of wall and ceiling systems. They positioned import competition as negligible relative to competition between the major Australian manufacturers, particularly in the sales of wall and ceiling systems. On this basis, Intex argued that competition in the sale of wall and ceiling systems is driving downwards pressure on CSFM prices and is therefore the key factor causing any perceived material injury to Australian producers.

Rondo provided a further response to Intex in a submission on 10 September 2025.<sup>103</sup> They contested Intex's claim that they are a specialised supplier that has limited scope to influence the domestic market for CSFM. Rondo provided a list of Intex distributors and argued that it has a nationwide presence in the market that supplies a wide range of products. Rondo claimed that imports are highly prevalent and that growth in sales of

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<sup>100</sup> EPR 653, item no 7.

<sup>101</sup> EPR 653, item no 8.

<sup>102</sup> EPR 653, item no 10.

<sup>103</sup> EPR 653, item no 16.

imported CSFM are contributing to the claimed material injury being experienced by Australian industry.

Intex provided a further submission related to their verification visit, which was published on the electronic public record on 23 October 2025. This submission summarised Intex's position with regards to Rondo's claims of injury and causation, reiterating many of the claims made above and providing further observations and evidence for the commission's consideration. The key claims related to CSFM are summarised below:

- Intex reiterated its claim that it is a small, specialised supplier with limited market power, particularly compared with Rondo, Etex and Studco.
- Intex restated its claim that all CSFM should be understood as an interconnected component in a ceiling and wall system and that injury should not be judged at the level of the component.
- Intex claimed that all market participants were affected by a downturn in the market during the investigation period, citing ABS and ASIC data as evidence of a declining market.
- Intex claimed that its operating model relies on specialised service and product innovation. It does not engage in price competition.
- Intex claims that competition among Rondo, Studco and Etex is the only type of competition that influences price and import competition is immaterial to the market.
- Intex claimed that if Rondo has experienced any injury, it has come from lost revenue to Studco and Etex, coupled with a downturn in the market.
- Intex reiterated its claim that Rondo and the other members of the Australian industry had not experienced injury, citing the high profitability of all three, particularly during the investigation period.<sup>104</sup>

Rondo also provided an additional submission, which was published on the electronic public record on 24 October 2025. It contained the following claims:

- Rondo reiterated its position that a surge in dumped and subsidised imports is the primary cause of material injury to Australian industry, asserting that there is a clear causal link between volume loss and import penetration.
- Rondo rejected the prospect that factors other than dumped and subsidised imports can be established as the cause of material injury, including asserting that there is no evidence of a contracting market.
- Rondo claimed that market share among importers of CSFM is highly fragmented and that this means that Intex's views cannot be taken to represent the broader market of importers.
- Rondo reasserted its claim that Intex, and imports more broadly, have influenced price in the market and rejected Intex's assertion that imports have no scope to challenge the pricing power of the Australian industry.
- Rondo rejected Intex's claim that other members of the Australian industry are the primary cause of material injury. Rondo instead reasserts its claim that all

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<sup>104</sup> EPR 653, item no 19.

members of the Australian industry have lost market share to dumped and subsidised imported CSFM.<sup>105</sup>

Intex provided a further submission regarding Rondo's claims of injury and causation, citing Etex's recent marketing campaign 'Siniat. The One'.<sup>106</sup>

- Intex claim this supports their position that Rondo's loss of market share is attributable to Etex rather than imports.
- Intex presented evidence of Etex's perceived competitive advantages over Rondo referring to Etex's acquisition of BGC Group's plasterboard business.

#### The commission's assessment

The commission has considered the competing claims of Rondo and Intex regarding the Australian market and the role of imported CSFM in causing material injury. With respect to Intex's claim that CSFM are components in a wall and ceiling system and should be treated on that basis, the commission has reviewed the available evidence and has found that some CSFM product types are part of systems and others are not. The commission does not agree with Intex's claim that all types of CSFM should be understood as part of a 'wall and ceiling system', noting the differences between furring channels and ceiling battens. As noted in chapter 5, ceiling battens are a commoditised product, and price is a determining factor in customer purchasing decisions. Battens are typically installed directly to timber and not attached to any other component, and the Australian industry faces direct import competition in this product category.

On the other hand, furring channels are typically part of a ceiling system and there is very limited mixing and matching between brands with regards to different components within the ceiling system. Furring channels are designed to specifically fit other components in the same trademarked ceiling systems. Additionally, each brand offers buyers warranties that protect the supplier from competition on the level of individual componentry. Therefore, the commission concedes that the inclusion of furring channels within CSFM complicates the picture with regards to differentiating between products and product systems. The commission notes that all the major Australian manufacturers market furring channels as a component in trademarked ceiling systems, which partially insulates the Australian industry from import competition, particularly at the level of the component.<sup>107</sup> Although distributors and sub-contractors can purchase furring channels individually and they are invoiced separately, the trademarked and engineered systems that are protected by warranty, such as Rondo's 'KEY-LOCK' concealed suspended ceiling system, limits many downstream users from swapping out Rondo's furring channel for an import substitute.

With respect to Intex's claim that the strong financial results reported by the major players in the Australian industry contradict claims that the industry has experienced material injury during the investigation period, the commission considers that these results do not

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<sup>105</sup> EPR 653, item no 20.

<sup>106</sup> EPR 653, item no 21.

<sup>107</sup> Furring channels are marketed as a product that are designed as part of ceiling system, as shown on the website of each major supplier e.g.: Intex [Furring Channel 28 x 0.5 BMT 3600mm](#), Intex [Furring Channel 28 x 0.5 BMT 6000mm](#), Rondo [308 Furring Channel](#), Siniat [Furring channel](#), Studco Building Systems [Furring Channels 28mm](#).

preclude the industry from experiencing material injury. However, the commission notes that it has considered the profitability of the Australian industry for the goods as part of its injury assessment. Intex also raised the financial results included in Rondo, Etex and Studco's annual reports to claim that Australian industry holds significant pricing power in the market (a market that is unaffected by import competition).

The commission disagrees that imports have no influence on price, particularly in the market for ceiling battens where price competition is more established. In the case of furring channels, the picture is more complex, particularly given that the sale of ceiling systems is the point of competition, rather than direct competition at the product level. Nonetheless, the commission considers that the overall CSFM market is competitive and that imports have taken volume from Australian industry in both the furring channel and ceiling batten segments. On this basis, the commission disagrees with Intex that the Australian industry holds pricing power that importers have no scope to challenge.

With respect to Intex's claim that import competition is immaterial to the market, the commission notes that imports have increased market share over the injury analysis period. Moreover, the commission again notes the differences between furring channels and ceiling battens, highlighting that import competition differs in the different segments of the CSFM market. The commoditised product categories, in this case the ceiling battens, face greater direct import competition than products that are integrated into engineered systems. The commission also notes that commoditised products are more exposed to price competition, as explored in section 8.4.

Commoditised products are typically more price competitive, with less barriers to entry for new suppliers to enter the market than the more engineered components in a product system. This means that ceiling battens are more susceptible to import competition and the Australian industry is under greater pricing pressure. On the other hand, the market for furring channels has higher barriers to entry, primarily through the engineered designs of ceiling systems noted above, more established product standards at the system level and the product warranties provided with the sale. Nonetheless, the commission has found that imported furring channels have taken volume from Australian industry, despite the higher barriers to entry. Therefore, the commission disagrees that imports have no material effect on the Australian market but recognises that import competition differs in the furring channel and ceiling batten segments.

With respect to Intex's claim that CSFM are a 'loss leader' for the Australian industry that locks in demand for wall and ceiling systems, the commission notes that furring channels and ceiling battens are invoiced separately and the commission found no evidence that prices of these particular components are suppressed to lock in demand for other components. The commission recognises that commoditised products like ceiling battens are a strategically important point of competition, particularly for establishing a wide product range to attract demand from distributors. However, the commission considers that the differences in pricing between ceiling battens and furring channels are caused by the commoditised nature of ceiling battens, which intensifies direct price competition in the market. Moreover, the commission does not consider that furring channels operate as a loss leader within the applicants ceiling system, particularly after reviewing Rondo's verified cost to make and sell data. On this basis, the commission considers that it is reasonable to assess CSFM as a standalone product.

Responses to the SEF:

The commission received submissions from Rondo, Studco and Intex in response to the SEF. Rondo submitted a response to the SEF on 16 December summarising the analysis and findings in the SEF. It was published on the EPR on 16 December.<sup>108</sup> Rondo supported the findings in the SEF and did not present any new information. Another Australian industry member, Studco also responded to the SEF, which was published on the EPR on 18 December.<sup>109</sup> Studco supported the methodology and findings contained in the SEF.

Intex responded to the SEF disagreeing with the commission's findings related to material injury and causation. Intex raised various queries related to the SEF's finding of material injury, which are explored in more depth in section 9.12.1.

## **9.12 Materiality of dumping and subsidisation causing injury**

The Commissioner is satisfied that the Australian industry has experienced material injury caused by dumped and subsidised goods exported to Australia from China in the investigation period.

The term 'material' in the context of determining whether material injury has been or is being caused is not defined in the Act. However, the Material Injury Direction directs the commission to consider 'material injury' to be injury that is not 'immaterial, insubstantial or insignificant'.<sup>110</sup> There is no threshold amount that is capable of general application and identifying material injury will depend on the circumstances of each case and will differ from industry to industry and from time to time. A material injury assessment involves a range of factors that are considered together, and no one or several of these factors can necessarily give decisive guidance.

The Material Injury Direction provides that injury from dumping or subsidisation need not be the sole cause of injury to the industry, where injury caused by dumping or subsidisation is material in degree. It further provides that the commission will judge the materiality of injury caused by a given degree of dumping or subsidisation differently, depending on the economic condition of the Australian industry suffering the injury.

In considering the circumstances of each case, the commission must consider whether an industry that at one point in time is healthy and could shrug off the effects of the presence of dumped or subsidised products in the market, could at another time, weakened by other events, suffer material injury from the same amount and degree of dumping or subsidisation.

When considering the materiality of the injury caused by dumping, the commission had regard to several factors, including:

- the size of the dumping and subsidy margins as outlined at section 9.5
- the magnitude of price undercutting by dumped and subsidised imports, and the perceived importance of price in purchasing decisions

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<sup>108</sup> EPR 653, item no 26.

<sup>109</sup> EPR 653, item no 27.

<sup>110</sup> [ADN 2012/24, New Ministerial Direction on Material Injury](#).



- the change in Australian industry's prices relative to the prices of imports from China
- the change in the volume and market share of imports and of the Australian industry.

Noting the commission's findings in chapter 5 that the conditions of competition within the two segments of the goods are different and its findings in this chapter that the Australian industry has suffered injury in the ceiling battens segment from dumped and subsidised goods, the commission assessed whether this injury is material.

#### Pricing injury

As discussed in section 9.6.2, the commission assessed the level of prices Rondo is likely to have achieved in the battens segment in the absence of dumping.

The commission analysed Intex's weighted average quarterly selling prices for the 2 highest selling ceiling batten products and compared these against Rondo's quarterly selling prices for the equivalent products. The commission determined that for these 2 highest ceiling batten products, Rondo would likely have achieved a minimum 10% increase in its prices. The commission then uplifted the selling prices achieved by Intex by the combined dumping and subsidy margin determined and used that uplifted price as a benchmark price that Rondo could be expected to achieve in direct competition unaffected by dumping.<sup>111</sup>

To quantify the potential loss in revenue terms, the commission calculated the revenue Rondo could have expected to achieve in the absence of dumping using the uplifted prices and applying it to Rondo's sales volumes for ceiling battens achieved in the investigation period.

The commission's analysis shows that when the potential revenue foregone is assessed against Rondo's total CSFM sales, that loss equates to 4.9%. When assessed against the whole Australian industry producing like goods, the loss equates to 2.5%.

The commission notes that when the potential revenue foregone is considered in the context of profit forgone, the price injury for battens would equate to a 4 percentage point increase in profitability for Rondo for CSFM, being inclusive of both battens and furring channels.

#### Volume injury

The commission observed that Rondo's sales volume has been in decline since the beginning of the injury analysis period. Between FY2023 to FY2024, the volume loss in the furring channels segment was more significant than the loss in the ceiling battens segment. For the same period, imports of CSFM from China increased by 4%.

As the commission noted in its pricing injury analysis, price undercutting was observed for ceiling battens during the investigation period. At other times close price competition was

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<sup>111</sup> Using the lesser rate of duty detailed in chapter 11.

observed. The commission considers that price undercutting would likely lead to a loss in volume for Rondo as customers choose the cheaper imported option.

The commission found that the Australian market experienced a reduction in total Australian market sales volume of 13%. In order to quantify the volume loss caused by dumped and subsidised imports, the commission assessed the volume of increased imports and its impact on the Australian market as a whole. This analysis shows that the increased import volume in FY2024 equated to 0.6% of the total Australian market. When assessed against the Australian industry's sales volume, the increased import volume equated to 0.7% of the total Australian industry's sales volume for FY2024.

#### The commission's assessment

The commission considers that the Australian industry has suffered injury in the form of price suppression and price depression. The Australian industry has also suffered volume injury as a result of the increased volume of goods imported at dumped and subsidised prices. The combined effects on price and volume caused by dumping and subsidisation has led to a reduction in the Australian industry's profit and reduced its profitability by 4 percentage points.

When considered in totality, the commission is satisfied that the injury experienced by the Australian industry caused by dumped and subsidised goods is not immaterial, insubstantial or insignificant. Therefore, the Commissioner is satisfied that exports of the dumped and subsidised goods caused material injury to the Australian industry producing like goods.

#### **9.12.1 Intex submission regarding the commission's assessment of material injury**

Following the publication of SEF 653, Intex provided a submission disagreeing with the commission's findings that dumped and subsidised goods from China caused material injury to the Australian industry producing like goods.<sup>112</sup>

Intex queried the commission's findings and conclusions regarding volume injury, price injury and profit/profitability injury. Intex further submitted that the commission's findings relating to materiality of injury is insufficient under section 269TAE of the Act and that the injury suffered by the Australian industry was due to other causative effects which cannot be ascribed to dumping. Intex requested the commission re-evaluate the data used, the assumptions made, and an evaluation of its material injury assessment.

The commission has summarised the matters raised by Intex in its submission and have provided a response to these below.

#### **Volume injury**

In relation to volume injury, Intex submitted that:

- The commission's CSFM market share in sales volume (Figure 10 in SEF 653) should not include furring channels in its FY24 column. Intex contends that

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<sup>112</sup> EPR 653, item no 28.



because furring channels were found to be non-injurious and that sales of this segment of the goods were not lost due to price, the market share of imported furring channels should not be used to support a finding that dumped furring channels caused injury in the form of reduced market share.

- Rondo's downward price leadership and the fact that it conceded sales volume to the other Australian industry members was due to some other causative effects resulting from the actions of Siniat and Studco and therefore any injury cannot be ascribed to dumping.
- The commission's sales volume effect finding must be based on a comparison of the data underlying Figure 6 in the SEF ("Australian market size – volume (kg)") and Figure 8 in the SEF ("Sales volume (kg)"), and particularly the trend from the period immediately prior to the investigation period (FY2023), when dumping cannot be assumed, to the investigation period (FY2024), when dumping has been assumed.

#### The commission's assessment

Figure 10 shows the market share of the Australian CSFM manufacturers and imported CSFM over the injury analysis period. Because the goods the subject of the investigation includes furring channels, the commission has included furring channels to show the total Australian CSFM market. Based on the underlying data used to generate Figure 10, the commission concluded that the Australian industry has experienced injury in the form of reduced market share.

The commission notes in its assessment in SEF 653 that the increase in import volume of CSFM in FY2024 equated to 1.8% of the total Australian market. When assessed against the Australian industry's sales volume, the increased import volume equated to 2.3% of the total Australian industry's CSFM sales volume for FY2024.

In light of Intex's submission that furring channels should not be included as part of the commission's assessment of volume injury because furring channels were found to be non-injurious and that sales of this segment of the goods were not lost due to price,<sup>113</sup> the commission has re-assessed its volume injury assessment.

Based on verified data from Rondo and Intex, the commission determined that ceiling battens made up approximately 30% of both Rondo and Intex's CSFM sales. The commission used this ratio to determine the impact on the Australian industry based on the volume of dumped and subsidised ceiling battens imported from China. The commission found that the increase in imported ceiling batten volumes in FY2024 equated to 0.6% of the total Australian market. The increase in imported ceiling battens volumes equated to 0.7% of the total Australian industry's CSFM sales volume for FY2024.

By removing furring channels from its volume injury analysis, the commission noted that the volume injury experienced by the Australian industry is reduced. Nevertheless, the commission has found that imports of dumped and subsidised ceiling battens have

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<sup>113</sup> Intex submission, EPR 653, item no 28, p 5.

contributed to the overall material injury experienced by the Australian industry when price injury and profit/profitability injury are also considered in totality.

With respect to Intex's query related to the volume effect finding, the commission notes that Figure 6 shows the aggregate market size, including imported CSFM and Australian industry's sales volume. On the other hand, Figure 8 shows the sales volume for Australian industry alone. Although the overall market size fell between FY2023 and FY2024, the commission reiterates its finding in section 9.5.2, which outlines that the commission found that the total Australian market for CSFM contracted in the investigation period and was the lowest seen in the injury analysis period. While the sales volumes for the Australian industry declined in FY2024, imports volumes from China rose. On this basis, the commission found that the Australian industry lost market share to imported CSFM from China.

### **Price injury**

Intex argued that the proposition that its prices had any bearing on the Australian industry's financial performance is unsupported because Siniat and Studco's revenues increased in the investigation period while the market overall was shrinking. Intex contended that the headline financial accounts for Rondo, Studco and Etex shows that Rondo's asset value and revenue outcomes in the investigation period were vastly different at the "headline" level to the outcomes with respect to the same indicia of Studco and Siniat, indicating that there was something about Rondo's response to market competition in a declining market that was different to the response of Studco and Siniat.<sup>114</sup> Intex further contended that:

- The price trend charts in Figures 24, 25 and 26 of SEF 653 contradicted a finding of material injury caused by the subject imports. Intex contended that its prices were for the most part, higher than those of Rondo with the price gap narrowing because market conditions caused prices to be reduced.
- The commission has found that at all times in the investigation period, Rondo's CSFM prices were not suppressed or depressed by the subject imports. Intex submitted that based on this finding, the legitimate and reasonable conclusion to be drawn is that Rondo's CSFM pricing has not moved because of nor been dictated by CSFM prices.

### **The commission's assessment**

The commission had access to Rondo's verified data and Studco's confidential production volume and sales revenue data that it provided in the Australian industry member questionnaire response. Together, Rondo and Studco's sales revenue make up over 67% of the total Australian CSFM market. Contrary to Intex's contention that Studco's revenue increased in the investigation period, the commission found that all Australian industry members' revenue declined in the investigation period while the total value of imports increased. In this way, Rondo's lower revenue in FY2024 is consistent with other Australian manufacturers and also consistent with the declining market that impacted all Australian industry members.

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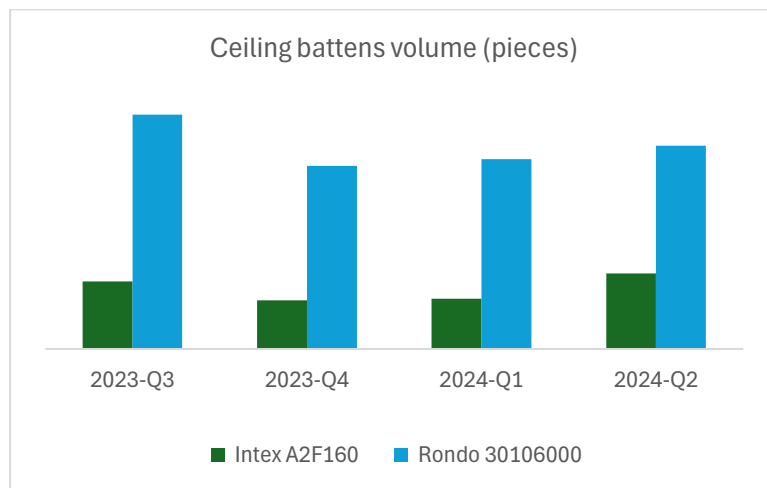
<sup>114</sup> EPR 653, item no 28, p 7.

The commission acknowledges that it was not provided with Etex's data even though numerous attempts were made to obtain the relevant data. However, the commission was able to make a reasonable estimation of Etex's market share based on its methodology as discussed in section 5.2.7.

With regards to the commission's price undercutting analysis presented in Figures 24, 25 and 26 of SEF 653 which focussed on the evidence of price undercutting within the ceiling battens segment of the goods, the commission re-iterates its findings that Intex's declining prices in the last 3 quarters of the investigation period has placed pressure on Rondo by suppressing its prices such that Rondo was unable to increase its prices in line with increasing costs. This is most evident in the comparison between Rondo's ceiling battens model 30106000 and Intex's equivalent model A2F160 at the same level of trade.<sup>115</sup>

Rondo achieved its greatest sales by volume with its ceiling batten model 3010600 while Intex's highest selling model by volume is the equivalent model A2F160, as shown in Figure 27. The commission observed that there was greater competition between the two entities for these products within the market as evidenced by the close pricing offered by the two entities. Both Rondo and Intex's prices declined as the investigation period progressed with Intex's rate of decline being greater than Rondo. While Intex's prices were marginally higher than Rondo in the first two quarters of the investigation period, the faster rate of price reduction resulted in Intex undercutting Rondo in the last quarter.<sup>116</sup>

The commission considers that Intex's increasing volume and price undercutting observed in the last quarter of the investigation period has the effect of constraining Rondo's ability to increase its selling price and achieve greater sales volume than it otherwise would likely have achieved in the absence of dumped and subsidised imports.



**Figure 27:** Volume comparison models A2F160 (Intex) & 30106000 (Rondo)

Based on a re-evaluation of the data used in its price undercutting analysis, the commission re-iterates its findings that, given the close correlation in pricing between Rondo and Intex, and noting the price advantage afforded Intex due to its importation of

<sup>115</sup> See Figure 25, p 77.

<sup>116</sup> *ibid.*

dumped and subsidised goods, Rondo's prices were likely suppressed over the whole investigation period even during periods where there was no undercutting.

Although the price undercutting observed in the furring channels segment did not have the effect of suppressing or depressing the Australian industry's furring channels pricing, the price undercutting evident in the ceiling battens segment had the effect of suppressing and depressing the Australian industry's overall CSFM pricing by reducing the margins that the Australian industry could have achieved in the absence of dumped and subsidised goods. This finding is consistent with the evidence presented in Figures 24, 25 and 26 rather than in contradiction of that evidence.

### **Profit/profitability injury**

With regards to the commission's profit and profitability injury assessment, Intex submitted that:

- The commission should provide a better explanation regarding its profit and profitability findings, in particular as it relates to Figures 15, 16 and 17 of SEF 653.
- The profit margins for the 3 largest Australian manufacturers provided by Intex demonstrates that the Australian industry has achieved consistently healthy profits, with Rondo's profitability never higher over the past five years than it was in the investigation period. Intex acknowledged that the profit margins provided were headline profit data and not specific to ceiling batten data but questioned the commission's conclusion that the Australian industry has been materially injured in the investigation period.

### **The commission's assessment**

The commission presented Figures 15, 16 and 17 to provide a transparent picture of the different profit and profitability that Rondo achieved in the investigation period. As presented in these charts, the profit and profitability picture for the two segments of the goods is different with ceiling battens achieving negative profit and profitability while furring channels achieved positive profit and profitability.

Given that the subject goods being CSFM includes ceiling battens and furring channels, the commission has given consideration to Rondo's profit and profitability for the combined goods. This assessment of CSFM profit and profitability shows that although Rondo remained profitable, its profits were reduced in the investigation period.

The commission has reviewed the profit margins for the 3 largest Australian manufacturers provided by Intex in its submission. The commission agrees that this presents headline profits and may not reflect the actual profit margins achieved by the manufacturers specifically for CSFM.

The commission considers that relying on verified profit and profitability data from Rondo is a more accurate way to determine the likely profit and profitability of the Australian industry as a whole as Rondo and other Australian manufacturers produces the same or similar products and competes within the same Australian market under similar market conditions. This follows the commission's assessment that dumped and subsidised

imports have equally impacted other Australian manufacturers as evidenced by their declining volumes and revenues.

In the absence of dumped and subsidised goods, the commission considers that Rondo, and by extension, the Australian industry, would have been able to achieve an increase of 32% in profitability (approximately 4 percentage points higher). The commission arrived at this conclusion by assessing the impact of dumping on the Australian industry's revenue by uplifting the Australian industry's ceiling batters selling prices by the dumping and subsidy margin determined, as discussed in section 9.7.2. The commission then assessed the impact of this revenue foregone on the Australian industry's profitability for the combined goods, as discussed in section 9.8. The commission did not uplift furring channels selling prices due to price suppression and price depression not being found.

Based on this assessment, the commission considers that a reduction of 32% in the Australian industry's profitability caused by dumped and subsidised goods has caused material injury to the Australian industry producing like goods.

### **Material injury and causation**

Intex submitted that the commission's finding of material injury in the SEF has mistakenly relied on the "not immaterial, insubstantial or insignificant" test provided for in the Ministerial Direction. Intex stated that the Direction also requires the commission to find that "the injury caused by dumping or subsidisation" be "material in degree" and "also... greater than that likely to occur in the normal ebb and flow of business". Intex therefore submits that this finding is legally insufficient to justify a finding of materiality.

### **Commissioner's assessment**

The commission has found that exports of the dumped and subsidised goods from China has caused material injury to the Australian industry producing like goods. The commission reached this conclusion having assessed and found evidence that the Australian industry has suffered injury relating to price, volume, profit and other economic factors.

The Commissioner is satisfied that the injury from the dumped and subsidised goods was greater than that likely to occur in the normal ebb and flow of business. This is particularly so because the dumped and subsidised imports that were able to put price pressure on the Australian industry had increased in volume in the investigation period, compared to any other year of the injury analysis period.

The commission also notes that the Ministerial Direction<sup>117</sup> specifically directs one "to consider material injury to be injury that is not immaterial, insubstantial or insignificant" and so this is the correct test to use. In addition, the Ministerial Direction directs "that there is no threshold amount that is capable of general application. Rather identifying material injury will depend upon the circumstances of each case and will differ from industry to industry and from time to time." Lastly, material injury does need not be proven

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<sup>117</sup> [ADN 2012/24 - New Ministerial Direction on Material Injury](#)

multiple times for each individual economic indicator, a material injury assessment must consider all economic indicators in totality and arrive at an overall conclusion – which is how the commission approached this investigation.

### **Economic condition of the Australian industry**

Intex also reiterated its position expressed in previous submissions that the commission lacked sufficient information about other members of the Australian industry to assess the economic condition of the industry, which included the following additions:

- Intex submitted that the investigation relied on facts that “lopsidedly” applied to Rondo and that without verified data from Etex and Studco, the commission lacked sufficient evidence to find that the Australian industry as a whole has suffered material injury. On this basis, Intex argued that the commission does not have the “full picture” with regards to the condition of the Australian industry.
- In addition, Intex cited findings in section 8.6 related to other economic factors to raise a similar issue, noting that conclusions that injury was experienced with respect to asset values, capacity utilisation, reduced productivity and reduced revenue used indicators that only applied to Rondo, when the Australian industry “is not only Rondo”.

#### The commission’s assessment

The commission notes that Rondo and Studco which collectively account for over 67% of the Australian market for CSFM, have expressed support for the methodology and findings contained in the SEF. Moreover, although the other members of the Australian industry have not cooperated with the investigation or made any submissions, they have not expressed opposition to the findings in the SEF. Nonetheless, the commission considers that Rondo is the largest Australian manufacturer of CSFM and that it is reasonable to rely on Rondo’s verified data as indicative of the overall economic condition of the Australian industry.

### **CSFM as a standalone market**

Intex repeated its position that the market should be viewed at the level of ceiling and wall systems, rather than at the component level. Intex added that this claim was not based only on physical interconnectedness, arguing that the pricing of steel corner beads and angles were related to the sale of wall and ceiling systems as a “market reality”

#### The commission’s assessment

The commission notes previous assessments in section 9.11.4 that outlined the differences between ceiling battens and furring channels. The commission reiterates its position that it considers it reasonable to assess CSFM on a standalone basis.

On the additional point that the commission should consider SCBA and CSFM pricing as related, the commission notes that it has explored this question in Investigation 677, in the Preliminary Affirmative Determination 677 (PAD 677)<sup>118</sup> it preliminarily found that steel

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<sup>118</sup> See ADN 2025/103

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corner beads and angles (SCBA) are standalone products.<sup>119</sup> Moreover, PAD 677 noted that the commission considers that the pricing behaviour of dumped and subsidised imports materially influenced the Australian industry's pricing decisions and sales outcomes.

Given that the commission found that Australian industry's pricing of SCBA was closely linked to the pricing behaviour of imported SCBA, the commission considers that it is reasonable to consider SCBA and CSFM as separate markets. Therefore, the commission considers that SCBA is a standalone product and pricing is related to market dynamics specific to that product. It does not consider that the pricing of SCBA is relevant to the market for CSFM.

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<sup>119</sup> ADN2025/103 Preliminary Affirmative Determination 677, EPR 653, item no 13.



## 10 WHETHER DUMPING AND SUBSIDISATION MAY CONTINUE

### 10.1 Finding

The Commissioner is satisfied that exports of the goods to Australia from China may continue in the future at dumped and subsidised prices.

### 10.2 Introduction

When publishing a notice under sections 269TG(2) and/or 269TJ(2) of the Act the Minister must be satisfied that, among other things, dumping and subsidisation may continue.

In assessing whether dumping may continue, the Commissioner considers the term 'may' to mean 'possible'.

### 10.3 Whether dumping and subsidisation may continue

To assess whether dumping and subsidisation may continue, the commission has had regard to the following:

- dumping and subsidisation in the investigation period
- competition between Chinese suppliers
- sales volumes in the Australian market
- distribution links, and
- production capacity.

#### 10.3.1 Dumping and subsidisation in the investigation period

In assessing whether dumping and subsidisation may continue, the Commissioner considers prior evidence of dumping and subsidisation to be a relevant consideration in that assessment.

The commission found that the goods were exported to Australia from China during the investigation period at dumped prices. The dumping margins outlined in section 6.2.3 of this report (Table 10) were 128.5%. Further, the commission found that goods were exported to Australia from China at significantly dumped prices in each quarter of the investigation period and that the dumping margin increased over the investigation period. Given the significance of the dumping margins and the increasing trend found, the commission considers that dumping may continue.

The commission found subsidisation over the investigation period. The subsidy programs identified in this investigation have been identified in multiple other inquiries over an extended period. The legislation and policies underpinning many of these countervailing subsidy programs also indicates that these subsidies will remain in place. The commission is consequently satisfied that these subsidy programs may continue.



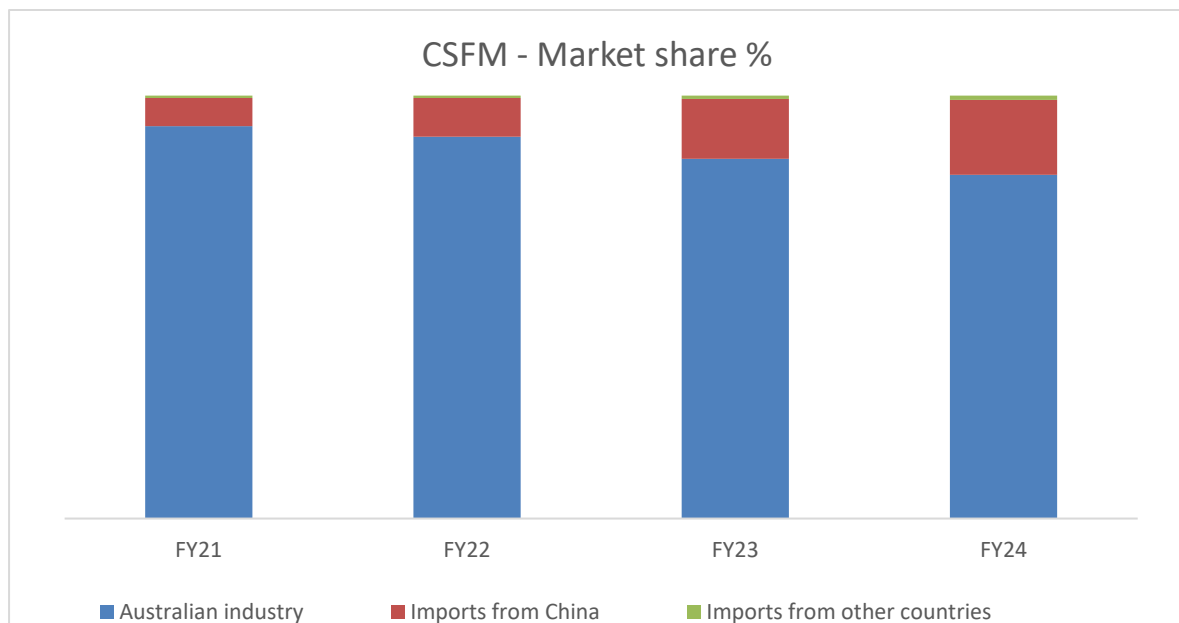
### 10.3.2 Competition

Evidence before the commission suggests that Australian industry and importers compete to supply the Australian market with price being a relevant consideration in customers purchasing decisions. Given the substitutability of the goods from China, sourcing from an import source is a relevant consideration in customers' purchasing decisions.

The nature of competition in the Australian market is such that the multiple exporters of the goods may continue to compete by exporting the goods at dumped and subsidised prices in the future.

### 10.3.3 Volume trends

Figure 28 shows that the volume of imports increased from FY2021 to FY2024.



**Figure 28: Market share of the goods**

The commission further examined imports after July 2024. This examination indicates that imports of the goods have continued after the investigation period and have been imported in greater volumes.

The commission considers that the trend in increasing sales volumes of imported goods from China indicates that, dumped and subsidised goods are increasingly being preferred over those being sold by the Australian industry, which is supported by the finding that the Australian industry has lost market share over the period examined. Therefore, exporters of the goods may have an incentive to continue selling goods to importers at dumped and subsidised prices so that importers remain competitive on price and continue to increase their sales volumes in the Australian market.

### 10.3.4 Distribution links

The commission identified that importers of the goods have existing supply arrangements with Chinese exporters, which were in place prior to and during the investigation period. The commission considers that these importers are established importers and distributors

of CSFM in the Australian market and therefore will likely remain major participants in the Australian market on the presumption that those goods are sold at dumped prices.

#### **10.3.5 Available production capacity**

Whilst no exporters cooperated with the investigation, evidence indicates that there remains excess steel production capacity in China. According to the OECD Steel Outlook 2025 report, the global steel market is in a precarious state with excess capacity growing from unsustainably high levels.<sup>120</sup> Asian economies are expected to account for 60% of the new capacity, led by substantial increases in China, India and the Association of Southeast Asian Nations (ASEAN).<sup>121</sup> The excess production capacity may induce manufacturers of the goods to continue exporting the goods to Australia at dumped and subsidised prices.

The commission has examined ABF data and found that exports of the goods to Australia from China have continued following the investigation period.

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<sup>120</sup> [OECD Steel Outlook 2025](#), p 16.

<sup>121</sup> *ibid.*

## 11 NON-INJURIOUS PRICE

### 11.1 Assessment of NIP

The Commissioner finds that the NIP is less than the normal value for all exporters. The NIP was established based on a constructed USP, which is discussed below. Therefore, the Commissioner recommends that the Minister should consider applying the lesser duty rule.

### 11.2 Discussion

The 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, unless one of the exceptions in section 8(5BAA) of the Dumping Duty Act applies.<sup>122</sup>

The commission also utilises the NIP/lesser duty amount as an additional test to establish whether there is a causal link between the alleged dumping and material injury as was performed in chapter 9.

The Manual specifies that the commission will generally derive the NIP from an 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.<sup>123</sup>

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.

### 11.3 Assessment of USP and NIP

The commission found that the goods exported to Australia from China during the investigation were dumped and subsidised. 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 is preferable. Accordingly, the commission determined a USP having regard to the Australian industry's CTMS in the investigation period and a profit

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<sup>122</sup> This is determined by ensuring that the sum of the ascertained export price and the IDD does not exceed the NIP.

<sup>123</sup> [Dumping and Subsidy Manual](#), p 106.

achieved by the Australian industry for the similar category of goods.

The commission used a profit rate achieved by Australian industry for the similar category of goods of top hats.<sup>124</sup> Whilst it is the preference of the commission to use a weighted average profit rate achieved by the industry in the most recent period unaffected by dumping [and/or subsidisation], the commission notes that Australian industry has claimed that it was affected by dumped and subsidised imports over the whole injury analysis period.<sup>125</sup> As a consequence, the commission considers profits achieved by Rondo over the injury analysis period are not preferable to use.

To derive a NIP at FOB terms for goods exported from China, the commission deducted from the USP the following verified costs obtained from Intex:

- importer SG&A expenses and an amount for profit
- overseas freight and marine insurance
- port handling and other charges
- inland freight and
- customs duty.

The commission's calculation of the USP and the NIP is at **Confidential Attachment 8**.

#### **11.4 Lesser duty rule**

The Minister is not required to have mandatory consideration of the lesser duty rule where the Minister is satisfied that certain circumstances exist. However, if considered appropriate, the Minister is not prevented from considering and applying the lesser duty rule where these circumstances exist. These circumstances are where:

- the normal value of the goods was not ascertained under section 269TAC(1) of the Act because of the operation of section 269TAC(2)(a)(ii) of the Act;
- the Australian industry in respect of like goods consists of at least two small-medium enterprises; or
- the country in relation to which the subsidy has been provided has not complied with Article 25 of the SCM Agreement for the compliance period.

The commission notes that the normal value of the goods was not determined under section 269TAC(1) of the Act, because of the operation of section 269TAC(2)(a)(ii). Further, the commission has not received any claims or evidence that the Australian industry consists of two or more small-medium enterprises. Additionally, information on the World Trade Organization website indicates that China has notified the WTO on

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<sup>124</sup> Similar to CSFM, top hats are typically constructed from galvanised steel that are cold-formed by passing the steel through a series of rollers to gradually form the desired shape. Top hats are used in both residential and commercial building projects, for wall and ceiling framing applications. See [Top hats: Essential Steel Sections for Construction](#) for more detail.

<sup>125</sup> EPR 653, item no 1, p 22.

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subsidies under Article 25 of the SCM Agreement.<sup>126</sup> Therefore, none of the exceptions apply in this investigation.

While the Minister must have regard to the desirability of applying the lesser duty rule, the Minister retains discretion.

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<sup>126</sup> World Trade Organization, Committee on Subsidies and Countervailing Measures, [Subsidies: New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures, G/SCM/N/430/CHN](#).

## 12 RECOMMENDED MEASURES AND RATES OF DUTY

### 12.1 Finding

The Commissioner recommends to the Minister that anti-dumping measures, using the *ad valorem* method be imposed in the form of a dumping duty notice in respect of dumping duty that may become payable by importers of the goods from China.

In respect of the recommendations in relation to a countervailing duty notice, the commission recommends the *ad valorem* duty method.

### 12.2 Dumping duty methods

The *Customs Tariff (Anti-Dumping) Regulation 2013* prescribes the forms of duty available to the Minister when imposing anti-dumping measures. They include:

- fixed duty method (\$X per tonne)
- floor price duty method
- combination duty method
- *ad valorem* duty method (i.e. a percentage of the export price).<sup>127</sup>

The various forms of duty all have the purpose of removing the injurious effects of dumping and/or subsidisation. In achieving this purpose, certain forms of duty will better suit particular circumstances. When considering which form of duty to recommend to the Minister, the Commissioner will have regard to the published *Guidelines on the Application of Forms of Dumping Duty* (the Guidelines) and relevant factors in the market for the goods.<sup>128</sup>

#### 12.2.1 Fixed duty method

A fixed duty method operates to collect a fixed amount of duty – regardless of the actual export price of the goods. The fixed duty is determined when the Minister exercises their powers to ascertain an amount for the export price and the normal value.

#### 12.2.2 Floor price duty method

The floor price duty method sets a ‘floor’ – for example, a normal value of \$100 per tonne – and duty is collected when the actual export price is less than that normal value of \$100 per tonne. The floor price is either the normal value or the NIP, whichever becomes applicable under the duty collection system.

#### 12.2.3 Combination duty method

The combination duty method comprises 2 elements: the ‘fixed’ element and the ‘variable’ duty element. The fixed element is determined when the Minister exercises powers to ‘ascertain’ an amount (i.e. set a value) for the export price and the normal value. Either

<sup>127</sup> Section 5 of the *Customs Tariff (Anti-Dumping) Regulation 2013*.

<sup>128</sup> [Guidelines on the Application of Forms of Dumping Duty](#) (November 2013).

this may take the form of a fixed duty or an *ad valorem* applied to the ascertained export price.

If the actual export price of the shipment is lower than the ascertained export price, the variable component works to collect an additional duty amount, i.e. the difference between the ascertained export price and the actual export price. It is a 'variable' element because the amount of duty collected varies according to the extent the actual export price is beneath the ascertained export price.

#### **12.2.4 *Ad valorem* duty method**

The *ad valorem* duty method applies a proportion of the actual export price of the goods. An *ad valorem* duty is determined for the product as a whole. This means that a single ascertained export price is required when determining the dumping and/or subsidy margin. The *ad valorem* duty method is the simplest and easiest form of duty to administer when delivering the intended protective effect.

### **12.3 The commission's consideration on duty methods**

The Commissioner recommends that the IDD payable on the goods exported from China should be worked out using the *ad valorem* duty method.

The commission found that there are many different types of CSFM that are exported to Australia. The commission also found that there is significant price variation between the different CSFM types. 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. Given this, the commission considers the *ad valorem* duty method to be the most appropriate method to remove the injurious effects of dumping.

As the NIP is less than the normal value determined for all exporters from China, the Commissioner had regard to the NIP in working out the amount of duty payable. The Commissioner considers that a lesser amount of duty, such that the sum of the ascertained export price, ICD and the IDD does not exceed the NIP, is adequate to prevent the injury caused to the Australian industry by dumped and subsidised goods.

Using the *ad valorem* duty method, the IDD payable on the goods exported by all exporters from China is worked out by calculating the amount of the difference between the ascertained export price of the goods and the NIP. The amount of the difference is expressed as a proportion or percentage of the ascertained export price to derive a fixed rate of IDD. The fixed rate is applied to the actual export price of the goods to determine the amount of IDD payable on the imported goods.

As noted in the Manual for ICD, in most instances the *ad valorem* duty method is likely to be the most suitable duty method as the rate of subsidisation is expressed as a percentage of the value of the goods. Consequently, the commission recommends the *ad valorem* duty method in relation to ICD.

The rate of IDD and ICD payable on the goods imported from China is summarised in Table 4.



## 12.4 Avoidance of ‘double counting’ of subsidy program in the dumping margin

The commission has found that uncooperative and all other exporters received countervailable subsidies under *Program 1 – Hot rolled steel provided by government at less than fair market value*. When there is both an adjustment to raw material costs as part of constructing a normal value and a countervailable LTAR subsidy (such as Program 1), the commission will generally ‘back out’ the relevant subsidy from the dumping margin in order to avoid any double counting.

The Manual provides a further explanation:

The Commission may decide to construct normal value for the goods in question under section 269TAC(2)(c) in certain circumstances. In some of these circumstances, the cost of an input may not reasonably reflect competitive market costs and therefore an adjustment to that input cost is made in constructing normal value. Where that input was also the subject of a less than adequate remuneration.<sup>129</sup>

Program 1 is in respect of hot rolled steel provided at LTAR (in the subsidy margin calculation) and the commission has adjusted galvanised steel cost as a cost input in constructing the normal value for exporters, therefore the dumping margin calculation also addresses the impact of Program 1 on exporters’ costs.

To avoid this double counting, it is necessary for the commission to ‘back-out’ the Program 1 subsidy from either the dumping margin or the subsidy margin for all exporters of the goods from China. The commission’s usual practice to avoid a double count is to deduct the LTAR subsidy margin from the dumping margin, as outlined in the Manual.

Table 15 below provides a summary of the resulting combined dumping and subsidy margins before and after adjusting to remove the double count.

Exporter	Includes LTAR subsidy		LTAR subsidy	Avoidance of LTAR subsidy double-count	
	Dumping margin	Subsidy margin		Dumping margin	Subsidy margin
Uncooperative, non-cooperative and all other exporters	11%	4.5%	1%	10%	4.5%

**Table 15: Rates of duty for exporters from China**

The commission’s calculation of the dumping and subsidy margins is at **Confidential Attachment 5** and **Confidential Attachment 8**.

<sup>129</sup> [The Manual](#) (December 2021) p 93.

## 13 RECOMMENDATIONS

### 13.1 Findings

The Commissioner has found that the dumping and subsidisation of CSFM exported to Australia from China has caused material injury to the Australian industry producing like goods.

### 13.2 Recommendations

The Commissioner recommends that the Minister publish a dumping duty notice and a countervailing duty notice in relation to CSFM exported to Australia from China.

The Commissioner recommends the Minister **be satisfied that**:

- in accordance with section 269TAB(3) of the Act, sufficient information has not been furnished, or is not available, to enable the export price of CSFM exported to Australia from China to be ascertained under the section 269TAB(1) of the Act;
- in accordance with section 269TAC(6) of the Act, sufficient information has not been furnished, or is not available, to enable the normal value of CSFM exported to Australia from China to be ascertained under the preceding sections of section 269TAC of the Act;
- the weighted average of export prices over the investigation period is less than the weighted average of corresponding normal values over that period and therefore, in accordance with section 269TACB(4) of the Act:
  - the goods are taken to have been dumped;
  - the dumping margin for those goods is the difference between the weighted average of export prices during the investigation period and the weighted average of normal values during that period, as set out in chapter 6;
- in accordance with section 269TACD(1) of the Act, countervailable subsidies have been received in respect of CSFM exported to Australia from China;
- in accordance with section 269TG(1) of the Act, the amount of the export price of CSFM that have been exported to Australia from China is less than the amount of the normal value of those goods and because of that, material injury to an Australian industry producing like goods would have been caused if security under section 42 of the Act had not been taken;
- in accordance with section 269TG(2) of the Act, the export price of CSFM that have already been exported to Australia from China is less than the normal value of those goods and the export price of CSFM that may be exported to Australia from China in the future may be less than the normal value of the goods and because of that, material injury to the Australian industry producing like goods is being caused;

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- in accordance with section 269TJ(1) of the Act, countervailable subsidies have been received in respect of CSFM that have been exported to Australia from China and because of that, material injury to an Australian industry producing like goods would have been caused if security under section 42 had not been taken;
- in accordance with section 269TJ(2) of the Act, countervailable subsidies have been received in respect of CSFM that have already been exported to Australia from China, and may be received in respect of like goods that may be exported to Australia from China in the future and because of that, material injury to the Australian industry producing like goods is being caused;
- in accordance with section 269TJA(1) of the Act, that as to CSFM that have been exported to Australia from China:
  - a) the export price of CSFM is less than the normal value of those goods; and
  - b) countervailable subsidies have been received in respect of CSFM; and
  - c) because of the combined effect of the difference in paragraph (a) and of the subsidy referred to in paragraph (b), material injury to the Australian industry producing like goods is being caused;
- in accordance with section 269TJA(2) of the Act:
  - a) the export price of like goods that have already been exported to Australia from China is less than the normal value of those goods and the export price of like goods that may be exported to Australia in the future may be less than the normal value of the goods; and
  - b) countervailable subsidies have been received in respect of CSFM that have already been exported to Australia from China and may be received in respect of like goods that may be exported to Australia in the future; and
  - c) because of the combined effect of the difference referred to in paragraph (a) and of the subsidy referred to in paragraph (b), material injury to the Australian industry producing like goods is being caused.

The Commissioner recommends the Minister **determine:**

- having had regard to sections 269TAAC(2) and (3) of the Act, and in accordance with sections 269TAAC(4) and (5) of the Act, that all relevant subsidies listed in Tables 12 and 13 of this report and as set out in **Confidential Attachment 5** are specific having regard to all matters from sections 269TAAC(2), (3), (4), and (5) of the Act;
- in accordance with section 269TAB(3) of the Act, having regard to all relevant information, that the export price for all exporters is as set out in **Confidential Attachment 2**;
- in accordance with section 269TAC(6) of the Act, having regard to all relevant information, that the normal value for all exporters is as set out in **Confidential Attachment 4**;

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- having applied section 269TACB(2)(a) of the Act and in accordance with sections 269TACB(1) and (4) of the Act, that the CSFM exported to Australia from China are taken to have been dumped, and the dumping margins for all exporters in respect of those goods is the difference between the weighted average export prices of the CSFM over the whole of the investigation period and the weighted average of corresponding normal values over that period as set out in **Confidential Attachment 4**;
- in accordance with section 269TACC(1) of the Act, that, having regard to all relevant information and sections 269TACC(2) and (3) of the Act, that financial contribution in respect of the goods, confers a benefit;
- in accordance with section 269TACD(1) of the Act, that the amount of countervailable subsidy received in respect of CSFM by all exporters, expressed as a percentage of the ascertained export price, is 4.5 per cent;
- in accordance with section 8(5) of the Dumping Duty Act, that the IDD payable in respect of CSFM exported to Australia from China is an amount which will be worked out in accordance with the *ad valorem* duty method pursuant to section 5(7) of the *Customs Tariff (Anti-Dumping) Regulation 2013*;
- in accordance with section 10(3B) of the Dumping Duty Act, that the ICD payable in respect of CSFM exported to Australia from China is to be ascertained pursuant to section 10(3B)(a) of the Dumping Duty Act;

The Commissioner recommends the Minister **declare**:

- in accordance with section 269TG(1) of the Act, by public notice, that section 8 of the Dumping Duty Act applies to (subject to section 269TN of the Act):
  - a) CSFM exported to Australia from China; and
  - b) like goods that were exported to Australia from China after the Commissioner made a PAD under section 269TD of the Act on 26 November 2025 but before publication of the notice;
- in accordance with section 269TG(2) of the Act, by public notice, that section 8 of the Dumping Duty Act applies to like goods that are exported to Australia from China, after the date of publication of the notice;
- in accordance with section 269TJ(1) of the Act, by public notice, that section 10 of the Dumping Duty Act applies (subject to section 269TN of the Act):
  - a) CSFM exported to Australia from China; and
  - b) like goods that were exported to Australia from China after the Commissioner made a PAD under section 269TD on 26 November 2025 but before publication of the notice;
- in accordance with section 269TJ(2) of the Act, by public notice, that section 10 of the Dumping Duty Act applies to like goods that are exported to Australia from China, after the date of publication of the notice.

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The Commissioner recommends the Minister **have regard to**:

- in accordance with section 8(5BA) of the Dumping Duty Act, in relation to CSFM exported to Australia from China, the desirability of specifying a method such that the sum of the amounts outlined in sections 8(5BA)(c), (d) and (e) of the Dumping Duty Act do not exceed the NIP;
- in accordance with section 10(3D) of the Dumping Duty Act, in relation to ICD in respect of CSFM exported to Australia from China, the desirability of fixing the amount of ICD in respect of the goods such that the sum of the amounts outlined in section 10(3D)(a), (b) and (c) of the Dumping Duty Act do not exceed the NIP.

## **14 APPENDICES AND ATTACHMENTS**

<b>Appendix A</b>	Assessment of alleged subsidy programs
<b>Confidential Attachment 1</b>	Australian market
<b>Confidential Attachment 2</b>	Export price
<b>Confidential Attachment 3</b>	Galvanised steel prices
<b>Confidential Attachment 4</b>	Dumping margin
<b>Confidential Attachment 5</b>	Subsidy margin
<b>Confidential Attachment 6</b>	Economic condition of the Australian industry
<b>Confidential Attachment 7</b>	Price undercutting analysis
<b>Confidential Attachment 8</b>	NIP and USP

## 15 APPENDIX A – ASSESSMENT OF ALLEGED SUBSIDY PROGRAMS

### A1 Introduction

In its application, Rondo identified 37 subsidy programs from REP 611 and 59 programs from REP 590 that the commission found to be countervailable in previous investigations and inquiries. As noted in section 7.4.4 of this report, the commission's recent investigations into brackets and clip heads found no evidence that any exporters of the goods the subject of those investigations received any previously countervailed subsidies from REP 590, other than subsidies under 'Program 20 - hot rolled steel provided by government at less than fair market value'.

The commission considers that CSFM and brackets and clips are comparable as they are downstream products made from galvanised steel. The commission therefore considers that it is reasonable to assume that those subsidies not received by Chinese exporters of brackets and clips would also not be available to exporters of CSFM from China.

REP 644 and 645 found 6 subsidy programs not previously countervailed as applying to exporters of brackets and clips from China. The commission considers that it is reasonable to assume that subsidies received by Chinese exporters of brackets and clips would also be available to exporters of CSFM from China. The commission reached this conclusion having considered that both brackets and clips and CSFM have the same raw material inputs, being coated galvanised steel.

In relation to the 37 subsidy programs identified by Rondo in its application that were countervailable by the commission in REP 611, the commission found that 23 programs overlapped with the programs in REP 590. As the commission had relied on the findings from REP 644/REP 645 to conclude that exporters of the brackets and clips did not receive any previously countervailed subsidies from REP 590, the commission removed these programs from its calculation of the subsidy margin.

For the remaining programs identified in REP 611, the commission considered:

- the eligibility requirements of each identified program
- whether the program was likely relevant to the production of the goods during the investigation period (including whether the program has expired)
- whether any benefit under the program may be a subsidy in respect of the goods

### A2 Legislative framework

#### A2.1 Definition of 'subsidy' and 'countervailable subsidy'

Section 269T(1) defines 'subsidy' as follows:

*subsidy*, in respect of goods exported to Australia, means:

- (a) a financial contribution:
  - (i) by a government of the country of export or country of origin of the goods; or
  - (ii) by a public body of that country or a public body of which that government is a member; or



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- (iii) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that involves:

- (iv) a direct transfer of funds from that government or body; or
  - (v) the acceptance of liabilities, whether actual or potential, by that government or body; or
  - (vi) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body; or
  - (vii) the provision by that government or body of goods or services otherwise than in the course of providing normal infrastructure; or
  - (viii) the purchase by that government or body of goods or services; or
- (b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a government or body;

if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to Australia.<sup>130</sup>

Without limiting the definition of 'subsidy' in section 269T(1), a financial contribution or income or price support may confer a benefit in relation to goods exported to Australia if

that contribution or support is made in relation to goods or services used in relation to the production, manufacture or export of the goods exported to Australia.<sup>131</sup>

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<sup>130</sup> Section 269TACC of the Act sets out the steps for working out whether a financial contribution or income or price support confers a benefit.

<sup>131</sup> Section 269T(1)(2AA) of the Act.

Section 269TAAC of the Act defines a 'countervailable subsidy' as follows:

- (1) For the purposes of this Part, a subsidy is a countervailable subsidy if it is specific.
- (2) Without limiting the generality of the circumstances in which a subsidy is specific, a subsidy is specific:
  - (a) if, subject to subsection (3), access to the subsidy is explicitly limited to particular enterprises; or
  - (b) if, subject to subsection (3), access is limited to particular enterprises carrying on business within a designated geographical region that is within the jurisdiction of the subsidising authority; or
  - (c) if the subsidy is contingent, in fact or in law, and whether solely or as one of several conditions, on export performance; or
  - (d) if the subsidy is contingent, whether solely or as one of several conditions, on the use of domestically produced or manufactured goods in preference to imported goods.
- (3) Subject to subsection (4), a subsidy is not specific if:
  - (a) eligibility for, and the amount of, the subsidy are established by objective criteria or conditions set out in primary or subordinate legislation or other official documents that are capable of verification; and
  - (b) eligibility for the subsidy is automatic; and
  - (c) those criteria or conditions are neutral, do not favour particular enterprises over others, are economic in nature and are horizontal in application; and
  - (d) those criteria or conditions are strictly adhered to in the administration of the subsidy.
- (4) The Minister may, having regard to:
  - (a) the fact that the subsidy program benefits a limited number of particular enterprises; or
  - (b) the fact that the subsidy program predominantly benefits particular enterprises; or
  - (c) the fact that particular enterprises have access to disproportionately large amounts of the subsidy; or
  - (d) the manner in which a discretion to grant access to the subsidy has been exercised;determine that the subsidy is specific.
- (5) In making a determination under subsection (4), the Minister must take account of:
  - (a) the extent of diversification of economic activities within the jurisdiction of the subsidising authority; and
  - (b) the length of time during which the subsidy program has been in operation.

Section 269TACD of the Act provides that if the Minister is satisfied that a countervailable subsidy has been received in respect of the goods, the Minister must, if the amount of the subsidy is not quantified by reference to a unit of the goods, work out how much of the subsidy is properly attributable to each unit of the goods.

## **A2.2 Definition of government, public and private bodies**

As noted above, under section 269T(1) of the Act, for a financial contribution to be a subsidy, it must be provided by:

- a government of the country of export or country of origin of the goods, or
- a public body of that country or a public body of which that government is a member, or
- a private body entrusted or directed by that government or public body to carry out a governmental function.

In its assessment of each subsidy, the commission has had regard to the entity responsible for providing the financial contribution under the relevant program, as part of the test under section 269T(1) of the Act for determining whether a financial contribution is a subsidy.

### Government

As noted in section 16.2 of the Manual, the commission considers that the term ‘government’ includes government at all different levels, including at a national and sub-national level.<sup>132</sup>

### Public body

The term ‘public body’ is not defined in the Act. Determining whether an entity is a ‘public body’ requires evaluation of all available evidence of the entity’s features and its relationship with government, including the following:

- The objectives and functions performed by the body and whether the entity in question is pursuing public policy objectives. In this regard relevant factors include:
  - legislation and other legal instruments
  - the degree of separation and independence of the entity from a government, including the appointment of directors, and
  - the contribution that an entity makes to the pursuit of government policies or interests, such as considering national or regional economic interests and the promotion of social objectives.
- The body’s ownership and management structure, such as whether the body is wholly or partly owned by the government or whether the government has a majority of shares in the body. A finding that a body is a public body may be supported through:
  - the government’s ability to make appointments
  - the right of government to review results and determine the body’s objectives, and
  - the government’s involvement in investment or business decisions.

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<sup>132</sup> [The Manual](#) (December 2021).

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The commission considers this approach is consistent with the WTO Appellate Body decision of *United States – Countervailing Measures (China)*.<sup>133</sup> In that case, the Appellate body referred to the following 3 indicia which may assist in assessing whether an entity was a public body vested with, or exercising, government authority:

- where a statute or other legal instrument expressly vests government authority in the entity concerned
- where there is evidence that an entity is, in fact, exercising governmental functions
- where there is evidence that a government exercises meaningful control over an entity and exercises governmental authority in the performance of government functions.

These principles have also previously been considered in the Federal Court of Australia.<sup>134</sup>

### Private body

Where an entity is neither a government nor public body, the commission will consider it a private body, in which case, a government direction to make a financial contribution in respect of the goods must be established in order for the contribution to be considered a subsidy, as defined by section 269T(1) of the Act.

Pursuant to section 16.3 of the Manual, in determining the character of an entity which may have provided a financial contribution, the commission will consider whether a private body has been:

- ‘entrusted’ to carry out a government function, which occurs when a government gives responsibility to a private body
- ‘directed’ to carry out a government function, which occurs in situations where the government exercises its authority over a private body.

Not all government acts will be considered as entrusting or directing a private body. Encouragement or mere policy announcements by government, of themselves, are not sufficient to satisfy this test. However, threats and inducements may be evidence of entrustment or inducements. The test is satisfied where the private body is a proxy by government to give effect to financial contributions.

## **A3 Assessment of subsidy programs**

In REP 611 the commission found that there were 37 existing subsidy programs applying to zinc coated (galvanised) steel exported from China, which were assessed in Review No 521.<sup>135</sup> As noted in section A1 of this appendix, some of these programs also applied

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<sup>133</sup> DS379 United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China.

<sup>134</sup> See *Panasia Aluminium (China) Limited v Attorney-General of the Commonwealth* [2013] FCA 870, [27] - [70] *Dalian Steelforce Hi Tech Co Ltd V Minister for Home Affairs* [2015] FCA 885, [50] - [73].

<sup>135</sup> Review No 521 concerns a review of measures relating to zinc coated (galvanised) steel from China, India, Korea, Malaysia, Taiwan and Vietnam.

to exporters of HSS.<sup>136</sup> As the commission did not find evidence that the programs assessed in REP 590 relating to HSS apply to exporters of brackets and clips following the recently completed investigations into these goods, the commission has not included these programs in the assessment of CSFM.

### **A3.1 Assessment of LTAR program – Hot rolled steel provided by government at less than fair market value**

There is no single legislative authority or policy establishing this subsidy program. Rather, the commission considers this program as a collective term to describe conditions within the Chinese steel market under which Chinese SOEs or SIEs (being public bodies) provide hot rolled steel (such as HRC and galvanised steel) at a price lower than a competitive market price (i.e. at less than adequate remuneration, or 'LTAR', having regard to the prevailing market conditions in China).<sup>137</sup>

The commission has countervailed this subsidy program in previous cases concerning steel, including in Investigation 177 and Investigation 193 and the subsequent continuation inquiries where the raw material used to produce the goods the subject of those investigations was HRC.<sup>138</sup>

In the recently completed investigations REP 644 and REP 645, the commission again found that galvanised steel is a key input in the manufacture of downstream products including brackets and clip heads. It was apparent to the commission that only enterprises engaged in the manufacture of these products would benefit from the provision of the input by the GOC at less than adequate remuneration. For this reason, the commission determined that the subsidy is specific and therefore countervailable.

As noted at section 7.3 of this report, at initiation, the commission requested that the GOC complete a questionnaire. The questionnaire included questions relating to this subsidy program, including questions relating to the operation, governance and prevalence of SOEs/SIEs in the steel industry, and questions concerning the ownership of steel producers in China. The GOC did not complete this questionnaire. Further, no exporters provided responses to the exporter questionnaire relating to the subsidy programs.

The commission observes that galvanised steel constitutes 85-90% of the overall costs of manufacture of the goods.<sup>139</sup> Accordingly, the commission considers that it is reasonable to assume that the benefit has passed through fully to producers of the final product subject of this investigation.

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<sup>136</sup> See REP 590.

<sup>137</sup> The commission considers that the term 'hot rolled steel' captures all forms of steel that has initially gone through a rolling process at high temperatures before undergoing further rolling or processing and therefore captures HRC and galvanised HRC/galvanised steel.

<sup>138</sup> Subsidy program entitled 'hot rolled steel provided by government at less than fair market value' was designated as Program 20 in Investigation 177 and in subsequent cases concerning HSS exported from China. This subsidy program with the same title was also designated as Program 1 in the investigation concerning zinc coated (galvanised) steel (Investigation 193) and was designated as Program 1 in subsequent cases relating to galvanised steel exported from China, including REP 611.

<sup>139</sup> The proportion of galvanised steel was estimated based on the data from the preliminary dumping margin assessment.

The commission has therefore acted on the basis of all facts available and made reasonable assumptions that the Commissioner considers reasonable. The commission considers that no new information has been provided that would displace the prior findings of the commission. The commission observes that it has found in previous steel cases, including the most recent cases relating to brackets and clips, that Chinese SOEs and SIEs provide hot rolled steel (such as HRC and galvanised steel) at less than adequate remuneration, the commission considers that it is reasonable to assume that Chinese exporters of the goods are also in receipt of these subsidies.

Details of the subsidy margin calculations for all exporters from China are at **Confidential Attachment 5**.

### **A3.2 Assessment of Program 2 and 3**

Program 2 – Coking coal provided by government at less than adequate remuneration and Program 3 – Coke provided by government at less than adequate remuneration have been examined in previous cases where the commission found that they were countervailable programs.

The commission is not aware of the current status of these programs given that the GOC has declined to participate in this investigation. The commission considers that no new information has been provided that would warrant a reconsideration of the determinations made in the previous inquiries and has therefore maintained its position that these programs are countervailable.

In REP 611, the commission found that exporters of zinc coated (galvanised) steel were not vertically integrated and because coke and coking coal are not inputs to their production, none of the exporters could be in receipt of Programs 2 or 3. As such, in REP 611, the commission found that it did not have sufficient relevant information to find that any exporters of zinc coated (galvanised) steel from China would have received a benefit in respect of Programs 2 and 3. Therefore, the commission has excluded Programs 2 and 3 from the calculation of the uncooperative subsidy rate in that case.

In this current investigation, the commission has found that manufacturers of CSFM in China are not fully integrated producers producing both the galvanised coil and the goods. As the commission noted in section 6.4.1 of this report, based on the manufacturer's product catalogues, promotional videos and photos of their facilities, and descriptions of their production capabilities, there is no indication that manufacturers of CSFM produce their own galvanised coil, rather they cut, bend, roll and shape steel coils they purchase to the required specifications. Therefore, the commission has excluded Programs 2 and 3 from the calculation of the uncooperative subsidy rate in this case.

### **A3.2 Assessment of existing tariff and VAT exemptions**

Programs 11 and 34 were found to be countervailable in Investigation No 193 and again in subsequent reviews for zinc coated (galvanised) steel.

The commission is not aware of the current status of these programs given that the GOC has declined to participate in this investigation. The commission considers that no new information has been provided that would warrant a reconsideration of the determinations

made in the previous inquiries and has therefore maintained its position that these programs are countervailable.

**A3.3 Assessment of existing grant programs relevant to zinc coated (galvanised) steel**

Programs 33, 35 and 36 were found countervailable in Investigation No 193 and again in subsequent reviews for aluminium zinc coated steel.

The commission first assessed Program 37 in Review 409 and 410 wherein Program 37 was found countervailable and again in subsequent reviews for zinc coated (galvanised) steel.

The commission is not aware of the current status of these programs given that the GOC did not provide evidence in relation to this inquiry.

The commission considers that no new information has been provided that would warrant a reconsideration of the determinations made in the previous inquiries, and has therefore maintained its position that these programs are countervailable.