PUBLIC RECORD

Australian Government
Department of Industry, Science and Resources

Anti-Dumping Commission

Australian industry verification report

Verification and case details

Initiation date	19/12/2024	**ADN**	2024/108
Case number	659		
The goods under consideration	Certain Strata Steel Bolts		
Case type	Dumping and Subsidy Investigation		
Australian industry	DSI Underground Australia Pty Limited		
Location	**Site Tour:** 9 Boron St, Narangba QLD 4504 **Office:** 431 Masonite Road, Heatherbrae, NSW, 2324		
Verification from	12/05/2025	to	16/05/2025
Investigation period	1/10/2023	to	30/09/2024

The Anti-Dumping Commission will review this report, including its views and recommendations.

This report may not reflect the Anti-Dumping Commission's final position.

Contents

Introduction

DSI Underground Australia Pty Limited (DSI) provided data to the Anti-Dumping Commission (the commission) in relation to Dumping and Subsidy Investigation 659 (case 659) into Certain Strata Steel Bolts from China.

A verification team (the team) has verified whether the data DSI submitted is complete, relevant and accurate for use in case 659. Anti-Dumping Notice (ADN) 2016/30 describes the commission's verification procedure.

This report explains the team's key findings, including the evidence considered and material issues identified. Where DSI or the team materially revised the submitted data, this report outlines the nature, extent and outcomes of these revisions.

The commission prepared this report to publish on the electronic public record for case 659.

Verification teams are authorised to conduct verifications under sections 269SMG and 269SMR of the *Customs Act 1901* (Cth) (the Act).[1]

[1] All legal citations in this report are to the Act unless otherwise stated.

1 Company background

1.1 Corporate structure and ownership

DSI is a private company and subsidiary of the global Sandvik AB group (Sandvik) which is a listed company on the Stockholm stock exchange.

DSI was established in 1865 by Dyckerhoff & Widmann AG in Karlsruhe, Germany. DSI entered the ground support market for Mining in 2000 following the acquisition of ANI Strata Products Australia. By 2018, DSI started galvanising and mesh manufacturing following the acquisition of Fero, Australia. Sandvik acquired DSI in 2021, forming the Ground Support division as part of the Mining and Rock Solutions business area. In September 2024, DSI was rebranded to Sandvik to strengthen synergies with Sandvik and build one unified brand.

DSI's main operations are supplying ground support products, systems and solutions for the underground mining and tunnelling industry.

DSI is Australia's largest manufacturer and supplier of friction bolts and other specialist strata reinforcement & support products to the underground coal and metalliferous mining sectors.

DSI is wholly owned by Sandvik, a global engineering group headquartered in Sweden. Sandvik is a global leading supplier of equipment and tools, parts, service, and technical solutions for the mining and infrastructure industries.

1.2 Related parties

The team examined the relationships between DSI and parties involved in the production and sale of the goods.

1.2.1 Related suppliers

The commission found that DSI imported friction bolts from its related party entity Sandvik (Jining) Rocbolt Technologies China Co Ltd (Sandvik Jining) in China during the period of investigation.

DSI imported the friction bolts from Sandvik Jining because its local facility was impacted by a temporary shutdown and to meet customer demand it supplemented the local production with imported product. DSI stated that it always informed its customers when imported friction bolts were part of the supply order.

1.2.2 Related customers

The commission found that DSI had no related customers in relation to DSI's sales of the goods during the investigation period. The commission found this by assessing DSI's sales listing, website and financial report.

The commission found that DSI's relationship with each customer is arm's length and purely commercial in nature.

2 Like goods manufactured in Australia

2.1 Manufacturing in Australia

DSI's friction bolts are manufactured from high tensile steel strip hot-rolled coil. The grade of steel that DSI purchases is HA400.

The steel strip passes through a roll forming machine which has a series of rolls that form the steel into a "C" shape, with a slot along its entire length. A steel ring is then welded on the outer non-tapered end of the bolt to hold a domed plate to the rock surface. The top end is tapered to allow easy insertion into the hole in the ground. If the bolts are sold as black finish, they are then packaged into a finished pack of 150 bolts stacked on a wooden pallet and wrapped with plastic wire. If the bolts are to be sold as galvanised finish, then the bolts are further processed in the galvanizing process. Once dry, they are packaged into 150 bolts stacked on wooden pallets and wrapped with plastic wire. The entire production and packing process, from beginning to end, takes approximately one hour.

2.2 Model control codes

The sales and costs data DSI submitted complies with the model control code (MCC) structure detailed in ADN 2024/108.

2.2.1 Amendments to model control codes

After comparing prices of different models of the goods, the team does not recommend amending the MCC structure.

2.3 Verification of model control codes

The below provides detail on the model control code (MCC) sub-categories were determined and verified to source documents.

Category (amend as required)	Determination of the sub-category (note evidence)
Finish	Based on the goods description set out on commercial invoices, shown as galvanised or black goods
Length	Based on the nominal width of the goods described on commercial invoices
Outside Diameter	Based on the nominal diameter shown in millimetres, as shown on commercial invoices
Base Metal Thickness (BMT)	Based on the descriptions set out on steel coil purchase orders and invoices specifying relevant steel grade and base metal thickness in millimetres

Table 1 MCC sub-category determination

2.4 Like goods

Like goods are defined under section 269T(1) of the Act 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.

The team considers that the like goods manufactured by DSI are identical to, or have characteristics closely resembling, the goods exported to Australia for the following reasons:

- **Physical likeness:** Australian industry's manufacture of friction bolts is alike in physical appearance to the goods imported from China. The product characteristics of outside diameter, length and base metal thickness of the goods are the same as those goods manufactured by the Australian Industry.
- **Production likeness:** Australian industry manufactured friction bolts are manufactured in a similar method to the goods imported from China. Australian industry manufactures friction bolts using steel feed stock of high tensile grade flat rolled steel sourced from a third-party supplier. Imported goods are manufactured using similar raw material inputs but may involve the production of liquid steel slab and rolling of steel feed stock to produce friction bolts. Both manufacturing processes involve the roll-forming of steel feed stock into hollow C-shaped bolts, steel ring welding at one end, and tapering of bolt at the other end. Protective coating is applied to the bolts by hot dip galvanising the goods using a chemical process.
- **Commercial likeness:** Australian industry manufactured friction bolts are commercially alike to the goods imported from China. Both locally manufactured and imported friction bolts are used in Australian resources and mining sectors. Locally manufactured and imported goods are interchangeable. Due to the commodity driven nature of the goods, they compete primarily on price.
- **Functional likeness:** Australian industry manufactured friction bolts and imported friction bolts have the same end use application. Friction bolts are commonly used as a form of rock support system in underground mining operations. The primary function of friction bolts is to provide safety during mining activitiesto stabilise rock formations, preventing mine collapses in tunnels, shafts, or other mining activities.

2.5 List of all model control codes

DSI produced and sold and produced goods with the following MCCs during the investigation period:

Sales MCC
G-2.4-47-3.2
N-2.4-47-3.2

Table 2 List of MCCs sold during investigation period

2.6 Like goods assessment

The team is satisfied that:

- Certain strata steel bolts produced by DSI are like to the goods[2]
- at least one substantial process of manufacture of strata steel bolts is carried out in Australia[3]
- the like goods were, therefore, wholly or partly manufactured in Australia by DSI[4]
- there is an Australian industry, consisting of DSI and Jennmar Australia Pty Limited (Jennmar), which produce like goods in Australia.[5]

[2] Section 269T(1) (definition of 'like goods').

[3] Section 269T(3).

[4] Section 269T(2).

[5] Section 269T(4).

3 Australian market

3.1 Australian market background

DSI competes with local manufacturers and numerous importers. Jennmar and Split Set Mining Systems (SSMS) are local manufacturing competitors, and they supply a significant portion of the friction bolt market. Although Jennmar and DSI are joint applicants, they directly compete in the ground support market. While SSMS is a local manufacturer of friction bolts, the applicants claim that it also imports friction bolts from its related party in China. SSMS is part of the Phoenix Metal Group.

DSI has directly competed with exporter, Tonry Mining Safety Support Technology Co., Ltd (Tonry). DSI stated that Tonry also supplies Drillcube Pty Ltd (Drillcube) with friction bolts and other ground support products.

Anto Mining Equipment Co., Ltd (Anto) also is an exporter that has been identified by DSI as a major supplier of friction bolts from China. Anto supplies friction bolts and other ground support products to Minova Australia Pty Ltd. DSI does not believe that Anto competes directly in the Australian market.

Other Chinese exporters of friction bolts listed in the application are Huanghua Tanrimine Metal Support Co., Ltd and Tanrimine Metal Support Co., Ltd.

Normet Asia Pacific is another importer that is a direct competitor in the friction bolt market.

DSI is also aware that friction bolts are imported into Australia from South Africa, however the volumes of these imports are minor as most of the volume is exported from China.

DSI stated that Tonry successfully competed directly against it in numerous tenders for supply contracts of friction bolts in the Australian market. DSI stated that Tonry was successful in winning a tender in 2018 to supply friction bolts for Glencore mines at Mount Isa. Tonry currently still has the supply contract for friction bolts at the Mount Isa mines.

3.2 Australian market structure

3.2.1 Marketing segmentation and end uses

The friction bolt is the basic form of ground support in underground mines. The friction bolt is typically used in hard rock mines to provide ground reinforcement to allow safe operation of underground mines. It's the lowest cost option for miners to use in the underground mining reinforcement. Friction bolts do not have a substitute. The imported friction bolts are equivalent products and used in the same manner and purpose.

The friction bolt is simple to install leading to its broad use. The product is installed into a mine ceiling or wall hole that is smaller than the bolt diameter and is held in place by the friction between the bolt and the mine ceiling or wall.

The end users of friction bolts are underground mines in Australia and abroad requiring ground support. The miners purchase ground support products direct from DSI. DSI stated that it has 110 domestic customers. This includes direct miners (end users) and sub-contractors that provide underground support and services to miners. Sub-contractors such as Perenti Limited and Byrnecut Australia Pty Ltd, have supply agreements with DSI to purchase friction bolts.

3.2.2 Distribution arrangements

DSI supplies the market by directly providing friction bolts to miners and contractors. It does not supply friction bolts to traders or distributors.

3.2.3 Supply

DSI tenders for the supply contract with miners and sub-contractors. Once a tender is won, DSI and the customer establish a supply contract which has a set price and price movement mechanism. They supply the contract as per the agreed terms including the set price and volume. The contract can include the price movement mechanism if there is movement in the raw material costs or some other element in the agreement.

3.2.4 Demand

Product demand is driven by underground mines and commodity prices. The key use of the product relates to providing a safe working environment in underground operations. New mine developments, mine closures and geological conditions drive the variability of product usage at the mine site level. The friction bolt product is the dominant product used in the ground support market. DSI claims that Chinese competitors are dumping friction bolts into the Australian market, creating downward pressure on prices for Australian competitors to remain competitive and retain customers. These customers elect to award Chinese competitors the friction bolt business or use the allegedly dumped Chinese price to leverage further price discounting form local manufactures.

3.3 Australian market pricing

DSI considers the costs of the raw material inputs, the profit margin it seeks to earn, the volume of the order, the basket of goods and the relationship with the customer when setting prices.

4 Verification of sales completeness and relevance

The commission typically verifies sales as complete and relevant by reconciling the revenue and quantity in sales listings up to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The team verified whether the sales listings DSI submitted are complete and relevant by reconciling them to the audited financial statements, consistent with ADN 2016/30.

The team verified the relevance and completeness of the sales data as follows:

1. Reconciled the group revenue in the upwards sales workbook for the 2024 financial year to the unaudited financial statements and trial balance
2. Reconciled the revenue for the investigation period to the trial balance
3. Verified the sales revenue and volume for domestic sales and export sales of the like goods by reconciling the amounts reported in the upwards sales workbook and the accounting system
4. Reconciled the revenue and the volume in the sales listing for the period to the trial balance and the accounting system. DSI's system tracks product codes aligned with the MCC structure and was able to identify the sales for the relevant models.

The team identified the issue outlined below during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **confidential attachment 1**.

4.1 Sales completeness and relevance exceptions

Exception 1: Revisions of sales listing

Description: DSI had completed the sales listing from inventory movement and output of finished goods records rather than sales revenue records.

Resolution: DSI revised its sales listing to be based on sales revenue and sales volume data extracted from the accounting system.

4.2 Import sales by company

During the period of investigation, DSI imported friction bolts from China of specifications of 2.4m length, 47mm outside diameter and 3.2mm base metal thickness. DSI imported the like goods from its Chinese related party entity Sandvik Jining which produces the friction bolts in its manufacturing facility in Jining City, Shandong Province, China.

DSI imported the friction bolts from Sandvik Jining because its local facility was temporarily impacted and to meet customer demand it supplemented local production with imported product. DSI stated that it undertook maintenance work to replace its galvanising facilities based in Perth and Brisbane in Australia. It considered these products were cost comparable to Australian produced friction bolts and were of the view these bolts had the same properties and function as Australian manufactured goods. [DSI comment: removed as already stated above].

DSI identified this information separately from the company's own production as the imported friction bolts have a different code. DSI completed the sales listing based on inventory movement and finished goods output instead of sales revenue as recorded in the accounting system. DSI resubmitted the sales listing and demonstrated that it was compiled

from sales revenue rather than inventory reports. The revised sales listing was reconciled to the trial balances and the account codes for sales revenue of locally produced friction bolts. To facilitate the verification, DSI provided its sales listing for all sales of friction bolts, which included domestic and export sales.

4.3 Export sales by company

DSI reported export sales of the goods under consideration during the period of investigation. The verification team (VT) verified DSI's export sales listing during the POI to DSI's accounting system to confirm the export goods and location.

4.4 Sales completeness and relevance finding

The team is satisfied that the sales data DSI submitted is complete and relevant, including any revision outlined in an exception above.

5 Verification of sales accuracy

The commission typically verifies sales as accurate by reconciling a selection of volume, revenue and other key data in the sales listings down to source documents. ADN 2016/30 further describes this verification process.

The team verified whether the export and domestic sales listings DSI submitted are accurate by reconciling them to source documents, consistent with ADN 2016/30.

The team identified the issues outlined below. The team detailed this process in the verification work program and its relevant attachments in **confidential attachment 1.**

5.1 Sales accuracy exceptions

Exception 2: Revision of sales listing to include actual delivery terms

Description: The team identified sales that either did not specify a delivery term in the sales listing or were free on truck ex-works despite the commercial invoice including a shipment number.

Resolution: DSI revised its sales listing to include the delivery terms of the sales with no specified delivery terms and identified the actual delivery terms relating to each sales transaction that were free on truck ex-works.

Exception 3: Revision of sales listing for ex-works sales incurred with inland transport and handling costs

Description: The team identified several sales recorded under ex-works delivery terms that incurred transport and handling cost.

Resolution: DSI revised its sales listing which removed the inland transport and handling cost from the sales that were erroneously recorded as ex-works delivery terms.

Exception 4: Revision of sales listing to include all sales within the investigation period

Description: DSI did not include all the September 2024 sales due to the timing on some invoices that occurred during the investigation period. All the consignment stock shipments that were recognised as being paid or revenue received during the investigation period were also not included in the sales listing.

Resolution: DSI revised its sales listing with all sales of the goods during the investigation period extracted from the accounting system.

5.2 Related party customers

DSI does not have any related customers. The VT examined DSI's sales listing, public website and financial report to confirm it has no related party customers.

5.3 Sales accuracy finding

The team is satisfied that the sales data DSI submitted is accurate, including any revision outlined in an exception above. Details of this verification process are contained in the verification work program and its relevant attachments, at **confidential attachment 1**.

Accordingly, the team considers DSI's sales data suitable for analysing the economic performance of its certain strata steel bolts operations from 1 October 2020 to 30 September 2024.

6 Verification of CTMS completeness and relevance

The commission typically verifies cost to make and sell (CTMS) as complete and relevant by reconciling the total cost to make (CTM) and selling, general and administrative (SG&A) expenses in cost listings up to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The team verified whether the CTM and SG&A listings DSI submitted are complete and relevant by reconciling it to audited financial statements, consistent with ADN 2016/30.

The team verified the relevance and completeness of the cost data as follows:

1. Reconciled the cost of goods sold for 2024 financial year to the audited financial statements covering the CY24 and trial balance ending Sept 2024.
2. Reconciled the cost of goods sold for the period to the trial balance Dec ending 2024 and Sept ending 2024 to verify the variance between these two periods.
3. Reconciled cost of goods sold to the total company cost to make for the period
4. Reviewed the categorisation of the cost to make of the goods and non-goods
5. Reconciled the cost to make of the goods to the cost spreadsheets.

The team verified the relevance and completeness of the SG&A data as follows:

1. Reconciled the SG&A listing to management accounts and the accounting system.
2. Reviewed SG&A allocation methodology for accuracy and reasonableness.
3. Reconciled the SG&A listing for the period to the trial balance.
4. Reviewed selected accounts of the SG&A listing to ascertain whether these were relevant for the domestic SG&A calculation.

The team identified the issues outlined in exceptions 5, 6 and 7 during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **confidential attachment 1**.

6.1 Exceptions during verification of completeness and relevance of CTMS data

Exception 5: Upwards cost worksheet

Description: DSI identified several revisions that were required to the upwards cost template during verification to verify the data submitted to the period of investigation.
Resolution: DSI provided the team with a revised worksheet to reflect changes to the upwards cost template.

Exception 6: SG&A Expenses

Description: The SG&A listing included direct selling expenses and unrealized or provisional gains/losses.

Resolution: DSI provided a revised SG&A listing that classified freight expenses as direct and included new columns to enable the SG&A listing to be easily filtered to remove unrealised or provisional accounts.

6.2 CTMS completeness and relevance finding

The team is satisfied that the CTMS data provided in the application by DSI, including any required amendments as outlined in the exception table above, is complete and relevant.

7 Verification of cost to make and sell accuracy

The commission typically verifies CTMS as accurate by reconciling a selection of volume, cost and other key data in the CTM and SG&A listings down to source documents. ADN 2016/30 further describes this verification process.

The team verified whether the CTM and SG&A listings DSI submitted are accurate by reconciling them to source documents, consistent with ADN 2016/30.

The team identified the issue outlined below. The team detailed this process in the verification work program and its relevant attachments in **confidential attachment 1**.

7.1 Cost to make and sell accuracy exceptions

Exception 7: Revised cost to make listing

Description: The team identified issues in the apportioning of SG&A expenses in the CTM listing. **Resolution:** DSI provided a revised CTM listing that correctly apportioned SG&A expenses.

7.2 Cost allocation method

Table 3 outlines how the team allocated each cost component.

Cost component	Method applied
Raw materials	Standard cost based on production quantity and adjusted for variance to reach actual material cost.
Scrap offset	Net scrap offset accounted for within SG&A and portioned based on revenue.
Direct labour	Standard cost based on production quantity and adjusted for variance to reach actual labour cost.
Manufacturing overheads	Standard cost based on production quantity and adjusted for variance to reach actual overhead cost.
Depreciation	Standard cost based on production quantity and adjusted for variance to reach actual depreciation cost.
Variance	Labour and material variances applied based on production quantity.

Table 3 Cost allocation method

7.3 Related party suppliers

DSI purchased completed friction bolts from related party, Sandvik (Jining) Rocbolt Technologies China Co Ltd, during the inquiry period. DSI did not purchase raw materials from related entities during the inquiry period.

7.4 Cost to make and sell accuracy finding

The team is satisfied that the CTMS data DSI submitted is accurate and reasonably reflects the costs associated with the production and sale of the goods, including any revision outlined in an exception above.

8 Economic condition

8.1 Applicant's injury claims

In its application for a dumping and subsidy investigation, DSI claimed that the Australian industry has experienced injury in the form of:

- loss of sales volume and market share
- lower production volumes
- price depression
- price suppression
- loss of profits
- loss of profitability
- reduced capital investment
- reduced research & development (R&D) expenditure
- reduced return on investment
- reduced capacity utilisation
- reduced employment
- reduced productivity
- reduced inventory turnover

8.2 Approach to injury analysis

The analysis detailed in this chapter is based on verified financial information submitted by DSI. The team has assessed the economic condition of the Australian industry from 1 October 2020 using the information provided by DSI. The commission has compiled the figures presented on an annual basis for years ending 30 September. This preliminary assessment is at **confidential appendix 1**.

8.3 Volume effects

DSI submit that it has experienced material injury as a result of the ongoing presence and increased volumes of friction bolts imported from China. In its application, it states that during the injury analysis period, the market share captured by imports from China has grown substantially and translated to a material loss of market share for the Australian industry.

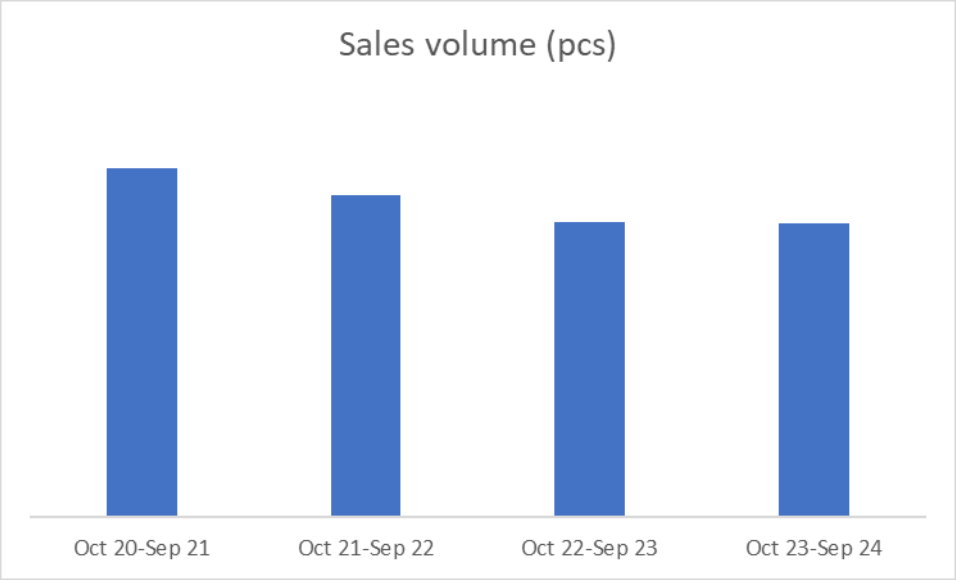

Figure 1 - Sales volume

Consistent with DSI's claims, the team has found that the sales volume of DSI's like goods declined over the injury period.

Based on this analysis, the team considers that DSI has experienced injury in the form of loss of sales volume during the investigation period.

8.4 Price effects

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.

DSI claims that it has experienced both price depression and price suppression.

To assess DSI's claims, the team compared the weighted average selling price of like goods sold by DSI compared to its weighted average CTMS for the like goods for the injury period. Figure 2 depicts this comparison.

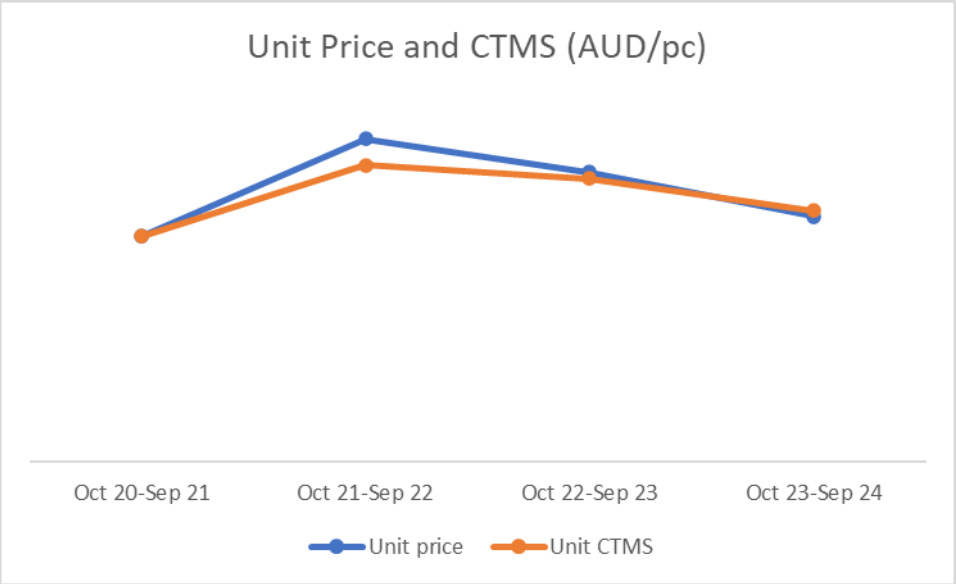

Figure 2 - Unit price and CTMS

In terms of price depression, the team observed a downward trend in DSI's weighted average selling price beginning after year end September 2022. This trend is indicative of price depression and consistent with DSI's claim that it lowered its prices as a result of imports from China.

In terms of price suppression, the team observed that while unit CTMS trended downwards over the same period as unit selling price, unit CTMS trended downwards by a smaller magnitude, with DSI not able to increase selling prices sufficiently to recover the increased costs of manufacture and sale that occurred during the injury period.

Based on this analysis, the team considers that DSI has experienced injury in the form of price suppression and price depression during the investigation period.

8.5 Profit and profitability

DSI claim that price competition with imports from China affect its ability to raise prices sufficiently to cover costs, which has negatively impacted its profits and profitability, particularly in the two most recent years of the injury period.

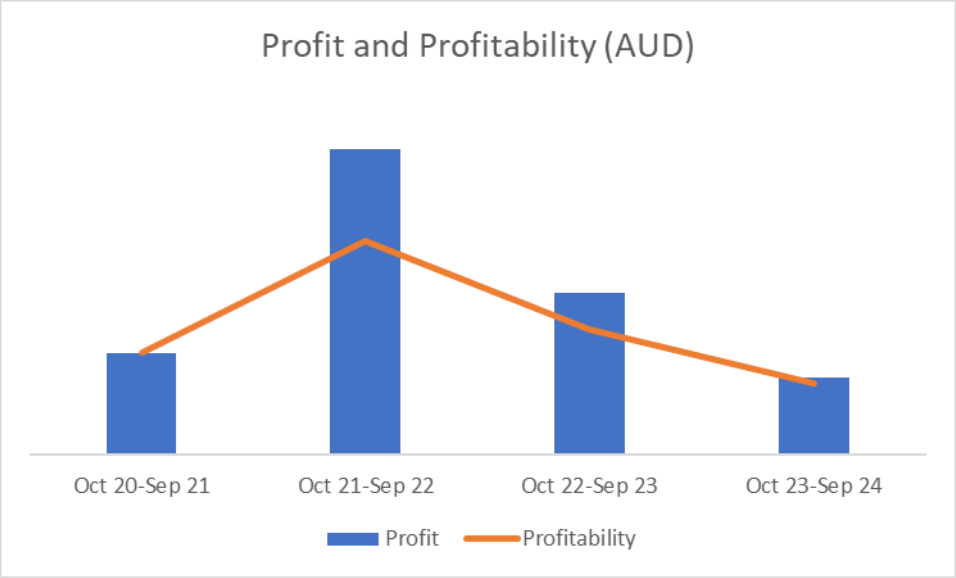

Figure 3 - Profit and profitability

Figure 3 depicts profit and profitability over the injury period. DSI's profit and profitability exhibit a sharp downward trend in the two most recent years of the injury period.

Noting the team's observation that DSI has experienced reduced sales volume (chapter 8.3) and experienced price depression and suppression (chapter 8.4) during the investigation period, the team considers that DSI has achieved lower profit and profitability than would have been the case had sales volume and prices been maintained.

Based on this analysis, the team considers that DSI has experienced injury in the form of loss of profits and reduced profitability during the investigation period.

8.6 Other economic factors

As part of its application, DSI provided data in relation to a range of other economic factors which may also be indicative that injury has occurred. This included data relating to:

- reduced capital investment
- reduced research & development expenditure
- reduced return on investment (ROI)
- reduced capacity utilisation
- reduced employment
- reduced productivity
- reduced inventory turnover.

The team note that the application is a joint application by DSI and Jennmar, and that the other economic factor section:

- considers both applicants jointly; and
- consider financial years ending 30 June.

The team has examined the data provided in respect of each of these claims. Specifically, the team has examined data provided in respect of DSI for years ending 30 September.

8.6.1 Capital investment

The application claims that the applicants have experienced injury in relation to capital investment. DSI reported their capital investment amounts for the injury period in AUD. Table 4 is an index of DSI's total company capital investment.

	Oct 20-Sep 21	Oct 21-Sep 22	Oct 22-Sep 23	Oct 23-Sep 24
Capital investment	100	30	121	578

Table 4 - Index of DSI capital investment, compared to Oct 20-Sep 21

Table 4 shows that DSI's capital investment fell in the second year of the injury period, recovered in the third year, and increased significantly in the investigation period.

8.6.2 Research & development expenditure

The application claims that the applicants have experienced injury in relation to R&D expenditure. DSI reported their R&D expenditure amounts for the injury period in AUD. Table 5 is an index of DSI's total company R&D expenditure.

	Oct 20-Sep 21	Oct 21-Sep 22	Oct 22-Sep 23	Oct 23-Sep 24
R&D expenditure	100	148	142	342

Table 5 - Index of DSI R&D expenditure, compared to Oct 20-Sep 21

Table 5 shows that DSI's R&D expenditure has increased steadily over the injury period including a significant increase in the investigation period.

8.6.3 Return on investment

DSI calculated its ROI as sales revenue minus CTMS, divided by total sales revenue for the like goods. The team has recalculated ROI using CTMS as the denominator, to reflect the costs incurred by DSI in the production of like goods.

	Oct 20-Sep 21	Oct 21-Sep 22	Oct 22-Sep 23	Oct 23-Sep 24

Return on investment	100	207	128	73

Table 6 - Index of DSI return on investment, compared to Oct 20-Sep 21

Table 6 shows that DSI's ROI increased in the second year of the injury period before declining sharply through the third year of the injury period and ending significantly lower in the investigation period.

8.6.4 Capacity utilisation

The application claims that the applicants have experienced injury in relation to capacity utilisation. Given DSI's available capacity, capacity utilisation would have otherwise been higher if not for the dumped and subsidised goods.

	Oct 20-Sep 21	Oct 21-Sep 22	Oct 22-Sep 23	Oct 23-Sep 24
Capacity utilisation	100	120	91	84

Table 7 - Index of DSI capacity utilisation, compared to Oct 20-Sep 21

Table 8 shows that DSI's capacity utilisation has fallen since October 2021.

8.6.5 Employment

The application claims that the applicants have experienced injury in relation to employment levels. Employment levels would have otherwise been higher if not for the dumped and subsidised goods. Table 9 is DSI's indexed employment levels relating to production of like goods.

	Oct 20-Sep 21	Oct 21-Sep 22	Oct 22-Sep 23	Oct 23-Sep 24
Employment	100	154	107	80

Table 10 - Index of DSI employment, compared to Oct 20-Sep 21

Table 11 shows that DSI's employment levels have fallen since October 2021.

8.6.6 Productivity

The application claims that the applicants have experienced injury in relation to reduced productivity for the production of like goods.

	Oct 20-Sep 21	Oct 21-Sep 22	Oct 22-Sep 23	Oct 23-Sep 24
Productivity	100	74	78	87

Table 12 - Index of DSI productivity, compared to Oct 20-Sep 21

Table 13 shows that DSI's productivity for the production of like goods has fallen since October 2020.

8.6.7 Inventory turnover

The application claims that the applicants have experienced injury in relation to reduced inventory turnover of like goods.

	Oct 20-Sep 21	Oct 21-Sep 22	Oct 22-Sep 23	Oct 23-Sep 24
Inventory turnover	100	127	87	82

Table 14 - Index of DSI inventory turnover, compared to Oct 20-Sep 21

Table 15 shows that DSI's inventory turnover for the like goods has fallen since October 2021.

8.6.8 Other economic factors finding

Based on the analysis in the preceding chapters, the team considers DSI has experienced injury in the form of:

- reduced return on investment
- reduced capacity utilisation
- reduced employment levels
- reduced inventory turnover.

The team consider that the data does not indicate that DSI has experienced injury in the form of reduced capital investment or reduced R&D expenditure.

8.7 Conclusion

Based on an analysis of the information contained in the application and obtained and verified during our visit, the team considers that DSI has experienced injury in the form of:

- loss of sales volume
- price depression
- price suppression
- loss of profit
- reduced profitability
- reduced return on investment
- reduced capacity utilisation
- reduced employment levels
- reduced inventory turnover.

9 Causal link claims

9.1 Background and approach to analysis

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

The team discussed with DSI whether the alleged dumping and subsidisation of imported strata steel bolts can be demonstrated to be causing material injury to the Australian industry, and collected evidence to support those claims. The commission will consider the evidence further during the course of the investigation.

9.2 Volume, price, and profitability effects

DSI claim to have suffered injury as a direct result of competition with dumped imports from China which resulted in DSI losing tenders for new contracts and losing the renewal of existing supply contracts. DSI claim that despite a growing Australian market size, it has experienced a reduction in its market share.

DSI provided evidence to the team including pricing information, details of tender bids and tender outcomes. The commission will consider this evidence further during the course of the investigation. The team detailed this evidence in the verification work program and its relevant attachments in **confidential attachment 1**.

10 Appendices and attachments

Confidential attachment 1	Verification work program
Confidential appendix 1	Economic condition of Australian industry