



MARCH 2026

# INV 690 – Freight Railway Wheels

Exporter Briefing

**Public File**

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1. Exporter Questionnaire Response assessment
  - Baowu Group MaSteel Rail Transit Materials Technology Company Limited (**MaSteel**).
2. Differences between billet and blooms raw material costs
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# 1. Exporter Questionnaire Assessment – MaSteel

The following provides Comsteel’s assessment of MaSteel’s exporter questionnaire response (EQR), due 2 January 2026 and published 19 January 2026. All sections and page references are to the EQR.

Section E (due allowance); E-2 Packaging (p. 28):

- The EQR provides this response =====>
- Comsteel submits that difference do exist for packaging materials used in domestic v’s export sales

## E-2 Packaging

1. What is the packaging used for your domestic sales of like goods?

### RESPONSE:

The packaging used for domestic sales are mainly [Sensitive: domestic packaging] depending on the specific requirement of the customers.

2. What is the packaging used for your export sales of the goods to Australia?

### RESPONSE:

The packaging used for export sales to Australia are mainly [Sensitive: Australian packaging] depending on the specific requirement of the customers.

3. If there are distinct differences in packaging between your domestic and export sales:

- (a) Provide details of the differences
- (b) Calculate the weighted average packaging cost for each model sold on the domestic market
- (c) Calculate the weighted average packaging cost for each model exported to Australia

### RESPONSE:

There are no differences in packaging between domestic and export sales.



# 1. Exporter Questionnaire Assessment – MaSteel

Section E (due allowance); E-2 Packaging (p. 28) (cont.):

- Railway wheels transported domestically are packaging typically packaged on timber pallets.
- Railway wheels exported are placed on ‘bobbins’.

Comsteel domestic packaging =====> [***confidential content deleted: packaging costs photo***]



# 1. Exporter Questionnaire Assessment – MaSteel

Section E (due allowance); E-2 Packaging (p. 28) (cont.):

Export packaging:

[*confidential content deleted: packaging costs photos*]



# 1. Exporter Questionnaire Assessment – MaSteel

Section E (due allowance); E-2 Packaging (p. 28) (cont.):

Wheel packaging requirements [*exporter*] ==> [confidential content deleted: packaging costs photo]



# 1. Exporter Questionnaire Assessment – MaSteel (cont.)

Section G-7; Major raw material costs (p. 37):

- The EQR provides the following response, stating that raw materials are not sourced from a subsidiary =====>
- Question G-7.7 the states that one of MaSteel’s suppliers is related (p. 38).
- This appears to be an inconsistent disclosure.

## G-7 Major raw material costs

1. What are the major raw materials used in the manufacture of the goods?

### RESPONSE:

The major raw material used in the manufacture of the goods is steel billet.

2. Are any raw materials sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named “G-7.2 Raw material CTM” for these raw materials.

- This worksheet lists the quarterly cost to make the raw material manufactured within the period.
- The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold).
- If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as ‘other costs’ if not already included, for example, under material costs.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

### RESPONSE:

No. Masteel's billets were not sourced from an integrated production process or from a subsidiary company.



# 1. Exporter Questionnaire Assessment – MaSteel (cont.)

Section H-7; Taxation (p. 50):

- The EQR confirms the ongoing countervailable export VAT rebate subsidy =====>

## H-7 Taxation

1. Were there any export taxes on the exports of the goods during the period?

### RESPONSE:

During the investigation period, the value-added tax rate of the subject product was 13%, and the export tax was fully refunded.

2. What was the value-added tax rebate applicable to exports of the goods during the period?

### RESPONSE:

During the investigation period, the value-added tax rate of the subject product was 13%, and the export tax was fully refunded.

3. Have there been any changes to the value-added tax rebate applicable to exports of the goods in the last 5 years? If yes, provide:

### RESPONSE:

No, there have been no changes in the last 5 years.

- a. a detailed chronological history of the value-added tax rebate rates
- b. products affected
- c. the effective dates of the rate changes
- d. fully translated copies of any Government of China notices regarding these changes, including the relevant appendices.

4. Are you aware of any tax changes being planned that would impact the industry?

### RESPONSE:

The company is not aware of the planned tax policy changes, and this question is not applicable.



# 1. Exporter Questionnaire Assessment – MaSteel (cont.)

Section I-2; Provision of goods at less than adequate remuneration (p. 58):

- The EQR provides this response=====➔
- The questions requests an explanation on whether raw material materials suppliers are SIE’s.
- The response references only MaSteel’s ownership structure.
- Does this mean that MaSteel’s related party raw material supplier (refer above at slide 6) is the only raw material supplier?
- No other supplier relationships are mentioned, not an SIE assessment.

**I-2 Provision of goods at less than adequate remuneration**

1. For all suppliers and manufacturers of raw materials listed in “I-2 Raw Material Purchases” or “G-7.2 Raw material CTM”, provide an explanation and any evidence to support your categorisation of whether the company is a State Invested Enterprise (SIE).

**RESPONSE:**

By accessing public information from the government or by enterprise querying websites such as Qichacha or Tianyancha in China, we can access the company's equity ownership structure. Given that the ultimate controller of the company is the government of China, the company being queried can be determined that it is a State Invested Enterprise (SIE).



# 1. Exporter Questionnaire Assessment – MaSteel (cont.)

Section I-3; Preferential tax policies (p. 59):

- The EQR confirms a lower corporate tax rate, considered a countervailable subsidy =====>

4. What is the general tax rate for enterprises (also referred to as the company or corporate tax rate) during the previous two financial years?

**RESPONSE:**

The general tax rate for enterprises is 25%.

5. Did your company pay less than the general tax rate for enterprises referred to in question I-3.4

**RESPONSE:**

Yes, the Company pay less than the general tax rate.

If yes:

a. What tax rate did your company pay?

**RESPONSE:**

Masteel pays tax rate 15%.



# 1. Exporter Questionnaire Assessment – MaSteel (cont.)

Section K-1; Prevailing conditions of competition in the Australian market (p. 72):

- The EQR provides the following response =====>
- Comsteel considers that MaSteel holds a material share of the Australian market for the goods, alongside Taiyuan Heavy Industries (refer next slide).

**SECTION K  
AUSTRALIAN MARKET**

**K-1 Prevailing conditions of competition in the Australian market**

1. Describe the Australian market for the goods and the prevailing conditions of competition within the market, including:

(a) Provide an overall description of the Australian market for the goods which explains its main characteristics and trends over the past five years

**RESPONSE:**

Masteel only represents a small market share in Australia and has no reliable source of overall impression of the Australian market for the goods. As far as we know, the applicant Commonwealth Steel Company Pty Ltd is the sole manufacturer in Australia, and it has monopoly position in the Australian market. Commonwealth restricted market competition for many years. Only a few exporters from other countries started to enter Australian market in recent years, and brought more competition to the market, which is favorable to Australian market. However, if this investigation ends with affirmative conclusion, it will be detrimental to the sustainable development of Australian market.



# 1. Exporter Questionnaire Assessment – MaSteel (cont.)

Section K-1; Prevailing conditions of competition in the Australian market (p. 72) (cont.)

[***confidential details deleted***: *commercially sensitive competitive assessments*]



# 1. Exporter Questionnaire Assessment – MaSteel (cont.)

Section K-3; Relationship between price and cost in Australia (p. 75-77):

- In response to K-3.6 (p. 76), K-3.7 (p. 76), K-3.13 (p. 77) and K-3.14 (p. 77), the exporter references responses noted at Section J-2 ‘Goods in the **domestic** market’ (i.e. the domestic Chinese market).
- The Commission should therefore consider the K-3 responses deficient.



## 2. Billet v's Bloom raw material

### Billet vs. Bloom: Key Differences and Context

- The main difference between a billet and a bloom is their size and their intended end use. While both are produced via the same continuous casting process, they are categorized as follows:
  - **Blooms:** Generally larger and because of their mass, they require heavy-duty rolling mills and often serve as an intermediate stage before being processed into billets.
  - **Billets:** Smaller semi-finished forms produced either directly from casting or by rolling down a bloom.

### Application in Railway Wheel Manufacturing

- For railway wheel production, round blooms are the industry standard raw material due to availability.
  - **Sourcing:** MaSteel sources its steel from its affiliate, Maanshan Special Steel (part of the Baowu Group).
  - **Sizing:** For freight wheels, MaSteel utilize billets diameters of 380mm and 450mm. While this is slightly smaller than Comsteel's standard 500mm diameter, the product characteristics and manufacturing process remain very similar but will incur additional costs when rolling down the bloom.



## 3. MaSteel details

- Recent Australian supply negotiations:

*[confidential details deleted: customer supply negotiations]*

