



Australian Government  
Department of Industry,  
Science and Resources

# Anti-Dumping Commission

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*CUSTOMS ACT 1901 - PART XV B*

## **STATEMENT OF ESSENTIAL FACTS**

**NO. 659**

**ALLEGED DUMPING OF STRATA STEEL BOLTS  
EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA**

**AND**

**ALLEGED SUBSIDISATION OF STRATA STEEL BOLTS  
EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA**

**6 March 2026**

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**ABBREVIATIONS**

\$	Australian dollars
ABF	Australian Border Force
the Act	<i>Customs Act 1901</i> (Cth)
ADA	WTO Anti-Dumping Agreement
ADN	Anti-Dumping Notice
the applicants	DSI Underground Australia Pty Limited and Jennmar Australia Pty Limited
BF-BOF	blast furnace – basic oxygen furnace
BlueScope	BlueScope Steel Ltd
CFR	cost and freight
COGS	cost of goods sold
the commission	the Anti-Dumping Commission
the Commissioner	Commissioner of the Anti-Dumping Commission
CTM	cost to make
CTMS	cost to make & sell
CTS	cost to sell
Customs Direction	<i>Customs (Extension of Time and Non-cooperation) Direction 2015</i>
DSI	DSI Underground Australia Pty Limited
Dumping Duty Act	<i>Customs Tariff (Anti-Dumping) Act 1975</i> (Cth)
EPR	electronic public record
EBIT	earnings before interest and tax
EDITA	earnings before interest, tax, depreciation and amortisation
FOB	free on board
GAAP	generally accepted accounting principles
GOC	Government of China
the goods	goods under consideration
HRC	hot rolled coil (steel)
HS Code	Harmonized System code (tariff classifications)
ICD	interim countervailing duty
IDD	interim dumping duty
investigation period	1 October 2023 to 30 September 2024
Jennmar	Jennmar Australia Pty Limited
LTAR	less than adequate remuneration
Material Injury Direction	<i>Ministerial Direction on Material Injury 2012</i>
MEPS	MEPS International Ltd
the Minister	Minister for Industry and Innovation and Minister for Science
MT	metric tonne

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NIP	non-injurious price
OECD	Organisation for Economic Cooperation and Development
PAD	preliminary affirmative determination
PAD Direction	<i>Customs (Preliminary Affirmative Determinations) Direction 2015</i>
the Regulations	<i>Customs (International Obligations) Regulation 2015 (Cth)</i>
REQ	response to exporter questionnaire
RGQ	response to government questionnaire
SEF	statement of essential facts
SIE / SIEs	state invested enterprise(s)
SOE / SOEs	state owned enterprise(s)
SG&A	selling, general and administrative expenses
SSMS	Split Set Mining Systems
Tariff Act	<i>Customs Tariff Act 1995</i>
USD	US Dollars
USP	unsuppressed selling price
WTO	World Trade Organization

# 1 SUMMARY AND RECOMMENDATIONS

## 1.1 Introduction

This statement of essential facts (SEF) sets out the facts on which the Commissioner of the Anti-Dumping Commission (the Commissioner) proposes to base their recommendations to the Minister for Industry and Innovation and Minister for Science (the Minister) concerning Investigation 659 (INV 659 or this investigation).

The Anti-Dumping Commission (the commission) has prepared this SEF in response to an application for the publication of a dumping duty and countervailing duty notice made by DSI Underground Australia Pty Limited (DSI) and Jenmar Australia Pty Limited (Jenmar) (collectively, the applicants). The application was made under section 269TB(1) of the *Customs Act 1901* (the Act).<sup>1</sup>

The application was in respect of certain strata steel bolts (strata bolts, or the goods) exported to Australia from the People's Republic of China (China). The applicants allege that the Australian industry producing strata bolts has experienced material injury caused by the goods exported to Australia from China at dumped and subsidised prices.

The Commissioner initiated this investigation on 19 December 2024. The investigation period is from 1 October 2023 to 30 September 2024 (the investigation period).

The Commissioner proposes to recommend the Minister publish a dumping duty notice and countervailing duty notice in respect of the goods exported to Australia from China.

The Commissioner's final recommendations to the Minister will be contained in a report due to the Minister by **16 April 2026**, unless the investigation is terminated earlier or a further extension of time to provide the report is granted.

Interested parties should note that this SEF may not represent the final views of the Commissioner. The Commissioner invites interested parties to make submissions in response to this SEF by **26 March 2026**. Further information concerning making submissions in response to this SEF is included in section 2.2 of this report.

## 1.2 Preliminary findings at SEF stage

The Commissioner has preliminarily found that:

- Exports of the goods from China in relation to all exporters from that country were dumped during the investigation period and the volume of dumped goods and the margin of dumping was not negligible.
- Exports of the goods from China in relation to all exporters from that country were subsidised during the investigation period and the volume of subsidised goods and the margin of countervailable subsidisation was not negligible.
- Dumped and subsidised exports of the goods from China have caused material injury to the Australian industry producing like goods.

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<sup>1</sup> All legislative references in this report are to the *Customs Act 1901* (the Act) unless otherwise specified.

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Based on these preliminary findings, and subject to any submissions received in response to this SEF, the Commissioner proposes to recommend that the Minister publish a dumping duty notice and countervailing duty notice in relation to all exporters of the goods from China.

The Commissioner's preliminary findings and conclusions in this SEF are based on the information available at this stage of the investigation. Table 1 contains a summary of the preliminary dumping and subsidy margins found.

Exporter	Dumping margin (%)	Subsidy margin (%)
Anto Mining Equipment Co Ltd	23.0	14.0
Sandvik Jining Rocbolt Technologies China Co Ltd	10.2	14.3
Huanghua Tanrimine Metal Support Co Ltd	3.4	10.5
All other exporters	35.2	17.8

**Table 1: Preliminary dumping and subsidy margins**

### 1.2.1 Background and conduct of the investigation (chapter 2)

Investigation 659 is the first investigation into alleged dumping and subsidisation of strata bolts imported from China. The Commissioner initiated this investigation on 19 December 2024 following a joint application by DSI and Jennmar, two Australian manufacturers of strata bolts. The commission understands that DSI and Jennmar represent over 80% of the sales of Australian manufactured strata bolts, with Split Set Mining Systems (SSMS) holding the remaining share. As specified in the initiation notice, the Commissioner set an investigation period of 1 October 2023 to 30 September 2024. The Commissioner also set an injury period from 1 October 2020 to assess the economic condition of the Australian industry and assess potential injury factors.

The commission performed verification visits to DSI and Jennmar's manufacturing facilities. The commission received completed responses to the importer questionnaire from 3 Australian importers of the goods. The commission verified all 3 importers. One of these importers was DSI.

The investigation received cooperation from 3 entities exporting from China:

- Anto Mining Equipment Co Ltd (Anto)
- Sandvik Jining Rocbolt Technologies China Co Ltd (Sandvik Jining)
- Huanghua Tanrimine Metal Support Co Ltd (Tanrimine).

The commission undertook 2 overseas verification visits to Sandvik Jining and Tanrimine.

The commission has relied on evidence and preliminary findings set out in the SEF for investigation 658,<sup>2</sup> which concerns the alleged dumping and subsidisation on hot rolled coil (HRC) exported to Australia from China. HRC is the main raw material input in the manufacture of strata bolts, and the commission considers the evidence provided in investigation 658 is relevant to this investigation for the reasons set out in section 2.4.1.

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<sup>2</sup> Published on 23 December 2025 and available on the commission's website, [EPR 658, document no 27](#).

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At the time of publishing this report, the commission had received submissions from several parties, including both applicants, and 2 exporters, as outlined in section 2.7 of this report. Submissions in response to the preliminary findings and conclusions outlined in this report should be received by the Commissioner no later than **26 March 2026**. Full details on the submission process are provided in section 2.2 of this report.

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

The Commissioner preliminarily finds that locally produced goods are 'like' to the goods the subject of the application. The Commissioner is satisfied that there is an Australian industry producing like goods, and that the goods are wholly manufactured in Australia. The commission understands that the applicants represent the majority of production of like goods in Australia and for this reason the commission considers that data submitted by the applicants is a key indicator of the performance of the entire Australian industry.

### 1.2.3 Australian market (chapter 5)

The Commissioner preliminarily finds that the Australian industry and imports from China supply the Australian market for strata bolts. Figure 1 shows the size of the Australian market year-on-year from 1 October 2020 to 30 September 2024.

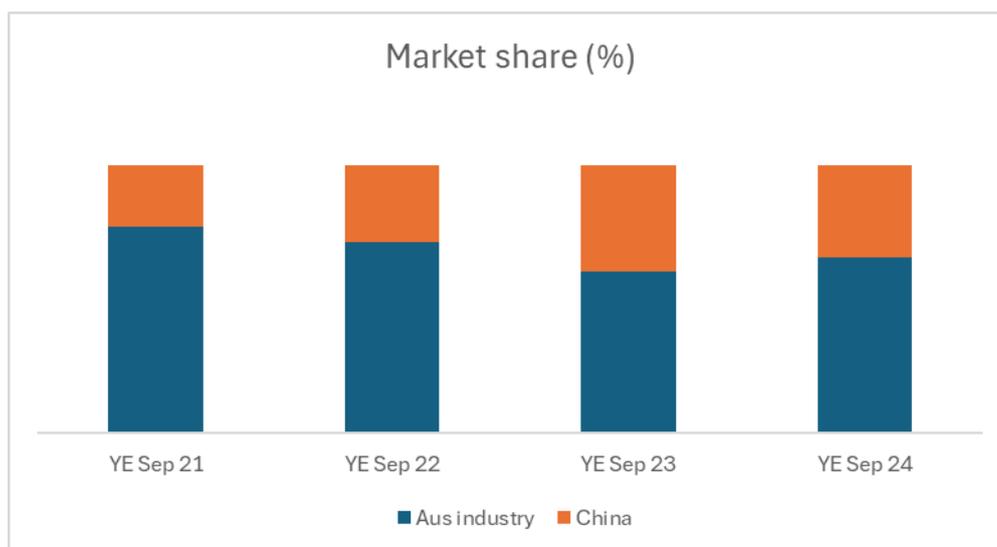


Figure 1: Australian market size by volume (pieces)

### 1.2.4 Dumping investigation (chapter 6)

The Commissioner is preliminarily satisfied that during the investigation period the goods exported to Australia from China in the investigation period have been dumped at margins that are not negligible, and the volume of the dumped goods exported to Australia from China was not negligible. The commission's preliminary assessment of dumping margins is set out in Table 2.

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Exporter	Dumping margin (%)
Anto	23.0
Sandvik Jining	10.2
Tanrimine	3.4
All other exporters	35.2

**Table 2: Summary of dumping margins**

### 1.2.5 Subsidy investigation (chapter 7)

The Commissioner is preliminarily satisfied that all exporters from China received countervailable subsidies in respect of the goods exported to Australia during the investigation period and that the volume of those subsidised goods exported to Australia from China was not negligible. The commission's preliminary assessment of subsidy margins is set out in Table 3.

Exporter	Subsidy margin (%)
Anto	14.0
Sandvik	14.3
Tanrimine	10.5
All other exporters	17.8

**Table 3: Summary of subsidy margins**

### 1.2.6 Economic condition of the Australian industry (chapter 8)

The Commissioner preliminarily finds that the Australian industry has experienced injury in the investigation period 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 return on investment
- reduced capacity utilisation
- reduced employment
- reduced inventory turnover.

### 1.2.7 Has dumping caused material injury? (chapter 9)

The Commissioner is preliminarily satisfied that the injury experienced by the Australian industry over the investigation period has been caused by dumped and subsidised exports of the goods by Chinese exporters and that the injury is material.

In investigating the cause of injury to the Australian industry, the Commissioner had regard to the economic condition of the Australian industry, the size of the dumping and subsidy margins, the prices of exports from China, the importance of price in the market, evidence of import prices impacting pricing negotiations in the market, and changes in the volume and market share of imports and of the Australian industry.

**1.2.8 Will dumping and subsidisation continue (chapter 10)**

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

**1.2.9 Non-injurious price (chapter 11)**

The Commissioner preliminarily finds that the Minister is not required to have regard to the desirability of specifying a method of calculating dumping duty and countervailing duty such that the sum of the export price (of the goods ascertained for the purposes of the notices), the dumping duty and the countervailing duty, do not exceed the non-injurious price (NIP) in accordance with sections 8(5BA) and 10(3D) of the *Customs Tariff (Anti-Dumping) Act 1975* (Cth) (the Dumping Duty Act) (the lesser duty rule). This is due to the operation of sections 8(5BAAA) and 10(3DA) of the Dumping Duty Act which provides that the Minister is not required to have regard to the lesser duty rule where the normal value of the goods was not ascertained under section 269TAC(1) of the *Customs Act 1901* because of the operation of section 269TAC(2)(a)(ii).<sup>3</sup> Although not required to have regard to the lesser duty rule, the Minister maintains discretion to do so.

The Commissioner preliminarily considers that, in relation to all exporters from China, it is not desirable for the Minister to specify a method of calculating dumping duty and countervailing duty in accordance with the lesser duty rule. Notwithstanding the Commissioner’s consideration, the Minister retains this discretion. Therefore, the commission has calculated a NIP.

**1.2.10 Proposed measures (chapter 12)**

The Commissioner proposes to recommend to the Minister that anti-dumping measures be imposed in the form of a dumping duty notice and a countervailing duty notice, and that the *ad valorem* duty method be used to determine the amount of interim duty payable by importers of the goods from China. The Commissioner proposes to recommend that the Minister impose interim dumping duty (IDD) and interim countervailing duty (ICD) equal to the rates of dumping securities and countervailing securities set out in Table 4.

Exporter	Duty method	Dumping margin	Dumping securities	Subsidy margin	Countervailing securities	Combined securities
Anto	<i>Ad valorem</i>	23.0%	9.3%	14.0%	14.0%	<b>23.3%</b>
Sandvik Jining		10.2%	0.0%	14.3%	14.3%	<b>14.3%</b>
Tanrimine		3.4%	0.0%	10.5%	10.5%	<b>10.5%</b>
All other exporters		35.2%	17.7%	17.8%	17.8%	<b>35.5%</b>

**Table 4: Proposed rates of dumping and countervailing securities**

The rate of dumping security is less than the full dumping margin due to removal of the less than adequate remuneration (LTAR) subsidy program (*Program 590-20 – hot rolled steel provided by government at less than fair market value*) from the dumping security to avoid any ‘double counting’ of the effect of that program on the dumping margin.

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<sup>3</sup> Chapter 6 of this report refers.

### **1.2.11 Preliminary affirmative determination and amendment to securities (chapter 13)**

A preliminary affirmative determination (PAD) was made on 23 December 2025 after the Commissioner was satisfied that there appeared to be sufficient grounds for the publication of a dumping duty notice in relation to the goods exported to Australia from China. Following the PAD, securities were taken in respect of IDD that may become payable (dumping securities) on goods entered for home consumption on or after 24 December 2025 to prevent material injury to the Australian industry while the investigation continued.

As outlined in section 2.6 of this report, the Commissioner did not make a finding on countervailable subsidies at the time of the PAD and therefore no securities were taken in respect of ICD that may become payable (countervailing securities). For the purposes of this SEF, and based on the further analysis set out in chapter 7, the Commissioner is now satisfied that subsidisation has occurred and that the volume of subsidised exports was not negligible. The Commissioner has made a PAD in relation to a countervailing duty notice and decided to take countervailing securities and revise the level of dumping securities.

The revised securities are based upon the updated variable factors. As noted in section 1.2.10, the LTAR subsidy program has been removed from the dumping securities to avoid any 'double counting' of the effect of that program on the dumping margin.

The combined dumping and countervailing securities specified in Table 5 will be taken as an amount worked out in accordance with the *ad valorem* duty method, and taken in relation to imports of the goods entered for home consumption from 7 March 2026. This table also shows the existing dumping securities that have been in effect since the previous PAD was made on 23 December 2025,

<b>Exporter</b>	<b>Duty method</b>	<b>Existing dumping securities</b>	<b>Combined dumping and countervailing securities</b>
Anto	<i>Ad valorem</i>	23.0%	23.3%
Sandvik Jining		10.2%	14.3%
Tanrimine		7.2%	10.5%
All other exporters		35.2%	35.5%

**Table 5: Existing securities and revised securities payable**

### **1.3 Information considered in preparation of this SEF**

The Commissioner’s preliminary findings and conclusions in this SEF rely on the information available at this stage of the investigation.

At initiation of the investigation, the Commissioner established an investigation period of 1 October 2023 to 30 September 2024. The Commissioner examined exports to Australia of the goods from China during this period to determine whether dumping and subsidisation had occurred.

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

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

- DSI and Jennmar's application
- submissions received
- importer and exporter questionnaire responses received from participating importers and exporters
- information obtained during verification visits to:
  - the applicants, DSI and Jennmar
  - importers Drillcube Pty Ltd (Drillcube) and Minova Australia Pty Ltd (Minova)
  - exporters Sandvik Jining and Tanrimine.
- 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 this SEF, and
- other relevant matters and information as outlined in this SEF.

The commission is assisting the Commissioner to conduct the investigation, pursuant to the commission's function specified in section 269SMD.

Further information on the conduct of the investigation is included in chapter 2 of this SEF.

## 2 BACKGROUND

### 2.1 Legislative framework

#### 2.1.1 Legislative test

Division 2 of Part XVB sets out, among other things, the procedures to be followed and matters to be considered by the Commissioner in conducting investigations in relation to goods covered by applications for the publication of dumping and countervailing duty notices, for the purpose of making a report to the Minister.

Under section 269TEA(1), 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 and/or countervailing duty notice under sections 269TG, 269TJ or 269TJA.<sup>4</sup> Under sections 269TG, 269TJ and 269TJA, in order 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.

#### 2.1.2 Statement of essential facts

Section 269TDAA(1) requires the Commissioner to publish a statement of the facts on which they propose to base their recommendations to the Minister in relation to the application. This statement is the statement of essential facts, abbreviated as the SEF.

Section 269TDAA(2) requires the Commissioner, in formulating the SEF, to have regard to the application and any submissions received within 37 days of the initiation of the investigation. Under section 269TDAA(3), the Commissioner is not obliged to have regard to a submission received by the Commissioner after the 37 days, if to do so, in the Commissioner's opinion, would prevent the timely placement of the SEF on the Electronic Public Record (EPR).<sup>5</sup> The Commissioner may also have regard to any other matters they consider relevant.

#### 2.1.3 Final report

Section 269TEA(1) 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.

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<sup>4</sup> Section 269TJA relates to concurrent dumping and countervailable subsidisation. The provision provides that, where goods are both dumped and subsidised, and because of the combined effects of the dumping and the amount of countervailable subsidy received in respect of the goods, material injury to an Australian industry producing like goods has been or is being caused, the Minister may publish a notice under either sections 269TG(1), 269TG(2), 269TJ(1) or 269TJ(2) or notices under such sections at the same time. Section 269TJA is relevant in this investigation due to the combined dumping and subsidisation in relation to goods exported to Australia from China by certain exporters.

<sup>5</sup> The EPR contains non-confidential submissions by interested parties, the non-confidential versions of the commission's visit reports and other publicly available documents. It is available online at [www.adcommission.gov.au](http://www.adcommission.gov.au).

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Section 269TEA(3) 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), 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.

### 2.2 Responding to this SEF

This SEF sets out the essential facts on which the Commissioner proposes to base his final recommendations to the Minister. This SEF represents an important stage in the investigation. It informs interested parties of the facts established and allows them to make submissions in response to the SEF. It is important to note that the SEF may not represent the final views of the Commissioner.

Interested parties have 20 days to respond to the SEF. The Commissioner will consider these responses in making its final report to the Minister. The report will recommend whether or not a dumping duty notice and/or a countervailing duty notice should be published, and the extent of any interim duties that are, or should be, payable.

Responses to this SEF should be received by the Commissioner no later than **26 March 2026**. The Commissioner is not obliged to have regard to any submission made in response to the SEF received after this date if to do so would, in the opinion of the Commissioner, prevent the timely preparation of the report to the Minister. The Commissioner must report to the Minister by **16 April 2026**.

Submissions should preferably be emailed to [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au). Alternatively, they may be posted to:

Director Investigations 2  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601 AUSTRALIA

Confidential submissions must be clearly marked. A non-confidential version of any submission for publication on the EPR is also required. A guide for making submissions is available on the commission's website.<sup>6</sup> Interested parties should read the documents on the EPR in conjunction with this SEF.

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<sup>6</sup> A guide for making submissions is available on the commission's webpage: [How to lodge a submission in response to an anti-dumping or countervailing case](#).

## **2.3 Initiation and application**

On 30 September 2024, the applicants lodged an application with the Commissioner under section 269TB(1) alleging that the Australian industry for like goods has experienced material injury caused by the goods being exported to Australia from China at dumped and subsidised prices. A non-confidential version of the application is available on the EPR.<sup>7</sup>

Having considered the application, the Commissioner decided not to reject the application and initiated the investigation on 19 December 2024. ADN 2024/108 (initiation notice) and *Consideration Report 659* (CON 659) provide further details on the Commissioner's consideration of the application and the initiation of the investigation.<sup>8</sup>

## **2.4 Previous cases**

There have been no prior investigations relating to strata bolts.

### **2.4.1 Investigation 658**

The commission is concurrently investigating the alleged dumping and subsidisation of HRC exported to Australia from China (investigation 658). HRC is the main raw material input in the manufacture of strata bolts, representing around 66% of the cost to make strata bolts.

The investigation period for investigation 658 is the same as the investigation period for this case (1 October 2023 to 30 September 2024). Investigation 658 also includes claims that the market for HRC is distorted due to Government of China (GOC) interventions in the Chinese steel sector.

The commission considers the evidence provided in investigation 658 is relevant to this investigation. This includes information submitted by the GOC and by the cooperating exporters in that case, who manufacture and sell HRC in China. The commission verified cost and sales information for those manufacturers of HRC as part of investigation 658. The commission therefore considers it is reasonable to rely on this evidence and the preliminary findings in SEF 658, as indicated throughout this SEF.

The commission acknowledges that the preliminary findings in SEF 658 are not final. Where the commission has reason to reassess the evidentiary basis and/or its findings in SEF 658 such as if it is provided with other or contrary evidence either in response to SEF 658 or this SEF, the commission will assess the impact of any such changes in making its recommendations in the final report for this investigation 659.

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<sup>7</sup> EPR 659, item no 1.

<sup>8</sup> EPR 659, item no 3.

## **2.5 Conduct of the investigation**

### **2.5.1 Investigation period and injury period**

As specified in the initiation notice, the Commissioner set an investigation period of 1 October 2023 to 30 September 2024. The Commissioner also set an injury analysis period from 1 October 2020 to assess the economic condition of the Australia industry and assess potential injury factors.

### **2.5.2 Australian industry**

The Commissioner used information provided by DSI and Jennmar in their application to assess the Australian industry for like goods. The commission performed verification visits to DSI and Jennmar's production facilities. Chapter 4 discusses the composition of the Australian industry further.

The Commissioner is satisfied that the applicants represent a sufficient part of the Australian industry producing like goods to the goods the subject of the application. The applicants' production of like goods accounts for:

- more than 50% of the total production of like goods by that proportion of the Australian industry that has expressed either support for, or opposition to, the application, and
- not less than 25% of the total production of like goods in Australia.<sup>9</sup>

The commission conducted these verification visits in May 2025. The resulting verification reports are available on the EPR.<sup>10</sup>

### **2.5.3 Exporters**

Following the initiation of this investigation, the commission contacted and forwarded questionnaires to multiple interested parties, including entities or persons that appeared to have exported the goods to Australia from China during the investigation period. The commission also placed the exporter questionnaire, including associated spreadsheets, on the commission's website for exporters to complete.

The commission received a response to the exporter questionnaire (REQ) from three exporters: Anto, Sandvik Jining, and Tanrimine. The commission did not receive an exporter questionnaire response from any other entities. The commission conducted verification of the information and data provided by Sandvik Jining and Tanrimine in their REQs. Records of the findings of the verifications are available on the EPR.<sup>11</sup>

#### Uncooperative exporters and non-cooperative entities

Where an exporter or entity did not give the Commissioner information the Commissioner considered to be relevant to this investigation within a period the Commissioner

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<sup>9</sup> Section 269TB(6).

<sup>10</sup> EPR 659, items no 20 and 21.

<sup>11</sup> EPR 659, items no 22 and 23.

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considered to be reasonable, or the Commissioner is satisfied that the exporter or entity significantly impeded the case:

- section 269T(1) provides that, in relation to a dumping duty notice, such an exporter is an 'uncooperative exporter'
- section 269TAACA(1) provides that, in determining whether a countervailable subsidy has been received in respect of particular goods, the Commissioner may act on the basis of all the facts available and may make such assumptions as they find reasonable. Such an entity is a 'non-cooperative entity'.

The *Customs (Extensions of Time and Non-cooperation) Direction 2015* (the Customs Direction) states respectively at sections 8 and 9 that the Commissioner must determine an exporter to be an uncooperative exporter, or an entity to be a non-cooperative entity, on the basis that no relevant information was provided in a reasonable period, if that exporter or entity:

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

The Commissioner determines that any exporters who did not provide a response to the exporter questionnaire within the legislated period, who failed to request a longer period to provide a response within the legislated period, or who provided a REQ within the legislated period that did not provide information relevant to the case, are uncooperative exporters.

### **2.5.4 Foreign governments**

Following the initiation of this investigation, the commission sent a questionnaire to the GOC to complete. The questionnaire included questions relating to claims in the application concerning subsidisation and the claimed particular market situation. The questionnaire included questions relating to the Chinese steel industry and market. The commission did not receive a response to this questionnaire.

### **2.5.5 Importers**

The commission received three completed responses to the importer questionnaire. The responses were provided by Drillcube, DSI, and Minova. The commission conducted onsite verifications of the data provided by each importer. Importer verification reports will be placed on the EPR in due course.

## **2.6 Preliminary affirmative determination**

Under section 269TD(1), the Commissioner may make a PAD if satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice or a countervailing duty notice, 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.

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A PAD may be made no earlier than day 60 of the investigation (in relation to this investigation, a date no earlier than 17 February 2025) 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.

In accordance with the *Customs (Preliminary Affirmative Determinations) Direction 2015* (PAD Direction), 60 days after the initiation of such an investigation, the Commissioner must make either a PAD or provide a Status Report outlining the reasons why a PAD has not been made.

On 17 February 2025, the Commissioner published a Day 60 Status Report.<sup>12</sup> In it, the Commissioner stated that a PAD was not yet warranted because the Commissioner was not yet satisfied there appeared to be sufficient grounds for the publication of a dumping duty or countervailing duty notice.

The PAD Direction also requires the Commissioner to reconsider making a PAD after the publication of a status report at least once prior to the publication of the SEF. In preparing this SEF, the Commissioner has reconsidered whether to make a PAD in light of the additional evidence available.

On 23 December 2025, the Commissioner published ADN 2025/129<sup>13</sup> (PAD 659). PAD 659 outlines the Commissioner's reasons for being satisfied that there appear to be sufficient grounds to publish a dumping duty notice for the goods exported to Australia from China to prevent material injury to the Australian industry while the investigation continues. Dumping securities were imposed on 24 December 2025. PAD 659 did not recommend that countervailing securities be imposed.

The Commissioner remains satisfied that the Commonwealth should take securities under section 42 in respect of IDD that may become payable in relation to the goods exported to Australia from China, though at different rates than those imposed by PAD 659. In addition, the Commissioner is now satisfied that there appear to be sufficient grounds to publish a countervailing duty notice, and that the Commonwealth should take securities under section 42 in respect of ICD that may become payable in relation to the goods exported to Australia from China. Securities will apply to imports of the goods exported from China as set out in Table 5.

The Commissioner is satisfied that securities are necessary to prevent material injury to the Australian industry occurring while the investigation continues. A detailed discussion of this is set out at chapter 13 of this report. Securities will apply to imports of the goods from China entered for home consumption on or after 7 March 2026.

## 2.7 Submissions from interested parties

The commission has received 6 submissions to the date of this SEF. Non-confidential versions of these submissions are available on the public record. Table 6 below lists these submissions.

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<sup>12</sup> EPR 659, item no 4.

<sup>13</sup> EPR 659, item no 14.

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<b>EPR no</b>	<b>Date(s) published</b>	<b>Interested party</b>	<b>Issues raised</b>	<b>Chapter reference</b>
5, 10 & 11	26 February 2025 1 September 2025 15 September 2025	DSI	Economic condition of the Australian industry	12.3
15	13 January 2026	Anto	PMS & calculation issues	6.5.2, 6.4.7, and 14.4
17	10 February 2026	Tanrimine	PMS & calculation issues	6.7.3 and 14.4
18	13 February 2026	Jennmar	Tanrimine's arms length assessment	6.7.2

**Table 6: Submissions received from interested parties**

The Commissioner had regard to all submissions referred to in Table 6 in preparing the SEF. The submissions are addressed in the relevant chapters of this SEF.

## 3 THE GOODS AND LIKE GOODS

### 3.1 Preliminary finding at SEF stage

The Commissioner finds that:

- locally manufactured goods are ‘like’ to the goods the subject of the application
- there is an Australian industry, comprised of DSI, Jenmar and SSMS producing like goods, and
- the like goods are wholly 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) 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.

### 3.3 The goods

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

*Certain strata reinforcing steel bolts, hollow, made from flat rolled steel, whether or not metallic coated (e.g. galvanised), whether or not containing alloys, with an outside diameter from 44 millimetres up to and including 48 millimetres, of a length from 2.2 metres up to and including 2.5 metres, of a base metal thickness from 2.8 millimetres up to and including 3.4 millimetres, whether or not including the welded ring.*

Further information on the goods is provided in the application. Below are some key extracts from the application.

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A strata bolt of a kind the subject of this application, referred to as a friction bolt, is manufactured from HRC. All forms of HRC feed material are considered relevant to the goods, regardless of the particular grade or alloy content.

HRC is roll-formed into a hollow C-shape section with the diameter measured at the non-tapered end. A steel ring is welded at one end of the bolt, with the other end tapered.

For metallic coated friction bolts, the minimum/maximum coating thickness requirements are applied.

The subject goods are typically/nominally 2.4 metres in length, 47 mm in diameter at the non-tapered end, and with a base metal thickness of 3.2 mm.

Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definition set forth above.

The following exclusions apply to the goods the subject of the application:

Excluded from this application are strata reinforcing bolts that contain a solid centre reinforcing bar and locking system. These goods, commonly referred to as a mechanical point anchored bolt or mechanical lock, are used in underground strata support applications and include a tensionable point anchor by way of an internal solid steel bolt.

### 3.4 Tariff classification

The goods are classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995* (Tariff Act) in Table 7. For more information, see Schedule 3 of the Tariff Act, also available on the Australian Border Force website.<sup>14</sup>

Tariff classification		
Tariff code	Statistical code	Description
<b>7304</b>	<b>Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel</b>	
7304.51.00	30	Tubes, pipes and hollow profiles, seamless, of iron or steel, cold-drawn or cold-rolled (cold reduced).
<b>7318</b>	<b>Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles, of iron or steel</b>	
7318.15.00	56	Expansion bolts, U-bolts and shackle bolts of iron or steel.
7318.15.00	65	Bolts (incl. bolt ends and screw studs but excl. expansion, U-, shackle, cup square, hexagonal head and high tensile bolts) of iron or steel, excluding 10 mm in diameter.
7318.24.00	22	Cotters and cotter pins.
7318.19.00	03	Threaded articles of iron or steel, not elsewhere specified.
7318.19.00	19	Threaded articles of iron or steel, not elsewhere specified.

<sup>14</sup> Australian Border Force (2024) [Current tariff classification](#), ABF website, accessed 16 December 2025.

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7308	<i>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 for use in structures, of iron or steel</i>	
7308.40.00	05	Equipment for scaffolding, shuttering, propping or pit-propping.

**Table 7: General tariff classification for the goods**

These tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications and statistical codes is for convenience or reference only and does not form part of the goods description set out above.

### 3.5 Model control code (MCC) structure

The commission undertakes model matching using a model control code (MCC) structure to identify key characteristics used to compare models of the goods exported to Australia and the like goods sold domestically in the country of export.

#### 3.5.1 MCC structure proposed in the application

Category	Sub-category	Identifier	Sales Data	Cost data
Finish	Galvanised	G	Mandatory	Mandatory
	None (e.g. mill finish, HRC, 'black')	N		
	Other	O		
Length	Less than 2.4 metres	L1	Mandatory	Optional
	2.4 metres	L2		
	Greater than 2.4 metres and up to and including 2.5 metres	L3		
Outside diameter	Less than 45 millimetres	D1	Mandatory	Optional
	Between 45 – 47 millimetres (inclusive)	D2		
	Greater than 47 millimetres and up to and including 48 millimetres	D3		
Base Metal Thickness (BMT)	Less than 2.7 millimetres	B1	Mandatory	Optional
	Between 2.7 – 3.5 millimetres (inclusive)	B2		

**Table 8: MCC structure proposed in application**

During onsite verification the commission found that Tanrimine sold strata bolts with a normal load ring and strata bolts with a high load ring that would be classified as the same MCC. As the high load ring was identified as a contributing factor to a higher selling price, the commission added a new MCC category to differentiate between strata bolts with a high load ring and strata bolts with a normal load ring. This change is specific to Tanrimine. This change is summarised in Table 9.

Category	Sub-category	Identifier
Ring Type	Normal load rating	N
	High load rating	H

**Table 9: MCC changes made to the structure proposed in the application**

### **3.6 Like goods**

The Commissioner is satisfied that the domestically 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 domestically produced goods are identical to, or closely resemble, the goods the subject of the application and are therefore like goods. This analysis is based on the information obtained from the Australian industry and through an examination of sales records provided in questionnaire responses from exporters in the subject countries.

#### **3.6.1 Physical likeness**

The primary physical characteristics of the goods and Australian-produced goods are identical or very similar. The description of imported goods from China in the ABF import database describes the same or similar physical attributes to the goods produced by the applicants. The description of imported goods from China in the ABF import database describes the same or similar physical attributes to the goods produced by the applicants, notwithstanding variations in individual customer or technical specifications.

#### **3.6.2 Commercial likeness**

The imported goods and those produced by the Australian industry directly compete within the same sector of the Australian market. There is clear commercial likeness between the goods under consideration and those produced by the applicants. The goods are interchangeable in end use application and use similar distribution channels. The commission understands because of verification that the applicants' customers are the same or similar to the customers of imported the goods from China. Notwithstanding supply contract obligations, consumers can readily switch between them with pricing as a key determinant.

#### **3.6.3 Functional likeness**

The imported goods and Australian-produced goods exhibit functional likeness as it can be easily replaced by one another. Strata bolts are used in the underground hard rock mining sector and can be interchanged without affecting the outcome of the intended use.

#### **3.6.4 Production likeness**

The goods under consideration and Australian-produced strata bolts are manufactured using similar equipment and processes, demonstrating clear production likeness. The commission observed the applicants' and exporters' strata bolt manufacturing during the verification process and confirmed that both locally produced and imported goods are made in a similar facility with same raw material inputs in similar manner through comparable production processes.

## 4 THE AUSTRALIAN INDUSTRY

### 4.1 Preliminary finding at SEF stage

The Commissioner is preliminarily satisfied that:

- at least one substantial process of manufacture of the like goods is carried out in Australia
- the like goods are wholly or partly manufactured in Australia
- the Australian industry consists of DSI, Jenmar and SSMS.

### 4.2 Legislative framework

The Commissioner must be satisfied that the 'like' goods are in fact produced in Australia. Sections 269T(2) and 269T(3) specify that for goods to be regarded as being produced in Australia, they must be wholly or partly manufactured in Australia. In order 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 The Australian industry

The applicants are manufacturers of a range of ground support products including strata bolts, which they sell to the Australian market.

The commission performed verification visits to each applicant, visiting their manufacturing facilities and verifying the information submitted. The applicants manufacture and supply a range of products to the mining and tunnelling industries. These products include the like goods, as well as plates and mesh. Strata bolts are installed into the ground along with plates and mesh to provide support to the ground. The applicants also manufacture and sell a range of ground supporting bolts that are not the subject of this investigation, including threaded bolts and resin bolts.

The commission is satisfied that the applicants are members of the Australian industry producing like goods, along with SSMS. The commission is further satisfied that the applicants account for more than 50% of the total production of like goods in Australia. The commission's analysis of the Australian industry production volume is in **Confidential Attachment 1**.

### 4.4 Production process

The following outlines the applicants' production process for like goods:

- HRC passes through a roll forming machine where a series of rolls form the steel into a "C" shape, with a slot along its entire length
- one end of the bolt is then tapered
- the outer edge of the non-tapered end has a steel ring welded on
- optionally, but most often, the bolt is then galvanised
- bolts are packed into lots of 150 for sale and transport.

#### **4.5 Preliminary conclusion**

The Commissioner is satisfied that the Australia industry consists of the two applicants, DSI and Jenmar, along with SSMS. 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 Preliminary finding at SEF stage

The Commissioner preliminarily finds that the Australian industry and imports from China supply the majority of the Australian market for strata bolts. Further information about the structure of the market is contained in section 5.2 below.

### 5.2 Market structure

#### 5.2.1 Marketing segmentation and end uses

The market segment is the underground mining sector requiring ground support.

The strata bolt is the basic form of ground support in underground mines. The strata 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. The applicants stated that strata bolts are the simplest form of ground support available in underground mining and therefore, there is no comparable market substitute from a price or technical perspective.<sup>15</sup> The imported strata bolts are equivalent products and used in the same manner and purpose.

The end users are miners/mine developers that require a low-cost option to reinforce an underground mine site. Strata bolts can be sold directly to end users, or through a contractor. Strata bolts are usually part of a supply contract that consists of a 'basket' of products used in hard rock underground support.

The nature of the strata bolt is that it is very simple product to install and hence why it has such a broad use. The product is installed into a hole that is smaller than the bolt's diameter and hence it is held in the ground by the friction between bolt and the ground.

#### 5.2.2 Supply and distribution arrangements

The applicants have contracts to supply end users either directly or through contractors. The commission understands that most strata bolts that are supplied are done so under formal agreements, as part of a basket of goods supplied to underground mines.

The agreements are generally over a 1+1 year period or a 3+2 year period. The shorter agreements are to smaller customers. However, agreements can fall under review when the customer requests a review.

The market for strata bolts is tender based. Once a tender is won, the supplier 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.

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<sup>15</sup> EPR 659, item no 1, *DSI/Jennmar Friction Bolts AD/CVD Application – PV*, p 22.

### **5.2.3 Demand**

The product demand is driven from underground mines and ultimately the commodity price. 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 at the mine site level. The strata bolt product is the dominant product used in the ground support market.

### **5.2.4 The Australian market for strata bolts**

A strata bolt is typically used in Australian hard rock mines to provide ground reinforcement to allow safe operation of underground mines. Strata bolts are the dominant product used in the ground support market because:

- they are the lowest cost option for miners to use in the underground mining reinforcement
- the product is easy and quick to install—it is quickly pushed into a hole that is smaller than the compressible bolt's diameter and is held in the rockface by the friction between bolt and the rockface.<sup>16</sup>
- there are no substitutes for strata bolts from a price or technical perspective.

The market for strata bolts has remained stable over the last few years because of strong commodity prices. DSI stated that while the nickel price collapsed over the last 4 years, causing mines across Australia to shut, the increase in gold and copper prices contributed to new mines opening and even old mines re-starting.

Overall, the current conditions of the market for strata bolts have remained positive. The combined effect of new mines and reopening old mines is driving increased demand for strata bolts. DSI also stated that switching between suppliers is not easy in this industry. Often supply agreements can take months to develop.

## **5.3 Main competitors and points of direct competition**

The commission considers that DSI, Jennmar and SSMS are domestic manufacturers of strata bolts. While SSMS is a local manufacturer of strata bolts, they also import strata bolts. The main importers that compete are Drillcube and Minova.

Customers are not readily able to change supplier, which is typically the case for a commodity product, because of the volume, secure supply and quality service.

The applicants are of the view that every time they have lost out on a contract or winning a supply agreement, it is only on price, as Australian produced strata bolts and imported bolts are substitutable and perform in the same manner. The commission considers that price is a key point of competition between strata bolt manufacturers and importers.

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<sup>16</sup> Installation video from one of the main strata bolt manufacturers bolts <https://youtu.be/caRRrTNK0DI>

## 5.4 Market size

Initially, in order to assess market size and share, the commission extracted data from the ABF import database based on the tariff subheadings and statistical codes listed in section 3.4. While the commission was able to identify some consignments of the goods by known importers and sellers of the goods, the commission was unable to distinguish between the goods and non-goods for most consignments identified under the relevant tariff subheadings. Therefore, any estimate using ABF data may result in an estimate of the size of the market for strata steel bolts that is less reliable than that provided by the applicants.

The commission then reviewed the applicants' estimate of the market size and their market share provided as part of their application. This information was discussed at onsite verification at the applicants' premises, where further information was collected to help corroborate and contextualise the market size estimates.<sup>17</sup>

Following verification of the applicants' and exporters' sales data, the commission was able to replace the applicants' estimates with exact volume figures, but only for the investigation period. The commission preliminarily finds the applicants' estimate of market share to be reliable for the purposes of assessing market size and share for years ending September 2021, 2022, and 2023. For the year ending September 2024, the commission has updated the applicants' estimate with verified volume figures, where available. The commission's estimate of the market size is shown in Figure 2.

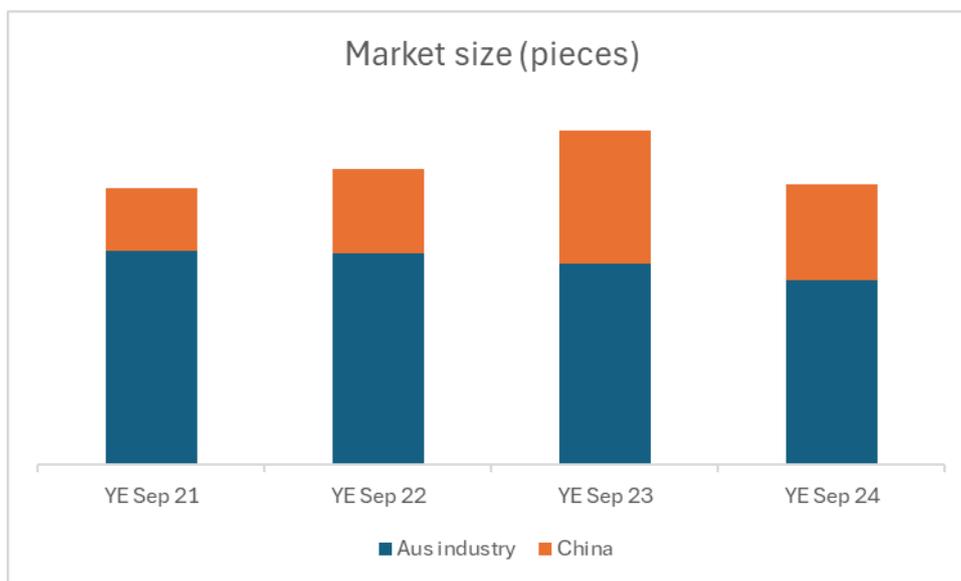


Figure 2: Market size for strata bolts

The commission's analysis is at **Confidential Attachment 1**.

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<sup>17</sup> Confidential Attachments 17 and 18.

## **6 DUMPING INVESTIGATION**

### **6.1 Preliminary finding at SEF stage**

The Commissioner is preliminarily satisfied that the goods exported to Australia from China in the investigation period have been dumped at margins that are not negligible, and the volume of the dumped goods exported to Australia from China was not negligible.

The Commissioner has preliminarily determined the dumping margins in respect of goods exported to Australia from China during the investigation period for each exporter, as set out in Table 10.

Exporter	Dumping margin (%)
Anto	23.0
Sandvik Jining	10.2
Tanrimine	3.4
All other exporters	35.2

**Table 10: Summary of preliminary dumping margins**

### **6.2 Legislative framework**

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

Under section 269TG, one of the matters the Minister must be satisfied of to publish a dumping duty notice is that exporters exported dumped goods to Australia. Dumping occurs when a product from one country is exported to another country at a price less than its normal value.

Section 269TDA(1) requires the Commissioner to 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) requires the Commissioner to 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 total Australian import volume).

#### **6.2.1 Export price**

Export price is determined under section 269TAB.

Section 269TAB(1)(a) provides that the export price of any goods exported to Australia is the price paid (or payable) for the goods by the importer where the goods have been

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exported to Australia otherwise than by the importer and have been purchased by the importer from the exporter in 'arms length' transactions.<sup>18</sup>

Section 269TAB(1)(b) provides that the export price of goods is the price that the importer sold the goods, less the prescribed deductions, where:

- goods have been exported to Australia otherwise than by the importer, and
- were purchased by the importer from the exporter, but not at arms length, and
- the importer subsequently sells the goods in the condition they were imported to a party not associated with the importer.

Section 269TAB(1)(c) provides that in all other cases, the export price is a price determined by the Minister having regard to all the circumstances of the exportation.

Section 269TAB(3) 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.

Section 269TACAB(1) sets out the provisions for calculating export prices and normal values for uncooperative exporters. For all uncooperative exporters, export prices are to be worked out under section 269TAB(3).

### 6.2.2 Normal value

Normal value is determined under section 269TAC.

Section 269TAC(1) provides that 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.

Section 269TAC(1) however cannot be used to calculate the normal value of the goods if one of the circumstances in sections 269TAC(2)(a) or (b) is present. Where one or more of these circumstances are present, the normal value of the goods is to be calculated under either section 269TAC(2)(c) or (d).

Section 269TAC(2)(a) provides that the normal value of goods exported to Australia cannot be ascertained under section 269TAC(1) in certain circumstances. Specifically, section 269TAC(2)(a)(ii) provides that where the Minister is satisfied that because the situation in the market of the country of export is such that sales in that market are not suitable for use in determining a price under section 269TAC(1), the normal value of the goods exported to Australia cannot be ascertained under section 269TAC(1). If either circumstance described in section 269TAC(2)(a) applies, the normal value shall be ascertained in accordance with section 269TAC(2)(c).<sup>19</sup>

Section 269TAC(2)(c) provides for the normal value to be the sum of an amount that the Minister determines to be the cost of production or manufacture of the goods in the

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<sup>18</sup> Whether the purchase or sale of goods are 'arms length' transactions is determined in accordance with section 269TAA.

<sup>19</sup> Except where section 269TAC(2)(d) applies.

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country of export, and, on the assumption that the goods had been sold for home consumption in the OCOT in the country of export instead of being exported, amounts determined to be the selling, general and administrative (SG&A) costs associated with the sale and the profit on that sale.<sup>20</sup>

Section 269TAC(5A) and (5B) provide that the amounts determined to be the cost of production or manufacture of the goods, the selling, general and administrative costs in relation to the sale of the goods and the profit on the sale of the goods under section 269TAC(2)(c) must be worked out taking into account the factors provided for in the regulations for the purposes of section 269TAC(4)(a) and (b) (the ordinary course of trade). The regulations referred to are regulation 43 (determination of cost of production or manufacture), regulation 44 (determination of administrative, selling and general costs) and regulation 45 (determination of profit) of the *Customs (International Obligations) Regulation 2015* (the Regulations).

Regulation 43 provides that the Minister must work out the amount for the cost of production or manufacture of the goods using the information set out in the records if:

- the exporter keeps records relating to the like goods,
- the records are in accordance with generally accepted accounting principles in the country of export, and
- the records reasonably reflect competitive market costs associated with the production or manufacture of like goods.

If any of the requirements of Regulation 43 are not satisfied, the commission will also assess the records pursuant to Article 2.2.1.1 of the World Trade Organization (WTO) Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the Anti-Dumping Agreement, or ADA) which requires that, where the records:

- are consistent with generally accepted accounting principles, and
- reasonably reflect the cost associated with the production and sale of the goods,

costs “shall normally” be calculated on the basis of the records kept by the exporter.

Section 269TAC(9) provides that where the normal value is to be ascertained in accordance with section 269TAC(2)(c), the Minister must make such adjustments in determining the costs, as are necessary to ensure that the normal value is properly comparable with the export price of those goods.

Section 269TACAB(1) sets out the provisions for calculating export prices and normal values for uncooperative exporters. For all uncooperative exporters, normal values are to be calculated under section 269TAC(6).

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<sup>20</sup> Amounts determined to be the cost of production, SG&A and profit on the sale of goods under section 269TAC(2)(c) must be worked out in accordance with the *Customs (International Obligations) Regulation 2015*.

### **6.2.3 Dumping margin**

Dumping margins are determined under section 269TACB. For all dumping margins calculated for the purposes of 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).

## **6.3 Exporter status**

Section 269T(1) provides that, in relation to an 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.

### **6.3.1 Cooperative exporters**

The commission examined the exports of each of the following exporters: Anto, Sandvik Jining, and Tanrimine. After having regard to section 269T(1) and the Customs Direction, the Commissioner has preliminarily determined that these exporters from China are not uncooperative exporters for the purposes of the dumping investigation.

### **6.3.2 Uncooperative exporters**

After having regard to section 269T(1) and the Customs Direction, the Commissioner has preliminarily determined that all exporters from China that did not provide information requested of them through a response to exporter questionnaire (REQ) are uncooperative exporters for the purposes of the dumping investigation.

## **6.4 Summary of findings relevant to all exporters**

### **6.4.1 Section 269TAC(2)(a)(ii) assessment**

Section 269TAC(2)(a)(ii) provides that where the Minister is satisfied that because the situation in the market of the country of export, sales in that market are not suitable for use in determining a price under section 269TAC(1), the normal value of the goods exported to Australia cannot be ascertained under section 269TAC(1).

The commission has split the examination of the requirements of section 269TAC(2)(a)(ii) into two parts:

- An assessment of the situation in the market of the country of export (China). Findings of this assessment are outlined in section 6.4.2 and examined in chapter 14.
- An assessment of whether sales in the Chinese domestic market are suitable for determining a price under section 269TAC(1). Findings of this assessment are outlined in section 6.4.3 below and examined in chapter 15.

### **6.4.2 Situation of the market in China assessment findings**

Chapter 14 examines whether there is a situation in the market of the country of export for the purposes of section 269TAC(2)(a)(ii).

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In accordance with chapter 14, the Commissioner preliminarily finds that the GOC's actions, policies, and practices have distorted conditions in the Chinese steel market. These distortions have created a particular market situation (PMS) in respect of the domestic market for strata bolts in China for the investigation period.

The commission considers that the GOC has had a continued involvement within the Chinese steel industry through its policies, planning guidelines, plans, and directives. This involvement has materially contributed to the steel industry's overcapacity, oversupply and distorted structure during the investigation period. It is the commission's view that the prices of strata bolts would be substantially different in a market not characterised by GOC influence.

### **6.4.3 Proper comparison of domestic and export prices assessment findings**

Chapter 15 sets out the commission's consideration of whether sales in the Chinese domestic market are suitable for determining a normal value pursuant to section 269TAC(1) by considering whether the particular market situation permits the proper comparison of domestic prices with the export prices of the goods.

Based on the evidence set out in chapter 15, the Commissioner has preliminarily found that sales of strata bolts in the domestic Chinese market are not suitable for determining a normal value pursuant to section 269TAC(1). This is because the situation in the market of the country of export does not permit proper comparison of domestic prices with the export prices of the goods.

### **6.4.4 Cost of production in China assessment findings**

Chapter 16 examines whether the records of the cooperative exporters satisfy the requirements of Regulation 43 and Article 2.2.1.1 of the ADA.

The Commissioner preliminarily recommends establishing a cost of production under section 269TAC(2)(c)(i) based on the cooperative exporters' costs of production, adjusted for the difference between market index prices of steel slab from China and the Federative Republic of Brazil (Brazil), adjusted for differences in labour costs. This cost of production is further adjusted to reflect the portion of the cost of HRC that is represented by steel slab to not overstate the adjustment. This is because circumstances which are not normal and ordinary affect the exporters' recorded costs such that the normal requirement under Article 2.2.1.1 to use the exporters' records to determine the cost of production should be departed from.

### **6.4.5 Consideration of Regulation 43**

For all selected exporters, the Commissioner preliminarily finds that the cost of production records:

- are kept in accordance with generally accepted accounting principles in China, but
- do not reasonably reflect competitive market costs associated with the production or manufacture of like goods.

Therefore, in accordance with regulation 43, the Minister is not required to use the exporters' records to determine the cost of production or manufacture when determining normal value under section 269TAC(2)(c).

#### **6.4.6 Consideration of Article 2.2.1.1 of the ADA**

For all selected exporters, the Commissioner preliminarily finds that for the cost of production:

- the records of all selected exporters are consistent with generally accepted accounting principles in China
- the records of all selected exporters reasonably reflect the actual costs incurred in the production of the goods, and
- the circumstances in which the selected exporters' costs were formed are not normal and ordinary. Specifically, that the circumstances in which the cost of steel slab has been formed are not normal and ordinary, resulting in the recorded production costs of the selected exporters reflecting a distorted cost of production.

Therefore, in accordance with Article 2.2.1.1 of the ADA, the Commissioner preliminarily finds that it is not appropriate to use the selected exporters' unadjusted records to construct the normal value.

#### **6.4.7 The determination of the cost of production in China**

For all selected exporters, the Commissioner has preliminarily determined that the most appropriate cost of production is to use the exporters' recorded cost of production adjusted to reflect a competitive benchmark for steel slab costs. The Commissioner has preliminarily relied on the proportional difference between the Brazilian and Chinese steel slab market price indices in USD per metric tonne (MT), applied to the cooperative exporters' steel slab costs, adjusted for the differences in the Brazilian and Chinese markets for steel slab and the countries' steel industries.

The commission has recorded the confidential benchmark data relied upon for the determination of the appropriate cost of production at **Confidential Attachment 2**.

##### Submissions received

In its 13 January 2026 submission, Anto asked the commission to disclose benchmark data. While the commission is unable to disclose the benchmark data for reasons of commercial confidentiality, the commission did provide Anto with the weighted average adjustment factors. Further, the determination of the cost of production in China is discussed in chapter 16 of this SEF.

### **6.5 Dumping assessment – Anto**

#### **6.5.1 Export price**

##### Who is the exporter?

For exports of the goods from China that are imported by Anto's customer in Australia, the commission preliminarily considers that Anto is the exporter of the goods. The commission preliminarily considers that Anto is the principal in the export transaction, and therefore is the exporter, for the following reasons:

- Anto decides which products it produces at its own production facility in China
- Anto liaises with the importer in relation to the exportation of the goods to Australia

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- Anto is identified as the supplier on the commercial invoice issued to the importer in Australia, and is identified as the consignor on the bill of lading
- Anto arranges the export logistics and pays for the inland transport to the port of export, and arranges and pays for the port handling charges at the port of export.

### Who is the importer?

The commission considers that Anto's customer in Australia is the beneficial owner of the goods at the time of importation and therefore the importer of the goods, because Anto's customer in Australia:

- was named as a consignee on the bill of lading
- was listed as the importer on import declarations to ABF
- pays for import charges and is listed as the consignee on tax invoices.

### Arms length assessment

Based on the information that the commission attained from Anto and Anto's customer in Australia, the commission preliminarily finds, in accordance with section 269TAA, there is no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price, or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller, or
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price.

The commission is preliminarily satisfied that Anto's Australian customer's purchases from Anto were made in arms length transactions as defined in section 269TAA.

### Export price assessment

The commission has calculated an export price of the goods exported by Anto to Australia from China under section 269TAB(1)(a). The export price was calculated as the price paid by the importer to the exporter for the goods, less any charges or expenses in respect of the transport of the goods after exportation.

The commission's calculation of the export price of goods exported by Anto is at **Confidential Attachment 3**.

### **6.5.2 Normal value**

The Commissioner is preliminarily satisfied that due to the operation of section 269TAC(2)(a)(ii), Anto's domestic sales are not suitable for determining a normal value under section 269TAC(1), and the normal value has been determined under section 269TAC(2)(c) having regard to the following information:

- Anto's export cost to make including an adjustment to HRC costs
- Anto's domestic SG&A

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- the weighted average amount of profit realised by other exporters from the sale of like goods in the domestic market in China<sup>21</sup>

To ensure the constructed normal value properly compares with the export price, the commission considers the following adjustments are necessary under section 269TAC(9):

- add an amount for export port handling charges
- add an amount for export inland freight
- add an amount for bank charges.

### Submissions received

In its 13 January 2026 submission, Anto asks for the commission to:

- exclude model N-L2-D2-B2 from the normal value calculation, and
- correct a 'clerical error' made by the commission where the commission deducted the cost of the domed plate<sup>22</sup> twice.

### Commission's consideration of Anto's submission

The commission notes that a normal value is calculated for export sales to Australia, based on domestic sales of like goods. In this case, during the investigation period, model N-L2-D2-B2 was not exported to Australia and had a single sale in the domestic market. This sale was not found to be in the OCOT. As such, it does not affect the profit calculation or the calculation of normal value.

Regarding the claimed 'clerical error', the commission has corrected the error and ensured the cost of the domed plate is only deducted once. This change does not result in Anto's domestic sales being profitable on a weighted average basis, so the commission has continued to use the amount of profit realised by other exporters from the sale of like goods in the domestic market in China. The rectification of this error caused no change in Anto's final dumping margin.

The commission's calculation of Anto's normal value is at **Confidential Attachment 4**.

### **6.5.3 Dumping margin**

The dumping margin for the goods exported to Australia by Anto is **23.0%**. The commission's calculations are at **Confidential Attachment 5**.

## **6.6 Dumping assessment – Sandvik Jining**

### **6.6.1 Verification of Sandvik Jining's information**

The commission conducted a verification visit to Sandvik Jining in September 2025. The resulting verification report was published on the EPR on 27 February 2026. The

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<sup>21</sup> Anto did not make a profit on its domestic sales of like goods in the ordinary course of trade.

<sup>22</sup> A domed plate is a high-strength steel plate with a raised, curved centre, used with the strata bolt for underground ground support.

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commission used this information to calculate the dumping margin for the goods Sandvik Jining exported to Australia.

### **6.6.2 Export price**

#### Who is the exporter?

For exports of the goods from China that are imported by DSI in Australia, the commission preliminarily considers that Sandvik Jining is the exporter of the goods.

The commission preliminarily considers that Sandvik Jining is the principal in the export transaction, and therefore is the exporter, for the following reasons:

- Sandvik Jining decides which products it produces at its own production facility in China
- Sandvik Jining liaises with the importer in relation to the exportation of the goods to Australia
- Sandvik Jining is identified as the supplier on the commercial invoice issued to the importer in Australia, and is identified as the consignor on the bill of lading
- Sandvik Jining arranges the export logistics and pays for the inland transport to the port of export, and arranges and pays for the port handling charges at the port of export.

#### Who is the importer?

The commission preliminarily considers DSI to be the beneficial owner of the goods at the time of importation and therefore the importer of the goods, as DSI:

- was named on the commercial invoice from its supplier
- was named as the consignee on the bill of lading
- was declared as the importer on the importation declaration to ABF
- paid for all the importation charges
- arranged delivery from the port.

#### Arms length assessment

Based on the information that the commission attained from Sandvik Jining and DSI, the commission preliminarily finds, in accordance with section 269TAA and for the purpose of ascertaining an export price, there is evidence that:

- a shared parent company exercised full indirect ownership of both Sandvik Jining and DSI
- the Sandvik group of companies influenced the prices of the goods from Sandvik Jining to DSI
- DSI purchased the goods and then sold the goods in the same condition.

The commission is preliminarily satisfied that DSI's purchases from Sandvik Jining were not made in arms length transactions as defined in section 269TAA.

Export price assessment

The commission has calculated an export price of the goods exported by Sandvik Jining to Australia from China under section 269TAB(1)(b), as DSI purchased the goods from Sandvik Jining and then sold the goods in the same condition. The export price was calculated as the price at which DSI sold the goods to unrelated customers, less the prescribed deductions.

In determining an export price under section 269TAB(1)(b), the commission's objective is to determine a price that is representative of a reliable export price that is unaffected by any association between the importer and exporter. An export price will be calculated by using a market price that is representative of an arms length sale, and deducting all associated expenses incurred between exportation and resale (including any profit).<sup>23</sup>

The commission's calculation of the export price of goods exported by Sandvik Jining is at **Confidential Attachment 6**.

**6.6.3 Normal value**

Sandvik Jining did not sell like goods for home consumption in China.<sup>24</sup> Under section 269TAC(1), where like goods are not so sold by the exporter, the normal value is the price paid in such sales by other sellers of like goods. The commission has information in relation to such sales by another seller of like goods, namely Anto. However, as described above at section 6.5.2 of this report, the Commissioner is preliminarily satisfied under section 269TAC(2)(a)(ii) the situation in the market of the country of export is such that Anto's sales are not suitable for determining a price under section 269TAC(1). Therefore, Sandvik Jining's normal value should be determined under section 269TAC(2)(c) having regard to the following information:

- Sandvik Jining's export cost to make including an adjustment to HRC costs
- Sandvik Jining's domestic SG&A
- Sandvik Jining's domestic profit achieved on the same general category of goods.<sup>25</sup>

To ensure the constructed normal value properly compares with the export price, the commission considers the following adjustments are necessary under section 269TAC(9):

- add an amount for export port handling charges
- add an amount for export inland freight.

The commission's calculation of the profit on the same general category of goods, for goods exported by Sandvik Jining, is at **Confidential Attachment 7** and the normal value calculation for Sandvik Jining is at **Confidential Attachment 8**.

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<sup>23</sup> [Dumping and Subsidy Manual](#), page 25.

<sup>24</sup> Per section 269TAC(1), for the normal value to be based on domestic sales of like goods, the like goods must be sold for home consumption in the country of export,

<sup>25</sup> Sandvik Jining did not sell the goods on the domestic market, so the profit achieved on sales of the goods in OCOT is not available. Refer to Confidential Attachment 3 for further information.

#### **6.6.4 Dumping margin**

The dumping margin for the goods exported to Australia by Sandvik Jining is **10.2%**. The commission's calculations are at **Confidential Attachment 9**.

### **6.7 Dumping assessment – Tanrimine**

#### **6.7.1 Verification of Tanrimine's information**

The commission conducted a verification visit to Tanrimine in August 2025. The resulting verification report was published on the EPR on 27 February 2026. The commission used this information to calculate the dumping margin for the goods Tanrimine exported to Australia.

#### **6.7.2 Export price**

##### Who is the exporter?

For exports of the goods from China that are imported by Tanrimine's customer in Australia, the commission preliminarily considers that Tanrimine is the exporter of the goods.

The commission preliminarily considers that Tanrimine is the principal in the export transaction, and therefore is the exporter, for the following reasons:

- Tanrimine decides which products it produces at its own production facility in China
- Tanrimine liaises with the importer in relation to the exportation of the goods to Australia
- Tanrimine is identified as the supplier on the commercial invoice issued to the importer in Australia, and is identified as the consignor on the bill of lading
- Tanrimine arranges the export logistics and pays for the inland transport to the port of export, and arranges and pays for the port handling charges at the port of export.

##### Who is the importer?

The commission considers that Tanrimine's customer is Australia to be the beneficial owner of the goods at the time of importation and therefore the importer of the goods, because Tanrimine's customer is Australia:

- was named on the commercial invoice from its supplier
- was named as the consignee on the bill of lading
- was declared as the importer on the importation declaration to ABF
- paid for all the importation charges
- arranged delivery from the port.

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### Arms length assessment

Based on the information that the commission attained from Tanrimine, the commission preliminarily finds, in accordance with section 269TAA, there is no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price, or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller, or
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price.

Accordingly, the commission is preliminarily satisfied that Tanrimine's customer in Australia's purchases from Tanrimine were made in arms length transactions as defined in section 269TAA.

### Submissions received

In its 13 February 2026 submission, Jennmar claimed that Tanrimine's sales to its customer in Australia were not at arms length, and provided the commission with a confidential attachment. The commission has examined Jennmar's evidence and claims, along with information obtained during onsite verification from Tanrimine and its customer in Australia. The commission maintains that Tanrimine's export sales to its Australian customer were arms length and therefore its export price should be determined pursuant to section 269TAB(1)(a).

### Export price assessment

The commission has calculated an export price of the goods exported by Tanrimine to Australia from China under section 269TAB(1)(a). The export price was calculated as the price paid by the importer to the exporter for the goods, less any charges or expenses in respect of the transport of the goods after exportation.

The commission's calculation of the export price of goods exported by Tanrimine is at **Confidential Attachment 10**.

### **6.7.3 Normal value**

Tanrimine did not sell like goods for home consumption in China. Under section 269TAC(1), where like goods are not so sold by the exporter, the normal value is the price paid in such sales by other sellers of like goods. The commission has information in relation to such sales by another seller of like goods, namely Anto. However, as described above at section 6.5.2 of this report, the Commissioner is preliminarily satisfied under section 269TAC(2)(a)(ii) the situation in the market of the country of export is such that Anto's sales are not suitable for determining a price under section 269TAC(1). Therefore, Tanrimine's normal value should be determined under section 269TAC(2)(c) having regard to the following information:

- Tanrimine's export cost to make including an adjustment to HRC costs
- Tanrimine's domestic SG&A
- Tanrimine's domestic profit achieved on sales of like goods in the OCOT

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To ensure the constructed normal value properly compares with the export price, the commission considers the following adjustments are necessary under section 269TAC(9):

- add an amount for export port handling charges
- add an amount for export inland freight
- add an amount for commission
- add an amount for export credit terms.

The commission's normal value calculation for goods exported by Tanrimine is at **Confidential Attachment 11**.

### Submissions received

In its 10 February 2026 submission, Tanrimine noted that the commission had made an error when calculating its profit margin. The commission has rectified this error.

#### **6.7.4 Dumping margin**

The dumping margin for the goods exported to Australia by Tanrimine is **3.4%**. The commission's calculations are at **Confidential Attachment 12**.

### **6.8 Uncooperative and all other exporters**

As outlined in section 2.5.3 of this report, the Commissioner has determined that any exporters who did not provide a response to the exporter questionnaire within the legislated period, who failed to request a longer period to provide a response within the legislated period, or who provided a REQ within the legislated period that did not provide information relevant to the case are uncooperative exporters.

Section 269TACAB(1) sets out the provisions for calculating export prices and normal values for uncooperative exporters.

The commission's dumping margin calculations for all other exporters are at **Confidential Attachment 13**.

### **6.9 Volume of dumping**

Pursuant to section 269TDA(3), 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) defines a negligible volume as less than 3% of the total volume of goods imported into Australia over the investigation period.<sup>26</sup>

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 Commissioner is satisfied that, when expressed as a percentage of the total Australian import volume of the goods, the volume

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<sup>26</sup> Section 269TDA(5) does not apply to this investigation.

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of goods that have been exported from China and dumped was greater than 3% of the total import volume. The volume of dumped goods is therefore not negligible.

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

### **6.10 Level of dumping**

Section 269TDA(1) 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, or
- that 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%.

The Commissioner is satisfied that there has been dumping by all Chinese exporters of the goods during the investigation period at dumping margins greater than 2%.

## **7 SUBSIDY INVESTIGATION**

### **7.1 Preliminary finding at SEF stage**

The Commissioner is preliminarily satisfied that all exporters from China received countervailable subsidises in respect of the goods exported to Australia during the investigation period and that the volume of those subsidised goods exported to Australia from China was not negligible. The commission’s preliminary assessment of subsidy margins is set out in Table 11.

Exporter	Subsidy margin %
Anto	14.0%
Sandvik Jining	14.3%
Tanrimine	10.5%
All other exporters	17.8%

**Table 11: Summary of preliminary subsidy margin**

### **7.2 Background**

In their application, the applicants alleged that:

*...Friction bolt producers in China benefit from substantial subsidies conferred by federal and sub-federal levels of government.*

At the time of initiation of investigation 659, the Commissioner considered that it was reasonable to accept the applicants’ claim that strata bolt producers from China had received benefits in the form of subsidies based on the programs alleged in the application.

In their application, the applicants identified subsidy programs from sources including:

- The commission’s previous reviews and continuations for related steel products:
  - Review 521 and Continuation 611 into zinc coated galvanised steel.
  - Continuation 590 into hollow structural sections.
- Programs identified in China’s WTO notifications.

The commission has considered the programs alleged in the application and examined all amounts that the exporters stated were countervailable subsidies received during the investigation period. The commission has also considered the goods provided at less than adequate remuneration (LTAR) program alleged in the application.

### **7.3 Legislative framework**

#### **7.3.1 Definition of ‘subsidy’ and ‘countervailable subsidy’**

Under section 269TJ, 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).

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According to section 269T(1), a subsidy, in relation to goods exported to Australia, is:

- a **financial contribution** that confers a benefit (whether directly or indirectly) in relation to the goods exported to Australia (in accordance with section 269TACC),
- by a **government, public body or private body** entrusted or directed to carry out a government function.

According to section 269TAAC, a subsidy is a countervailable subsidy if it is **specific**. A subsidy can be specific if access to the subsidy is:

- limited to particular enterprises or within a particular industries or geographical locations, or
- contingent on export performance or the use of domestically produced goods.

The amount of a countervailable subsidy is determined under section 269TACD.

### 7.3.2 Definition of government, public body or private body carrying out a government function

When determining if the financial contribution is a subsidy under section 269T(1), the commission has regard to whether the entity responsible for providing the financial contribution under the relevant program is a:

- **Government:** As described in section 16.2 of the Manual, the term ‘government’ is taken to include government at all different levels, including at a national and sub-national level.
- **Public body:** As described in section 16.3 of the Manual, 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:
  - Objectives and functions performed by the body.
  - The body’s ownership and management structure.<sup>27</sup>
- **Private body carrying out a government function:** Pursuant to section 16.3 of the Manual, 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, or
  - has been ‘directed’ to carry out a government function where the government exercises its authority over a private body.

### 7.3.3 Types of financial contributions

According to section 269T(1)(definition of “subsidy”), the financial contribution provided by the government, public body, or private body carrying out a government function must involve: a direct transfer of funds; the acceptance of liabilities (actual or potential); the forgoing, or non-collection, of revenue; the provision of goods or services; the purchase of

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<sup>27</sup> This approach is consistent with *DS379 United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China*: In that case, the Appellate Body referred to three indicia: a public body may possess, exercise, or be vested with government authority.

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goods or services, or any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994.

Section 269TACC(3), provides guidelines to which the Minister must have regard in determining whether different types of financial contributions confer a benefit:

- (a) equity capital provided does not confer a benefit unless it is inconsistent with normal practice of private investors
- (b) loans do not confer a benefit unless they require repayment of a lesser amount than a comparable commercial loan
- (c) loan guarantees do not confer a benefit unless the entity receiving the guarantee is required to repay on the loan a lesser amount than would be required for a comparable commercial loan without that guarantee
- (d) the provision of goods or services does not confer a benefit unless they are provided at less than adequate remuneration, and
- (e) the purchase of goods or services does not confer a benefit unless they are purchased for more than adequate remuneration.

According to 269TACC(4), the adequacy of remuneration for goods or services is to be determined with regard to prevailing market conditions in the country where those goods or services are provided or purchased.

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 (per section 269T(2AA)).

### **7.3.4 Non-cooperation from relevant entities**

Section 269TAACA provides that where importers, exporters or the government of the country of export have not provided information the Commissioner considers to be relevant or has significantly impeded the investigation, the Commissioner may:

- act on the basis of 'all the facts available', and
- make such assumptions as are considered reasonable.

## **7.4 Information considered by the commission**

The commission considered information submitted by the applicants in their application, information provided by exporters, previous investigations by the commission into subsidies provided to Chinese exporters, and research conducted by commission staff on certain subsidy programs.

### **7.4.1 Information submitted in the application**

In part C-1.B of their application, the applications claimed certain countervailable subsidies applied to strata bolts based on countervailable subsidies found in Australian countervailable subsidisation cases relating to Chinese products, including hot rolled steel

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provided by government at less than fair market value.<sup>28</sup> The application specifically referred to Australian continuation inquiries 590 into hollow structural sections and 611 into zinc coated (galvanised) steel.

The application also requested the commission investigate 'several' of the subsidies listed in China's 20 July 2023 notification to the WTO Committee on Subsidies and Countervailing Measures.

### **7.4.2 Information provided by the exporters**

The commission has relied upon information provided by selected exporters when assessing the alleged subsidy programs from China. This included information provided by exporters in REQs, as well as information provided by exporters during verification.

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

Because the GOC did not provide a RGQ and the information provided by the exporters in their questionnaire responses was very limited, the commission relied on all available facts and made reasonable assumptions, as permitted under section 269TAACA(1), to determine whether a countervailable subsidy was received for the goods.

### **7.5.1 Determination of amount of benefit attributable to the goods**

The exporters provided their proposed attributions of the amounts of countervailable subsidy as part of the grant's listings in their REQs as well as 1 revised listing provided during verification. The exporters explained that the attributions were assumptions considering the information contained in the accounting system transaction descriptions and the accounting team's business knowledge. For most programs identified, the exporters could not provide evidence to support the exporters' proposed subsidy attributions.

The commission did not calculate subsidy margins for the Sandvik Jining and Tanrimine verification reports because the commission was in the process of investigating whether the subsidy programs identified by the exporters and alleged in the application, specifically LTAR, are countervailable subsidies. PAD 659<sup>29</sup> did not impose countervailing securities for the same reason. The Commissioner has now preliminarily determined subsidy margins for each exporter. The Commissioner may further consider the determination of the amount of benefit attributable regarding the countervailable subsidies received before making a final determination in this investigation's final report.

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<sup>28</sup> EPR 659, item no 1, pages 70–76.

<sup>29</sup> EPR 659, item no 14, *ADN 2025/129*, p 13.

## 7.6 Investigated programs

In their application, the applicants identified subsidy programs from several sources, including:

- The commission’s previous reviews and continuations for related steel products:
  - Review 521 and Continuation 611 into zinc coated galvanised steel.
  - Continuation 590 into hollow structural sections.
- Programs identified in China’s WTO notifications.

The commission has considered the programs alleged in the application and examined all amounts that the exporters stated were countervailable subsidies received during the investigation period. The commission has also considered *LTAR Program 590-20 – hot rolled steel provided by government at less than fair market value*.

The commission notes that it was not possible for the commission to assess whether any of the grants received by the exporters during the investigation period were received under the subsidy programs alleged in the application. While the exporters reported 9 grants in their REQs and identified them as belonging to a program listed in the application, the REQs lacked any information about the grants themselves. As the programs appear to be distinct from the programs listed in the application, the commission has assigned them with new program numbers.

No preferential tax programs or preferential loan programs have been reported by exporters or identified by the commission in this investigation.

In addition to the 9 grant programs, the commission has identified that LTAR program 590-20 has been received by all exporters.

#	Type	Exporter	Program name	Exporter reported program number	INV 659 program number	Countervailable?
1	Grant	Anto	Lump-sum Job Retention and Training Subsidies (Epidemic Subsidies)	590-54	659-1	Yes
2	Grant	Anto	Lump-sum Job Expansion Subsidies	590-54	659-2	Yes
3	Grant	Anto	Unemployment Insurance Refunds	590-54	659-3	Yes
4	Grant	Anto	Lump-sum Subsidy for Expanded Employment	590-54	659-4	Yes
5	Grant	Anto	Commercial Committee Support Fund	590-55	659-5	Yes
6	Grant	Anto	Issuing the Key Overseas Market Expansion Plan 2023 (Commercial Committee Support Fund)	590-55	659-6	Yes
7	Grant	Anto	Subsidizing Enterprises for Their R&D Activities in Shandong Province	611-32	659-7	Yes

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#	Type	Exporter	Program name	Exporter reported program number	INV 659 program number	Countervailable?
8	Grant	Tanrimine	Steady Employment Subsidy	-	659-8	Yes
9	Grant	Tanrimine	Individual income tax handling fee	590-11	659-9	Yes
10	LTAR	All exporters	Hot rolled steel provided by government at less than fair market value	N/A	590-20	Yes

**Table 12: All subsidy programs assessed**

**7.6.1 Preliminary finding on grant programs**

The Commissioner has preliminarily found that all the amounts declared by the exporters to be countervailable subsidies during the investigation period are countervailable subsidies. The Commissioner found that of all 9 grants declared were attributable to the production of the goods.

**7.6.2 Grant programs alleged in the application**

In their application, the applicants identified subsidy programs from sources including:

- The commission’s previous reviews and continuations for related steel products:
  - Review 521 and Continuation 611 into zinc coated galvanised steel.
  - Continuation 590 into hollow structural sections.
- Programs identified in China’s WTO notifications.

In their REQs, all exporters provided information regarding grants received from governments and other public bodies during the investigation period. During verification, the commission was satisfied that the grant lists provided by the exporters contained all the grants received during the investigation period and the amounts received were accurate. For almost all grants declared, it was not possible to identify the name or any details about the grant program under which the grants were provided. As a result, it was not possible for the commission to determine whether any of the grants received by the exporters during the investigation period were received under the subsidy programs alleged in the application. The commission has therefore not attempted to link the grants declared to the programs alleged. The Commissioner preliminarily finds that there was insufficient information provided to make a finding in relation to the grant programs alleged.

**7.6.3 Grant programs identified by the exporters**

In their REQs, all exporters provided information regarding grants received from governments and other public bodies that were extracted from their company income ledgers. The lists reflected all the individual payment transactions that the companies had received from government bodies. Table 12 lists these grants. During verification, the commission verified that the transaction listings were complete and represented all amounts received from government bodies in the form of direct payments in the respective companies’ financial systems during the period.

#### **7.6.4 Determination of amount of grant program benefit attributable to the goods**

The cooperative exporters provided their proposed attributions of the amounts of countervailable subsidy as part of the grants' listings in their REQs, and 1 exporter provided a revised listing during verification. The exporters explained that the attributions were assumptions considering the information contained in the accounting system transaction descriptions and the accounting team's business knowledge. The Commissioner accepted the exporters attributions for each of the 9 grants declared. The Commissioner may further consider the attribution of the countervailable subsidies received before making a final determination in this investigation's final report.

### **7.7 LTAR program assessment**

#### **7.7.1 Preliminary finding on LTAR program**

The Commissioner preliminarily finds that there is a subsidy program involving the provision of hot rolled steel by public bodies at less than adequate remuneration, which is countervailable.

#### **7.7.2 The applicants' allegation**

In their application, the applicants alleged that exporters of the goods benefited from subsidy program 590-20 – *hot rolled steel provided by government at less than fair market value*.<sup>30</sup> The applicants also identified the following programs in their application:<sup>31</sup>

- Program 611-1: Hot rolled steel provided by government at less than fair market value
- Program 611-2: Coking coal provided by government at less than adequate remuneration
- Program 611-3: Coke provided by government at less than adequate remuneration.

The commission considers that program 611-1 and program 590-20 address the same instance of subsidisation such that consideration of both programs would result in double counting. The commission will assess program 590-20. The commission notes that exporters who provided an REQ did not manufacture steel and did not purchase coking coal or coke, therefore the commission has not assessed programs 611-2 and 611-3.

#### **7.7.3 The 'public body' test**

In assessing whether hot roll steel was provided to the exporters by public bodies, the commission has considered whether state invested enterprise (SIE) suppliers of hot rolled steel are public bodies. The Commissioner makes a preliminary finding that SIE suppliers of hot rolled steel are public bodies. In making this preliminary finding, the Commissioner notes that the GOC did not provide a response to the government questionnaire, which included questions regarding the function of SIEs in the steel sector in China and the GOC's relationship with such SIEs. The Commissioner has therefore made a preliminary

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<sup>30</sup> EPR 659, item no 1, p 75.

<sup>31</sup> EPR 659, item no 1, p 73.

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finding on the basis of all facts available to the Commissioner and making reasonable assumptions, in accordance with section 269TAACA. This includes preliminary findings made in other investigations, particularly preliminary findings in the SEF from Investigation 658.

In Appendix A of SEF 658, the commission found extensive evidence that SIEs in the Chinese steel sector and generally are subject to governmental control beyond the role of the GOC as merely a shareholder. The commission notes in particular:

- There is a path of control from the GOC and the CPC to SIEs, in that 1) The State Council upholds the leadership of the CPC, 2) The State Council administers the State-owned Assets Supervision and Administration Commission of the State Council (SASAC of the State Council), and 3) the SASAC of the state council administers SIEs, including appointing board members and approving major matters.
- Article 170 of the Company Law of the People's Republic of China provides that the "organization of the Communist Party of China in a state-invested company shall play a leading role in accordance with the Constitution of the Communist Party of China, study and discuss the significant matters concerning the operation and management of the company and support the organization of the company in exercising its functions and powers in accordance with the law."
- Article 36 of the Law of State-Owned Assets in Enterprises (SOE Law) provides that SIEs "shall make investments in compliance with the industrial policy of the state".
- The EC Report 2024 finding that the GOC was involved in managerial appointments of SIEs and integrated the CPC into corporate governance.<sup>32</sup>
- The paper by Xiankun Jin et al illustrating that SIEs are controlled by the CPC through political governance, via state ownership of SIEs, appointment of managers by the CPC, and involvement of CPC organisations in SIE decision-making.<sup>33</sup>
- OECD research finding SIEs are larger recipients of subsidies than other China-based firms.<sup>34</sup>

Based on this evidence, the Commissioner preliminarily finds that SIE suppliers of HRC are public bodies which possess, exercise, or are vested with governmental authority.

Where an exporter purchased hot rolled steel from a private entity and that steel was manufactured by a private entity, the commission has not calculated an LTAR subsidy amount.

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<sup>32</sup> European Commission (EC), Commission staff working document: on significant distortions in the economy of the People's Republic of China for the purposes of trade defence investigations, document no SWD(2024)91 final, EC, European Union Government, 10 April 2024, section 4.5.

<sup>33</sup> 8 Xiankun Jin, Liping Xu, Yu Xin, Ajay Adhikari, 'Political governance in China's state-owned enterprises', China Journal of Accounting Research, Volume 15, Issue 2, 2022, 100236, ISSN 1755-3091, <https://doi.org/10.1016/j.cjar.2022.100236>

<sup>34</sup> OECD (2024), 'Quantifying the role of state enterprises in industrial subsidies', OECD Trade Policy Papers, No. 282, OECD Publishing, Paris, <https://doi.org/10.1787/49f39be1-en>, Figure 5.

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Where an exporter was unable to provide information on whether or not the manufacturer of hot rolled steel was an SIE or state-owned enterprise (SOE), the commission has assumed that the manufacturer of that steel was an SIE and calculated an LTAR subsidy amount.

### Preliminary finding

The Commissioner has considered all the facts available before him in relation to the suppliers of hot rolled steel to the exporters during the investigation period. Where there is an absence of relevant information, the Commissioner has relied on the facts available and made reasonable assumptions regarding the origin and supply chain of the hot rolled steel sold in the investigation period and found that the certain bodies providing the steel to the selected exporters are public bodies for the purposes of section 269T.

#### **7.7.4 A financial contribution through the provision of goods at less than adequate remuneration**

According to section 269T(1), a subsidy, in relation to goods exported to Australia, is a **financial contribution** by a government, public body, or private enterprise carrying out a government function that confers a benefit in relation to goods exported to Australia. According to section 269TACC(3)(d), the provision of goods or services from a government body does not confer a benefit unless it is **provided at less than adequate remuneration**. Therefore, the commission considers it is necessary to compare the remuneration paid for the hot rolled steel to the adequate remuneration.

### Preliminary finding

The Commissioner has considered all the facts available before him in relation whether there has been a financial contribution through the provision of hot rolled steel at less than adequate remuneration to the exporters during the investigation period. Where there is an absence of relevant information, the Commissioner has relied on the facts available and made reasonable assumptions in accordance with section 269TAACA.

Based on the information set out in this chapter, the Commissioner makes the following preliminary findings:

- The prices paid for hot rolled steel by exporters to suppliers do not adequately remunerate the suppliers because the steel manufacturers' cost of producing hot rolled steel is less than what the cost of producing hot rolled steel in China would be if there were no GOC influence on steel input markets across all four quarters in the investigation period.
- Suppliers of hot rolled steel were not adequately remunerated and therefore hot rolled steel was provided at less than adequate remuneration conferring a financial benefit.

#### **7.7.5 The remuneration paid for HRC**

The exporters provided a list of hot rolled steel purchases. The commission used this information to determine the price the exporters paid for hot rolled steel.

### **7.7.6 Adequate remuneration for HRC**

Under section 269TACC(4), the adequacy of remuneration for goods or services is to be determined having regard to prevailing market conditions in the country where those goods or services are provided or purchased.

In chapter 14, the commission found that the GOC's involvement in the markets for the raw materials used in HRC production has the effect of distorting the prices for the raw materials which has the cumulative effect of reducing the cost inputs into production. Due to the GOC's influence, raw material prices are below what would prevail under normal competitive market conditions.

The commission has noted that the findings outlined in chapter 14 also formed the basis of the findings in chapter 16 which found that the cost of production contained in the exporters' records do not reasonably reflect competitive market costs associated with the production of the goods in China and the circumstances in which the selected exporters' cost of production were formed were not normal and ordinary. Therefore, the Commissioner preliminarily determined that cost of production should be adjusted to reflect a competitive benchmark for steel slab costs and further adjusted to reflect a cost of production reflecting HRC.

In the context of determining 'adequate remuneration' for the purchase of hot rolled steel, the commission has considered the information available to the commission about the hot rolled steel purchases and the earlier findings related to the cost of production in the exporters' records and has preliminarily formed a view that it is not appropriate to determine an amount for 'adequate remuneration' based on the price paid by the exporters in this investigation.

### **7.7.7 External benchmark for hot rolled steel**

Having concluded that the exporters' records should not be used to determine 'adequate remuneration', the commission considered the availability of a suitable benchmark for the hot rolled steel the exporters purchased.

The commission has examined the information before it in relation to investigation 658, which concerns the production of HRC manufactured in China and exported to Australia. In that case, the exporters of HRC are integrated steel manufacturers, producing steel from raw materials including iron ore and coke, casting the steel into steel slabs and rolling the slabs at high temperature to produce HRC. The investigation period for investigation 658 is the same as the investigation period for this investigation.

In SEF 658 the commission referenced a Brazilian benchmark price for steel slab. In the present investigation the commission considers it reasonable to reference the same benchmark, as steel slab represents more than 90% of the cost to make HRC (as found by the commission in investigation 658). The suitability of a Brazilian price as a benchmark is set out in section 16.6.3. The commission considers that, for the reasons set out in 16.6.3, this benchmark represents prevailing market conditions for hot rolled steel in China.

The commission has calculated a quarterly benchmark price for hot rolled steel by taking the quarterly benchmark price determined for steel slab in investigation 658 and dividing it

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by the average proportion of the cost to produce slab as a percentage of the cost to produce HRC for the verified exporters in investigation 658. This ensures that the benchmark reflects the additional cost to manufacture HRC (i.e. the cost of hot rolling the slab).

### **7.7.8 Calculation of adequate remuneration**

The commission has assessed whether the hot rolled steel prices paid by the exporters to SIE suppliers adequately remunerate those suppliers. The commission has made this assessment by comparing those prices to the benchmark, on a quarterly basis.

In Anto's case, hot rolled steel purchases were reported at delivered terms, while the terms of the commission's benchmark was at ex-works. Anto did not provide the associated delivery costs. To adjust the purchase listing and the commission's benchmark to equivalent terms, the commission used verified delivery costs for the nearest geographic HRC producer that was verified during investigation 658.

The commission has calculated the benefit received from the LTAR program 590-20 for each of the cooperative exporters and for all other exporters. The calculations are contained in the subsidy margin calculation relevant to each exporter. The calculations also rely on data from each exporter's CTMS and cost replacement data. The relevant files are listed below:

- **Confidential Attachment 14: Anto – Subsidy margin**
- **Confidential Attachment 15: Sandvik Jining – Subsidy margin**
- **Confidential Attachment 16: Tanrimine – Subsidy margin**
- **Confidential Attachment 17: All other exporters – Subsidy margin**

### **7.7.9 Is there a subsidy?**

In determining whether a financial contribution confers a benefit, the Minister must have regard to the following guidelines:

- The provision of goods or services by a government or body does not confer a benefit unless the goods or services are provided for less than adequate remuneration in accordance with section 269TACC(3)(d).
- The adequacy of remuneration in relation to goods or services is to be determined having regard to prevailing market conditions in the country where those goods or services are provided or purchased in accordance with s269TACC(4).

In this section, the Commissioner has preliminarily found that:

- A financial benefit was conferred through the provision of hot rolled steel at less than adequate remuneration.
- Certain bodies providing the hot rolled steel to the exporters are public bodies for the purposes of section 269T.

### **7.7.10 Is the subsidy countervailable?**

As provided for in section 269TAAC(4)(a), the Minister may determine that a subsidy is specific, having regard to the fact that the subsidy program benefits a limited number of

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particular enterprises. In accordance with section 269TAAC(5), the Minister must take account of the following:

- (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.

The commission considers that the exporters use hot rolled steel to manufacture strata bolts. Given that hot rolled steel is an input into certain steel products, only enterprises engaged in the manufacture of products that use hot rolled steel would benefit from the provision of these goods at less than adequate remuneration.

The commission considers that the main users of hot rolled steel are downstream steel product manufacturers that perform further working, and therefore the benefit received under this program is limited to entities which manufacture downstream steel products, including strata bolts. For this reason, this program is determined to be specific. In making this finding, the commission has considered the fact that China is a large and highly diversified economy. It has also considered that this is not a short-lived subsidy program because the commission found that a benefit was conferred in all four quarters of the investigation period (as well as in periods before and after the investigation period). Therefore, the Commissioner preliminarily determines that the provision of in the hot rolled steel at less than adequate remuneration is a countervailable subsidy.

### 7.8 Assessment of subsidy programs

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 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.

Subsection 269TDA(2) 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.

#### 7.8.1 Anto

##### Preliminary finding

The commission assessed 8 types of benefits received by Anto and assessed whether or not they are countervailable subsidies. The commission found all the benefits received by Anto during the period to be countervailable. The commissioner preliminarily determined the subsidy margin of Anto to be **14.0%**.

##### Background

Anto submitted a completed exporter questionnaire response. Anto reported benefits from 7 grants programs and provided the commission with their raw material purchase listing. The commission used this information to calculate the subsidy margin for the goods Anto exported to Australia.

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### Commission's assessment

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

The commission assessed that the benefits received and examined the benefits as potentially countervailable subsidies during the investigation period. In addition to the grants reported by Anto an LTAR program was examined by the commission.

In total, the commission examined 8 types of benefits, which included 7 grants and 1 LTAR program. The commission found that all the programs were subsidies in accordance with section 269T and countervailable subsidies in accordance with section 269TAAC.

Based on the limited facts available and reasonable assumptions, the Commission has calculated a preliminary subsidy margin for Anto. An assessment of programs is provided in Table 12.

Based on the information available, the commission has calculated a subsidy margin for Anto of **14.0%**. The commission's countervailable subsidy margin calculations for Anto are at **Confidential Attachment 14**.

### **7.8.2 Sandvik Jining**

#### Preliminary finding

The commission found that Sandvik Jining benefits from an LTAR program during the investigation period. The Commissioner preliminarily determined the subsidy margin of Sandvik Jining to be **14.3%**.

#### Background

The commission conducted a verification of Sandvik Jining in September 2025. The commission found that Sandvik Jining received a benefit in relation to an LTAR program, based on the facts available. The commission attributed and allocated the received benefit to the Australian export goods. The resulting verification report was published on the EPR on 27 February 2026. The commission used this information to calculate the subsidy margin for the goods Sandvik Jining exported to Australia.

### Commission's assessment

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

The commission assessed an LTAR program. The commission assessed that the benefit received and examined the benefit as a potentially countervailable subsidy during the investigation period. The commission found that all the program was a subsidy in

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accordance with section 269T and countervailable subsidy in accordance with section 269TAAC.

Based on the limited facts available and reasonable assumptions, the Commission has calculated a preliminary subsidy margin for Sandvik Jining.

Based on the information available, the commission has calculated a subsidy margin for Sandvik Jining of **14.3%** The commission's countervailable subsidy margin calculations for Sandvik Jining are at **Confidential Attachment 15**.

### 7.8.3 Tanrimine

#### Preliminary finding

The commission assessed 3 types of benefits received by Tanrimine and assessed whether or not they are countervailable subsidies. The commission found all the benefits received by Tanrimine during the period to be countervailable. The commissioner preliminarily determined the subsidy margin of Tanrimine to be **10.5%**.

#### Background

The commission conducted a verification of Tanrimine in August 2025. The commission found that Tanrimine received benefits in relation to various subsidy programs, based on the facts available. The resulting verification report was published on the EPR on [publication date]. The commission used this information to calculate the subsidy margin for the goods Tanrimine exported to Australia.

#### Commission's assessment

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

The commission assessed that the benefits received and examined the benefits as potentially countervailable subsidies during the investigation period. In addition to the grants reported by Tanrimine an LTAR program was examined by the commission.

In total, the commission examined 3 types of benefits, which included 2 grants and 1 LTAR program. The commission found that all the programs were subsidies in accordance with section 269T and countervailable subsidies in accordance with section 269TAAC.

Based on the limited facts available and reasonable assumptions, the Commission has calculated a preliminary subsidy margin for Tanrimine. An assessment of programs is provided in Table 12.

Based on the information available, the commission has calculated a subsidy margin for Tanrimine of **10.5%** The commission's countervailable subsidy margin calculations for Tanrimine are at **Confidential Attachment 16**.

#### **7.8.4 All other exporters**

The subsidy margin for non-cooperative and all other entities is determined, pursuant to section 269TAACA(1), based on all facts available and having regard to reasonable assumptions. When assessing countervailable subsidies for all other exporters in this SEF, the Commissioner considers these exporters, and the GOC have been non-cooperative. The Commissioner has therefore made reasonable assumptions to establish both the existence and amount of any countervailable subsidies related to the goods.

The commission's usual approach is to assume that all other exporters benefited from all non-regional countervailable subsidies and the highest region-specific subsidy (where applicable). The Commissioner considers that this approach avoids overstating a subsidy margin by including programs received in more than one region, assuming it is impossible for an exporter to receive subsidy programs for multiple regions.

Where more than one exporter received a benefit under the same subsidy program, the commission has used the highest per-unit amount of subsidy received by one of the cooperative exporters under that program. The commission has also used the lowest export price for a cooperative exporter. The commission has used this method noting it demonstrates a level of subsidisation a Chinese exporter may receive, based on the information available to the commission.

The commission calculated the sum of the subsidy margins for each program to obtain the total subsidy margin. Based on the information available to the commission, the commission has calculated a subsidy margin for all other exporters of 17.8%.

The commission's countervailable subsidy calculations for all other exporters are in **Confidential Attachment 17**.

#### **7.9 Level of subsidisation**

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 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.

Subsection 269TDA(2) 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 and the information contained in **Confidential Attachments 13-16**, the Commissioner is also preliminarily satisfied that strata bolts exported to Australia from China by all exporters during the investigation period were subsidised at not negligible rates and in not negligible volumes.

## 8 ECONOMIC CONDITION OF THE INDUSTRY

### 8.1 Preliminary finding at SEF stage

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

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

### 8.2 Application

DSI and Jenmar in their application claim that the Australian industry has experienced injury in the form of:

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

The applicants claim in their application that material injury caused by dumped and subsidised imports commenced in July 2022.

### 8.3 Approach to injury analysis

The analysis detailed in this chapter is based on verified financial information submitted by the applicants and data from the ABF import database where applicable.

To assess injury, the commission examined the period between 1 October 2020 and 30 September 2024 (the injury analysis period). The commission's assessment of the economic condition of the Australian industry can be found at **Confidential Attachment 18**.

## 8.4 Volume effects

### 8.4.1 Market size and share

The commission extracted data from the ABF import database based on the tariff subheadings and statistical codes listed in section 3.4 of this report. While the commission was able to identify some consignments of the goods by known importers and sellers of the goods, the commission was unable to distinguish between the goods and non-goods for most consignments identified under the relevant tariff subheadings. Therefore, any estimate using ABF data may result in an estimate of the size of the market for strata steel bolts that is less reliable than that provided by the applicants.

The applicants provided an estimate of the market size and their market share as part of the application. This information was discussed at onsite verification to the applicant's premises, where further information was collected to help corroborate and contextualise the market size estimates.<sup>35</sup>

As the commission verified entities it was able to replace the applicants estimates with exact volume figures, but only for the investigation period. The commission preliminarily finds the applicants estimate of market share to be reliable for the purposes of assessing market size and share for years ending September 2021, 2022, and 2023. For the year ending September 2024, the commission has updated the applicants' estimate with verified volume figures where available.

The applicants allege that they have experienced material injury because of the ongoing presence and increased volumes of the goods imported from China. In their application, they state 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. The commission's estimate of market share is shown in Figure 3.

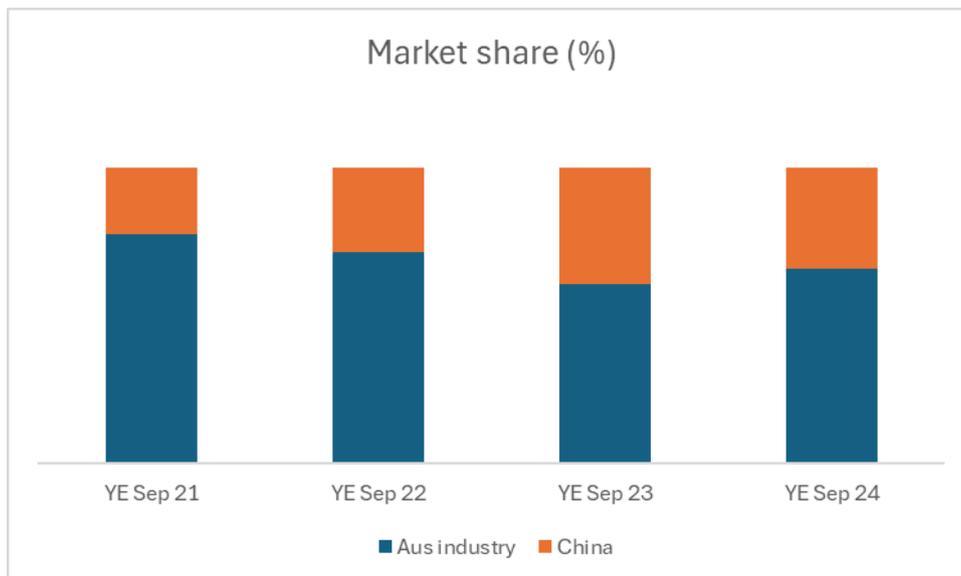


Figure 3: Market share estimate for the goods

<sup>35</sup> Confidential Attachment 22.

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Based on this analysis, the commission preliminarily considers that there are grounds to support the Australian industry's claim that it has experienced injury in the form of lost market share.

The commission notes that Tanrimine and uncooperative exporters exported the majority of strata steel bolts to Australia during the investigation period. The commission has relied on the applicants' estimate of the export volume for uncooperative exporters as they did not provide a response to the exporter questionnaire.

### 8.4.2 Sales volume

The applicants allege in their application that during the injury analysis period the market share captured by imports from China has grown substantially and translated to a material loss of sales volume for the Australian industry. The Australian industry's sales volume is shown in Figure 4.

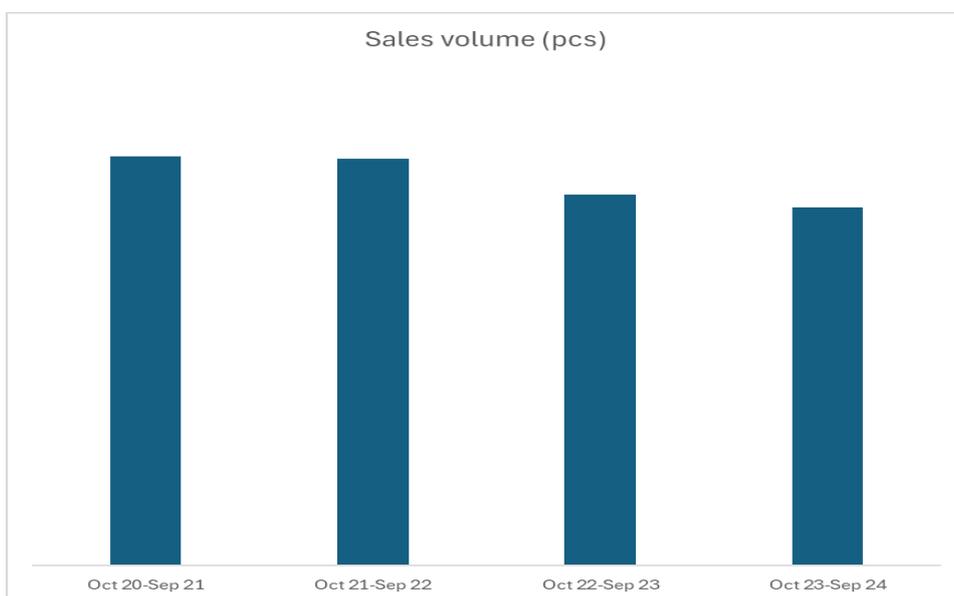


Figure 4: Australian industry sales volume

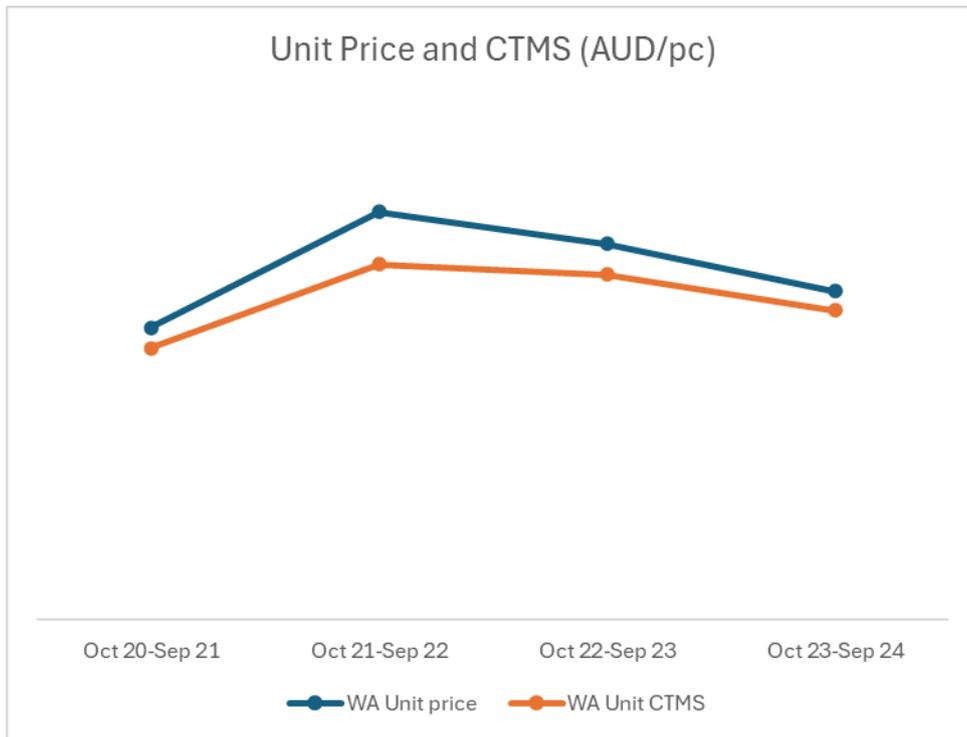
Based on this analysis, the commission preliminarily considers that there are grounds to support the Australian industry's claim that it has experienced injury in the form of lost sales volume.

### 8.5 Price suppression and depression

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

The applicants claim that they have experienced both price depression and price suppression. To assess these claims, the commission compared the weighted average selling price of like goods sold by the applicants compared to their weighted average cost to make and sell (CTMS) for the like goods for the injury period, as depicted in Figure 5.

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**Figure 5: Australian industry unit price and CTMS**

Based on this analysis, the commission preliminarily considers that there are grounds to support that the Australian industry has experienced injury in the form of price depression and price suppression.

### 8.6 Price undercutting

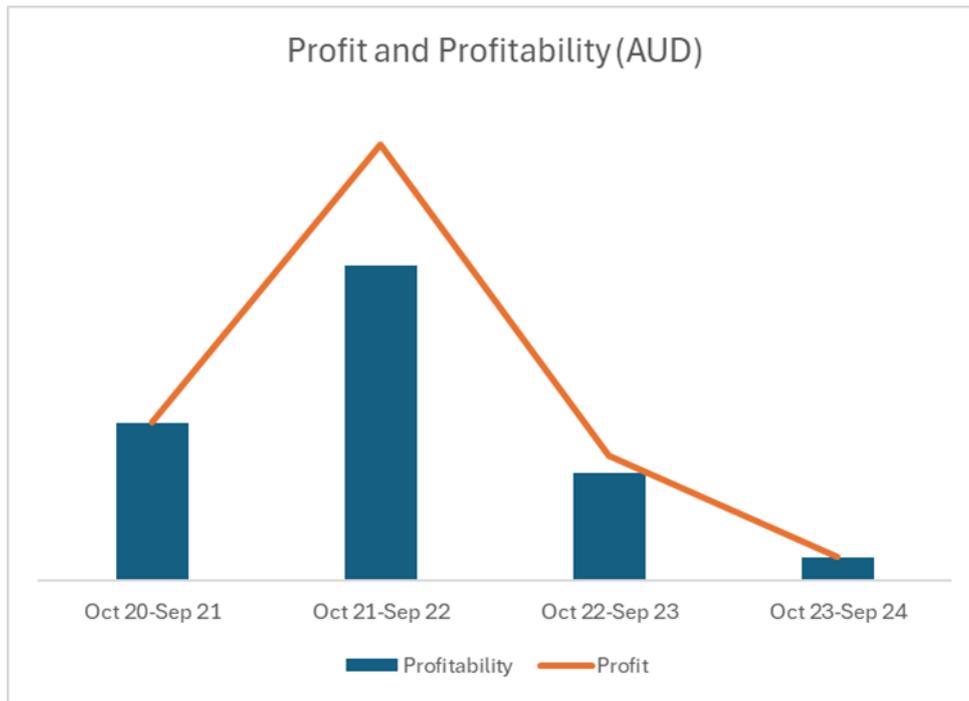
The commission understand the market for strata bolts is tender based. The applicants provided a range of confidential evidence to support claims of price undercutting. These claims are discussed in section 9.4 of this report, and the evidence provided by the applicants is at **Confidential Attachments 21-22**.

Based on this evidence discussed in section 9.4, I preliminarily consider that there appear to be sufficient grounds to support that the Australian industry has experienced injury resulting from price undercutting.

### 8.7 Profits and profitability

Figure 6 shows the Australian industry's total profit and profitability over the injury analysis period.

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**Figure 6: Australian industry profit and profitability**

The Australian industry has experienced reduced sales volume, and price depression and price suppression, during the investigation period. The commissioner considers that Australian industry has achieved lower profit and profitability than would have been the case had sales volume and prices been maintained.

Based on this analysis, the commission preliminarily considers that there are grounds to support that the Australian industry has experienced injury in the form of lost profit and profitability.

### 8.8 Other economic factors

In their application, the applicants also claimed injury in the form of the following other economic factors:

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

The commission has analysed these claims, and the findings are reported as indices in Table 13 and Table 14.

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	Oct 20-Sep 21	Oct 21-Sep 22	Oct 22-Sep 23	Oct 23-Sep 24
Capital investment	100	30	121	578
R&D expenditure	100	100	100	100
Return on investment	100	207	128	73
Capacity utilisation	100	120	91	84
Employment	100	154	107	80
Inventory turnover	100	127	87	82

**Table 13: DSI's index of other economic factors**

	Oct 20-Sep 21	Oct 21-Sep 22	Oct 22-Sep 23	Oct 23-Sep 24
Capital investment	100	44	16	2
R&D expenditure	100	130	0	0
Return on investment	100	33	402	381
Capacity utilisation	100	136	148	73
Employment	100	133	117	93
Inventory turnover	100	136	63	53

**Table 14: Jenmar's index of other economic factors**

Based on the above, the commission preliminarily considers that there are grounds to support that the Australian industry has experienced injury over the period examined in the form of:

- reduced capital investment (Jenmar)
- reduced return on investment (DSI)
- reduced capacity utilisation
- reduced employment
- reduced inventory turnover.

### 8.9 Preliminary finding at SEF stage

Based on an analysis of verified data provided by the applicants with their application, the commission considers that the Australian industry has experienced injury in the form of:

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

## 9 HAVE DUMPING AND SUBSIDIES CAUSED MATERIAL INJURY?

### 9.1 Preliminary assessment

The Commissioner is preliminarily satisfied that the Australian industry has experienced material injury caused by dumped and subsidised goods in the investigation period.

The commission has preliminarily found that:

- dumped and subsidised goods were exported from China to Australia during the investigation period (chapters 6 and 7) which coincided with the Australian industry experiencing injury
- importers purchased the goods from China at dumped and subsidised prices in the investigation period, which allowed the importers to be more competitive on price than otherwise would be the case
- because of the price advantage enjoyed by the dumped and subsidised exports from China, the Australian industry experienced material injury in the forms of lost sales volumes, reduced market share, price depression, price suppression and reduced profit and profitability.

Accordingly, the Commissioner is preliminarily satisfied that exports of the dumped and subsidised goods from China caused material injury to the Australian industry producing like goods.

### 9.2 Legislative background

Under section 269TG and 269TJ, one of the matters that the Minister must be satisfied of in order to publish dumping and countervailing duty notices is that, because of dumping and subsidisation the Australian industry has experienced material injury.

Section 269TAE(1) 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) 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. In assessing material injury, the Commissioner also has regard to the *Ministerial Direction on Material Injury 2012* (Material Injury Direction).

### 9.3 Volume effects

The loss of sales volume and market share discussed in chapter 8 coincides with dumped imports from China. The applicants claim to be injured as a result of competition from these dumped imports from China, which has resulted in lost tenders and loss of existing supply contracts. The applicants claim that while Australian demand for strata steel bolts is strong and growing, the Australian industry has experienced a reduction in its market share because of the loss of existing contracts and not being able to succeed in securing new supply agreements for existing and new mines. The applicants provided documentary evidence to support their claims.

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The commission preliminarily considers that there are sufficient grounds to conclude that strata steel bolts exported from China at dumped prices have caused the Australian industry to experience a material reduction in sales volume and market share.

### **9.4 Price effects**

The commission understand the market for strata bolts is tender based. Jennmar claims that because of the increase price pressure associated with Chinese supply, they are forced to re-negotiate prices with customers. Even in the instances where Jennmar retains the business it is forced to lower its price often selling strata bolts at a loss in order to retain the business. Jennmar provided evidence to support its claim that it suffered price depression because of price undercutting from importers and has reduced its prices over the investigation period in order to retain business.

Jennmar provided evidence to support its claim of losing tenders to secure long term supply in the Australian market.

During verification, Jennmar provided tender documents. The documents indicates that Chinese undercut Jennmar by 23%.

DSI claims that it has been injured through price undercutting. While there have been instances where DSI has been able to match the dumped prices to retain the business, it has often resulted in a loss of contract. DSI provided a list of all the tenders it has participated in since January 2014, who the incumbent was and the successful party of the tender.

In regard to one tender contract DSI provided the summary of price movements for strata bolts until the contract ceased. It is evident that DSI achieved a lower price that resulted in a decline in the margin, supporting the claim that DSI suffered injury resulting from price undercutting.

### **9.5 Profit effects**

The commission analysed the economic condition of the Australian industry and found that it has experienced price suppression and depression, which contributed to a sharp decline in profitability in the most recent two years to September 2024. Further, the loss of sales volume to imports of dumped and subsidised goods, has resulted in lower revenue, as well as higher unit costs for the company. These factors have contributed to a decrease in profitability and profits.

The applicants demonstrated that they suffered from reduced profit and profitability. The applicants demonstrated that they have reduced net sales prices, while costs have risen or remained steady. The applicants provided documentary evidence to support this claim.

The commission considers that the Australian industry has experienced injury due to reduced profitability and lost profits during the investigation period, and this has been caused by dumped and subsidised exports from China.

## **9.6 Factors other than dumping causing injury**

The commission has considered whether injury factors other than dumping may have contributed to the economic performance of the Australian industry.

The commission understands that DSI is both an applicant and an importer in this investigation. During the period of investigation, DSI imported strata steel bolts from China of specifications of 2.4 m length, 47 mm outside diameter and 3.2 mm base metal thickness. DSI imported the goods from its Chinese related party entity Sandvik Jining which produces the strata bolts in its manufacturing facility in Jining City, Shandong Province, China.<sup>36</sup>

DSI imported the strata steel bolts from Sandvik Jining because its local facility was impacted by a shutdown and to meet customer demand it supplemented the 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 strata bolts and of the view these bolts had the same properties and function as Australian manufactured goods.

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

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

The Commissioner is preliminarily satisfied that the Australian industry has experienced material injury caused by dumped and subsidised goods 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<sup>37</sup> directs the commission to consider 'material injury' to be injury that is not 'immaterial, insubstantial or insignificant'. 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 also directs that, where some uncertainty arises over establishing the requirements for material injury where other factors (i.e. other than dumping and subsidisation) may be contributing to injury suffered by the industry, dumping and subsidisation need not be the sole causes of injury to the Australian industry.

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<sup>36</sup> The commission do not consider that Sandvik Jining could cause injury to DSI with its imports of strata steel bolts as DSI does not compete in the market with the strata steel bolts that Sandvik Jining imports.

<sup>37</sup> *Ministerial Direction on Material Injury 2012*, available at [www.adcommission.gov.au](http://www.adcommission.gov.au).

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

- the size of the dumping and subsidy margins
- the magnitude of price undercutting by dumped and subsidised imports
- the importance of price in purchasing decisions and the transparency of pricing
- the change in the volume and market share of imports and of the Australian industry

**10 WHETHER DUMPING AND SUBSIDISATION MAY CONTINUE**

**10.1 Preliminary Findings at SEF stage**

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

**10.2 Introduction**

To publish a notice under sections 269TG(2) and/or 269TJ(2) the Minister must be satisfied that, among other things, dumping and subsidisation may continue.

In assessing whether dumping and subsidisation may continue, the Commissioner considers the term ‘may’ to mean ‘possible’.

**10.3 Whether dumping and subsidisation may continue**

In assessing whether dumping and subsidisation may continue, the commission has had regard to the following:

- dumping and subsidisation in the investigation period,
- competition for tenders,
- 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. outlines the rates of dumping and subsidisation preliminarily found in this investigation.

Exporter	Dumping margin (%)	Subsidy margin (%)
Anto	23.0	14.0
Sandvik Jining	10.2	14.3
Tanrimine	3.4	10.5
All other exporters	35.2	17.8

**Table 15: Preliminary dumping and subsidy margins**

Per Table 15, the commission found that the goods were exported to Australia from China at dumped and subsidised prices during the investigation period. The combined dumping and subsidy margins and the volumes were found to be significant. Chinese exporters maintain distribution links to the Australian market.

**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 or local 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**

The commission considers that the trend in increasing sales volumes of imported goods from China over the investigation period indicates that, dumped and subsidised goods are increasingly being preferred over those being sold by the Australian industry. 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.

The commission examined import volumes at section 8.4. The commission observed that China is the only known source of imports.

### **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 strata bolts 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 and subsidised prices.

### **10.3.5 Available production capacity**

Evidence before the commission suggests that continued GOC involvement in the steel industry has materially contributed to the industries overcapacity. According to the OECD Steel Outlook 2025 report, the global steel market is in a precarious state with excess capacity growing at unsustainably high levels.<sup>38</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>39</sup> The commission considers that this excess production capacity may induce manufacturers of the goods to continue exporting the goods to Australia at dumped and subsidised prices.

## **10.4 Commissioner's assessment**

Based on the available evidence, and for the reasons set out above, the Commissioner is satisfied that exports of the goods from China may continue in the future at dumped and subsidised prices.

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<sup>38</sup> [OECD Steel Outlook 2025](#), p 16.

<sup>39</sup> *ibid.*

## 11 NON-INJURIOUS PRICE

### 11.1 Preliminary assessment of NIP

The Commissioner preliminarily finds that the Minister is not required to have regard to the desirability of specifying a method of calculating ICD and IDD such that the sum of the export price (of the goods ascertained for the purposes of the notices), the ICD and the IDD, do not exceed the NIP in accordance with sections 8(5BA) and 10(3D) of the Dumping Duty Act (the lesser duty rule). This is due to the operation of sections 8(5BAAA) and 10(3DA) of the Dumping Duty Act which provides that the Minister is not required to have regard to the lesser duty rule 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).<sup>40</sup> Although not required to have regard to the lesser duty rule, the Minister maintains discretion to do so.

The Commissioner preliminarily considers that, in relation to all exporters from China, it is not desirable for the Minister to specify a method of calculating ICD and IDD in accordance with the lesser duty rule. Notwithstanding the Commissioner's consideration, the Minister retains this discretion. Therefore, the commission has calculated a NIP.

The calculation of the NIP is at **Confidential Attachment 19**.

### 11.2 Legislative framework

The NIP is defined in section 269TACA as the minimum price necessary to prevent the injury or a recurrence of the injury caused by the dumping. The NIP is a variable factor relevant to determining duty payable under the Dumping Duty Act.

#### 11.2.1 Framework for dumping and countervailing duty notices

Where the Minister is required to determine both ICD and IDD, sections 8(5BA) and 10(3D) of the Dumping Duty Act apply. Sections 8(5BA) and 10(3D) require the Minister to have regard to the 'lesser duty rule' when determining the ICD and IDD payable. In respect of concurrent dumping and countervailing notices, the lesser duty rule requires the Minister to consider the desirability of fixing a lesser amount of duty such that the sum of the export price (of the goods ascertained for the purposes of the notices), the ICD and the IDD, do not exceed the NIP.

However, pursuant to sections 8(5BAAA) and 10(3DA) of the Dumping Duty Act, the Minister is not required to have regard to the lesser duty rule where one or more of the following circumstances (exceptions) apply:<sup>41</sup>

- the normal value of the goods was not ascertained under section 269TAC(1) because of the operation of section 269TAC(2)(a)(ii)

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<sup>40</sup> Chapter 6 of this report refers.

<sup>41</sup> Sections 8(5BAAA)(a) to (c) of the Dumping Duty Act concern the calculation of dumping duty and sections.

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- there is an Australian industry in respect of like goods that consists of at least 2 small-medium enterprises, whether or not that industry consists of other enterprises<sup>42</sup>
- if an exporter of the goods has received a countervailing subsidy in respect of the goods – where the exporter’s country has not complied with Article 25 of the World Trade Organization (WTO) Agreement on Subsidies and Countervailing for the compliance period.

Where any of the above exceptions apply, the Minister is not required to consider the lesser duty rule but may still exercise the discretion to do so.

### 11.3 Findings and consideration of the lesser duty rule

In accordance with sections 8(5BAAA) and 10(3DA) of the Dumping Duty Act, the Commissioner preliminarily finds that the Minister is not required to have regard the application of the lesser duty rule in relation to the exports of the goods by all exporters because the commission did not ascertain the normal values of all exporters under section 269TAC(1) due to the operation of section 269TAC(2)(a)(ii)<sup>43</sup> but may still exercise the discretion to do so.

The Commissioner considers that in relation to all exporters from China, it is not desirable for the Minister to specify a method of calculating ICD and IDD such that the sum of the ascertained export price, the ICD and the IDD payable does not exceed the NIP.

The Commissioner notes that, notwithstanding the Commissioner’s consideration noted in the preceding paragraph, the Minister retains the discretion to apply a lesser amount of duty. Therefore, the commission has calculated a NIP in this investigation.

### 11.4 Calculation of the NIP

The legislation does not prescribe a method of calculating a NIP, but there are several methods outlined in the Manual.<sup>44</sup> The Commissioner generally derives the NIP by first establishing a price at which the Australian industry might reasonably sell its product in a market unaffected by dumping and subsidisation. The Commissioner refers to this price as the ‘unsuppressed selling price’ (USP).

#### 11.4.1 Unsuppressed selling price

The Manual provides that the Commissioner normally uses one of the following approaches, for establishing a USP, subject to the facts of the case:

- Australian industry’s weighted average selling prices in a period unaffected by dumping and subsidisation,
- a constructed approach, using the Australian industry’s CTMS and adding a reasonable amount for profit,

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<sup>42</sup> As defined in the *Customs (Definition of “Small-Medium Enterprise”) Determination 2023*

<sup>43</sup> Chapter 6 of this report refers.

<sup>44</sup> Chapter 24.3, [The Manual](#), pp 106–100

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- selling prices of undumped and unsubsidised imports in the Australian market.

The commission examined the options for establishing a USP set out in the Manual and concluded that the most suitable approach in this case is the constructed USP.

### **11.4.2 Australian industry sales prices in a period unaffected by dumping and subsidisation**

In their application, the applicants claim that they have suffered material injury because of dumped and subsidised imports from July 2022.<sup>45</sup> The commission has calculated the weighted average unit price across both applicants for the year ending 30 June 2022 and used this as the USP.

### **11.4.3 Calculation of the NIP**

The Commissioner has preliminarily calculated a NIP by deducting from the USP the costs incurred in transporting the goods at free on-board export terms to the relevant level of trade in Australia for each exporter from China for which the Commissioner proposes to implement measures. The deductions include inland freight, port handling and other charges, marine insurance, and ocean freight.

The calculation of the NIP is at **Confidential Attachment 19**.

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<sup>45</sup> EPR 659, item no 1, p 25.

## 12 PROPOSED MEASURES

### 12.1 Preliminary findings at SEF stage

The Commissioner proposes to recommend to the Minister that anti-dumping measures be imposed in the form of a dumping duty notice and a countervailing duty notice, and that the *ad valorem* duty method be used to determine the amount of interim duty payable by importers of the goods from China.

The preliminary rates of IDD and ICD payable on the goods imported from China are summarised in Table 16.

Exporter	Duty method	Dumping margin	IDD	Subsidy margin	ICD	Combined IDD & ICD
Anto	<i>Ad valorem</i>	23.0%	9.3%	14.0%	14.0%	23.3%
Sandvik Jining		10.2%	0.0%	14.3%	14.3%	14.3%
Tanrimine		3.4%	0.0%	10.5%	10.5%	10.5%
All other exporters		35.2%	17.7%	17.8%	17.8%	35.5%

**Table 16: Proposed rates of ICD & IDD**

The rate of IDD is less than the full dumping margin due to removal of the LTAR subsidy program (*Program 590-20 – hot rolled steel provided by government at less than fair market value*) from the IDD to avoid any ‘double count’ of the effect of that program on the dumping margin.

In accordance with commission practice,<sup>46</sup> because the applicant has not claimed that there is a need for the notice to be retrospective, the commission has not assessed whether the circumstances required to be satisfied to enable a retrospective notice to be issued exist.

### 12.2 Combined effective rate of duties

The commission has found that all exporters from China have received countervailable subsidies under *Program 590-20 – hot rolled steel provided by government at less than fair market value*. In circumstances where there is both an adjustment to the input costs of production as part of constructing a normal value and a countervailable LTAR subsidy (such as program 590-20), the commission will generally remove the amount of benefit calculated as received by the exporters in relation to the subsidy from the combined margin in order to avoid any double counting.

The Manual provides a further explanation:

The Commission may decide to construct a 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 the normal value. Where that input was also the subject of a less than

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<sup>46</sup> Chapter 39.2, [The Manual](#), p 146.

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adequate remuneration subsidy finding, it is necessary to 'back out' the relevant subsidy from the dumping margin to avoid any double counting.<sup>47</sup>

Program 590-20 is in respect of hot rolled steel provided at LTAR (in the subsidy margin calculation). Under section 269TAACA, the Commissioner made the reasonable assumption that the hot rolled steel benchmark used to assess cost of production was also a suitable benchmark for prevailing market conditions for hot rolled steel. This benchmark was compared with the exporters' actual hot rolled steel purchases to calculate the benefit received under program 590-20 (hot rolled steel provided by government at less than fair market value). In the dumping investigation, the normal value was calculated using a cost of production based on the cooperative exporters' costs of production adjusted to reflect the difference between the exporters' actual costs and the same hot rolled steel benchmark that was used to establish what the cost of production in China would be if the exporters' records were unaffected by not normal and ordinary circumstances. Because these amounts are calculated on the same basis, it is necessary for the commission to avoid the impact of 'double counting' by removing this amount from either the dumping margin or the subsidy margin for all exporters of the goods from China. In this case, the commission has removed the double counting by deducting the LTAR subsidy program from the effective rate of IDD.

Table 16 summarises the effective rates of IDD, ICD and combined duty rate and form of measures for all exporters from China. The commission's calculations are at **Confidential Attachment 19**.

### 12.3 Form of proposed measures

#### 12.3.1 Forms of dumping duty available

The *Customs Tariff (Anti-Dumping) Regulation 2013* prescribes the forms of duty available to the Minister when imposing anti-dumping and countervailing measures. They include:

- fixed duty method (\$X per unit)
- *ad valorem* duty method<sup>48</sup>
- floor price duty method
- combination duty method.

The various forms of duty all have the purpose of removing the injurious effects of dumping and subsidisation. However, 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 November 2013* (the Guidelines) and relevant factors in the market for the goods.<sup>49</sup>

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<sup>47</sup> [The Manual](#) (December 2021) p 93.

<sup>48</sup> Section 5 of the *Customs Tariff (Anti-Dumping) Regulation 2013*.

<sup>49</sup> [Guidelines on the Application of Forms of Dumping Duty November 2013](#).

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### Fixed duty method

A fixed duty method operates to collect a fixed amount of duty per unit, 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.

The fixed duty method (e.g. \$X per unit) is:

- Less suitable in circumstances where:
  - there is a changing (rising or falling) market: as the 'effective' rate of this duty diminishes in a rising market and increases in a declining market (which can have adverse effect on downstream industries) and is more likely to lead to applications for the measures being reviewed, and/or
  - there are many models of the goods that have significantly different prices: as the 'effective' rate of duty is proportionally too high for lower priced models and too low for higher priced models.
- More suitable where there:
  - are complex company structures with related parties which makes varying the declared exported price simpler and therefore, circumvention of the measures more likely (a fixed rate is applied per unit and is therefore not susceptible to price variations), or
  - is a stable market.

### Ad valorem

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.

The ad valorem duty method is:

- More suitable where there:
  - are many models of the goods that have significantly different prices: as the 'effective' rate of duty adjusts to the differently priced goods and has a similar effect on both lower and higher priced models.
  - is a changing (rising or falling) market or a product subject to frequent price fluctuations: as the effectiveness of the duty does not change where there are market-based pricing fluctuations.
- Less suitable in circumstances where there:
  - are complex company structures with related parties which makes reducing the declared exported price simpler and therefore it may make circumvention of the measures more likely.

### Floor price duty method

The floor price duty method sets a 'floor'. For example, for floor price set at a normal value of \$100 per tonne, 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.

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The floor price duty method is:

- Less suitable in circumstances where there:
  - is a changing (rising or falling) market: as the 'effective' rate of this duty can reduce to zero in a rising market and become well above market prices in a declining market.
  - are many models of the goods that have significantly different prices: as the 'effective' rate of duty is likely too high for lower priced models and non-existent for higher priced models.
  - are complex company structures with related parties which makes increasing the declared export price above the floor price simpler and therefore makes circumvention of the measures more likely.
- More suitable:
  - Where there is a stable market.
  - in combination with a fixed or ad valorem duty.

### Combination duty method

The combination duty method comprises 2 elements:

- **The 'fixed' 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. The fixed element may take the form of either:
  - A fixed duty (\$X per unit) or
  - An *ad valorem* duty (a percentage applied to the higher of the ascertained export price or the actual export price) or
  - A combination of both forms
- **The 'variable' element:** If the actual export price is lower than the ascertained export price, the variable element is the difference between the ascertained export price and the actual export price. The variable element operates in a similar manner to a floor price duty, except that it is calculated with reference to the ascertained export price, rather than the ascertained normal value.

In considering whether the combination duty is the most suitable form of duty, it is necessary to consider the suitability of the various parts of the combination duty, as discussed above in the paragraphs on fixed, ad valorem and floor price duty methods.

### **12.3.2 Commission's consideration on form of proposed measures**

The commission's consideration for the form of measures has weighed the merits and disadvantages associated with the various forms of measures outlined in section 12.3.1 above, and analysed them in the context of the nature of the importations of the product, the market variability and the companies involved in the importations.

The Commissioner has found that the price of strata bolts is in large part driven by the commodity price of the steel used to produce the bolts and that the price of steel can vary significantly over time. The Commissioner has also found that strata bolts can be sold black (without galvanising) or galvanised and that these different types of goods have varied prices. 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

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where prices differ significantly between models. The Guidelines also specify that the *ad valorem* duty method has an advantage when goods are subject to price variations over time.

### 12.3.3 Recommendation on form of measures

The commission's consideration for the form of measures has weighed the merits and disadvantages associated with the various forms of measures outlined in section 12.3.1 above and the specific circumstances related to the products as outlined in section 12.3.2. The commission considered that the form of duty recommended for all exporters should include be the *ad valorem* duty method.

Table 16 shows the combined effective rates of IDD and ICD payable and the form of measures applying to all exporters of the goods from China.

### 12.4 Retrospective notices

According to the Manual,<sup>50</sup> the Commission's practice is to consider retrospective duties only when an applicant makes such a claim and provides reasonable evidence of that claim. In the absence of an applicant's claim, analysis of the whether the test for the imposition of a retrospective notice has been met is not usually undertaken.

In this case, the applicants have not made a claim in relation to retrospective duties and therefore, the commission has not assessed whether the circumstances required to be satisfied to enable a retrospective notice to be issued exist.

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<sup>50</sup> Chapter 39.2, [The Manual](#), p 146.

## 13 PRELIMINARY AFFIRMATIVE DETERMINATION AND AMENDMENT OF SECURITIES

On 23 December 2025, the Commissioner made a PAD in relation to a dumping duty notice and decided to require and take securities on goods entered for home consumption in Australia on and from 24 December 2025. At that time, the Commissioner was not satisfied that there appeared to be sufficient grounds to make a PAD regarding the alleged subsidisation of the goods exported from China. As a result, no securities were taken in respect of ICD that may become payable (countervailing securities).<sup>51</sup>

Securities for IDD that may become payable (dumping securities) were amounts worked out in accordance with the *ad valorem* duty method at rates ranging from 7.2% to 35.2%.

### 13.1 Preliminary affirmative determination – countervailing duty notice

As outlined in ADN 2025/129, when the Commissioner made the PAD on 23 December 2025, the Commissioner was not satisfied that there appeared to be sufficient grounds to make a PAD in relation to the alleged subsidisation of the goods exported from China.<sup>52</sup>

Following further analysis for the purposes of this SEF and as detailed in chapters 7, 8 and 9, the Commissioner is now satisfied that subsidisation has occurred and that the volume of subsidised exports was not negligible and because of this, material injury has been caused to the Australian industry. Therefore, the Commissioner is satisfied that there appear to be sufficient grounds for the publication of a countervailing duty notice.

Accordingly, the Commissioner has decided to make a PAD in relation to a countervailing duty notice under section 269TD and is satisfied that it is necessary to require and take securities under section 42 to prevent material injury to the Australian industry occurring while this investigation continues.

### 13.2 Revised securities

Based on the findings set out in this SEF, including the assessment of the variable factors in chapter 6, and pursuant to section 269TD(1)(a) of the Act, the Commissioner remains satisfied that there appear to be sufficient grounds for the publication of a dumping duty notice in respect of the goods exported to Australia from China.

Further, and as outlined in chapter 7, the Commissioner is now satisfied that subsidisation has occurred and that the volume of subsidised exports was not negligible, and because of this, material injury has been caused to the Australian industry. Accordingly, the Commissioner is also satisfied that there appear to be sufficient grounds to publish a countervailing duty notice.

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<sup>51</sup> ADN 2025/129, EPR 659 item no 14.

<sup>52</sup> *ibid.*

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Under section 269TD(4)(b), the Commissioner remains satisfied that it is necessary to require and take securities to prevent material injury to the Australian industry while the investigation continues. The Commissioner therefore proposes to:

- revise the dumping securities, and
- impose countervailing securities, reflecting the new finding of subsidisation in this SEF.

These securities will apply to goods exported from China and entered for home consumption in Australia on and from 7 March 2026, under section 42 of the Act.

The Commissioner has updated the level of dumping securities to reflect the revised variable factors remove the LTAR subsidy program (*Program 590-20 – hot rolled steel provided by government at less than fair market value*) to avoid any ‘double count’ of the effect of that program on the dumping margin.

The countervailing securities reflect the full subsidy margins found in relation to exports of the goods from China.

The resulting security rates are summarised in Table 17.

<b>Exporter</b>	<b>Duty method</b>	<b>Existing dumping securities</b>	<b>Combined dumping and countervailing securities</b>
Anto	<i>Ad valorem</i>	23.0%	23.3%
Sandvik Jining		10.2%	10.2%
Tanrimine		7.2%	10.5%
All other exporters		35.2%	35.5%

**Table 17: Existing securities and new securities payable**

## 14 PARTICULAR MARKET SITUATION

### 14.1 Preliminary finding at SEF stage

The Commissioner preliminarily finds that the GOC's actions, policies, and practices have distorted conditions in the Chinese steel market. These distortions have created a particular market situation (PMS) in respect of the domestic market for strata bolts in China for the investigation period.

The commission considers that the GOC has had a continued involvement within the Chinese steel industry through its policies, planning guidelines, plans, and directives. This involvement has materially contributed to the steel industry's overcapacity, oversupply and distorted structure during the investigation period. It is the commission's view that the prices of strata bolts would be substantially different in a market not characterised by GOC influence. The rationale and evidence that underpins this preliminary finding is based on the information currently before the commission and is explained below.

### 14.2 Introduction

In their application, the applicants alleged that:

*HRC accounts for [a substantial] percent of the production cost of friction bolts, and [the applicants consider] that distortions in the Chinese HRC market have a substantial impact of the selling prices for friction bolts. Consequently, the applicants assert that a particular market situation applies for [strata bolts] that are manufactured from raw material HRC.*

*The applicants therefore submit that during the proposed [...] investigation period there exists a particular market situation in the Chinese domestic market for friction bolts that renders sales in that market unsuitable for determining normal values [...].<sup>53</sup>*

The Commissioner considered that it was reasonable to accept the applicants' claim that a PMS exists in the Chinese strata bolt market for the purpose of deciding whether to reject the application or initiate an investigation as outlined in the Consideration Report.<sup>54</sup> Accordingly, the commission has examined whether a PMS existed in the Chinese strata bolt market during the investigation period.

In assessing whether a PMS exists, the commission has relied on:

- the application
- cooperating exporter REQs
- the Commissioner's preliminary findings in investigation 658 as set out in SEF 658.

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<sup>53</sup> EPR 659, item no 1, *DSI/Jennmar Friction Bolts AD/CVD Application – PV*, p 53.

<sup>54</sup> EPR 659, item no 2, *Consideration Report no 659*, p 17.

After considering the available information, the Commissioner's preliminary finding is that a PMS existed in respect of the domestic market for strata bolts in China during the investigation period.

### **14.3 Australian legislation, policy, and practice**

Australia treats China as a market economy for anti-dumping purposes. The commission has conducted this inquiry in the same manner for China as it does for other market economy members of the WTO.

Irrespective of the country whose goods are the subject of the inquiry, Australia's anti-dumping framework may result in the commission not using domestic selling prices as the basis for normal values where there is a PMS. This is only applicable if the PMS renders sales in the domestic market unsuitable for use. In determining whether sales are unsuitable, the commission will have regard to whether because of the PMS, domestic prices of the goods cannot be properly compared with export prices in determining the margin of dumping.

#### **14.3.1 Legislation**

Section 269TAC(2)(a)(ii) implements, in part, Article 2.2 of the ADA, which provides:

*When there are no sales of the like product in the ordinary course of trade in the domestic market of the exporting country or when, because of the particular market situation or the low volume of the sales in the domestic market of the exporting country [footnote omitted], such sales do not permit a proper comparison, the margin of dumping shall be determined by comparison with a comparable price of the like product when exported to an appropriate third country, provided that this price is representative, or with the cost of production in the country of origin plus a reasonable amount for administrative, selling and general costs and for profits.*

Where a PMS is found to exist in the domestic market of the exporting country,<sup>55</sup> the commission must further consider whether, because of that situation, sales in that market are unsuitable for determining a normal value under section 269TAC(1).

As part of this assessment the commission assesses whether, because of the PMS, domestic prices can be properly compared with export prices.<sup>56</sup> Chapter 15 sets out the commission's consideration of whether sales in the Chinese domestic market are suitable to permit a proper comparison to export prices.

Where the commission determines that, because of the PMS, domestic sales are unsuitable for determining a normal value under section 269TAC(1), normal values may instead be constructed under section 269TAC(2)(c) or determined by reference to prices from a third country under section 269TAC(2)(d).

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<sup>55</sup> Pursuant to section 269TAC(2)(a)(ii).

<sup>56</sup> In accordance with the findings of the WTO Panel in DS529, Australia – Anti-Dumping Measures on A4 Copy Paper from Indonesia.

### **14.3.2 Policy and practice**

The Act does not define or prescribe what is required to reach a finding of a PMS. A PMS may arise when there are a factor or factors affecting the relevant market in the country of export generally. The commission considers certain factors when assessing whether a PMS renders sales unsuitable for use in determining a normal value under section 269TAC(1). These factors include:

- whether government intervention in the industry and/or market of the exporting country results in prices that are lower or not substantially the same as they would otherwise be
- whether there are other conditions in the market that render sales in that market unsuitable for use in determining normal values under section 269TAC(1).

The Manual provides further guidance on the circumstances in which the commission will find that a PMS exists.<sup>57</sup> In particular, with respect to prices of inputs in the manufacture of like goods, the Manual states:

*Prices may also be artificially low or lower than they would otherwise be in a competitive market due to government influence and distortion of the costs of inputs. The mere existence of any government influence on the cost of inputs would not be enough to make sales unsuitable. The commission looks at the effect of this influence on market conditions and the extent to which domestic prices can no longer be said to prevail in a normal competitive market.*

Further, according to the Manual, ‘market conditions will no longer be said to prevail when ...government owned enterprises, together with any unprofitable sales by those same enterprises, has caused significant distortion to the prices received by private enterprises.’

### **14.4 Assessing the PMS in this investigation**

The commission’s assessment of a PMS in the domestic Chinese strata bolt market concerns an assessment of whether the government involvement in the Chinese domestic market for strata bolts has materially altered market conditions, then domestic prices may be lower or not substantially the same as they would be in a market free of, or not materially affected by, the government intervention.

Prices for strata bolts may also be lower or not substantially the same as they would otherwise be due to the influence of a PMS on the cost of inputs.

#### Questionnaire sent to the Government of China

On 19 December 2024, the commission sent a questionnaire to the GOC requesting information on the strata bolt market in China. The GOC did not provide a response.

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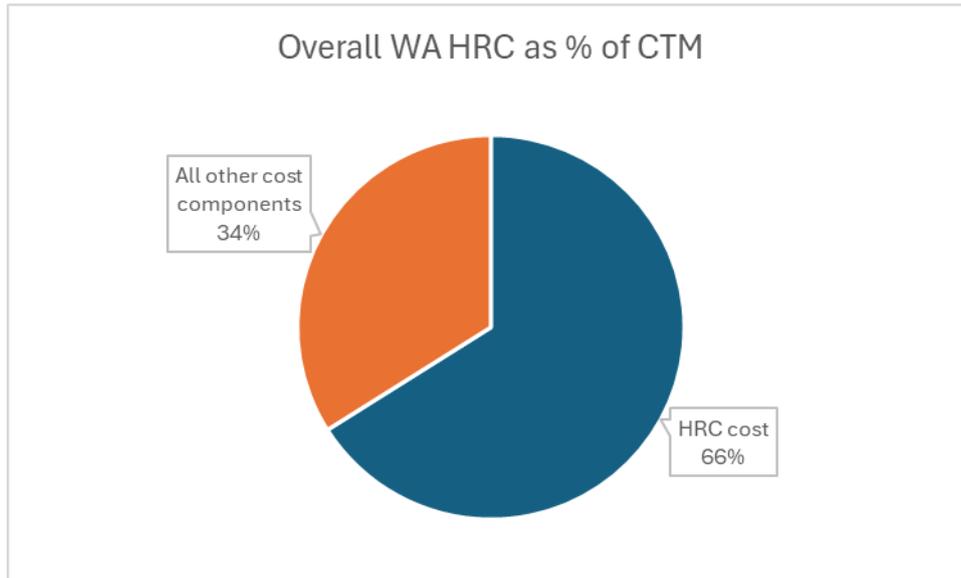
<sup>57</sup> The Manual, p 29.

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### Cost of inputs

The commission assessed the applicants' claim that HRC accounts for a substantial proportion of the production cost. The commission examined the cooperative exporters' cost to make listings for the goods, whether or not galvanised, and whether sold domestically or exported to Australia.

This assessment was done on a weighted basis. The commission found that around 82% of pieces sold were galvanised, and the remaining pieces were sold black. The commission understands that most of the goods consumed by end users are galvanised.



**Figure 7: WA HRC cost as a portion of total CTM**

Based on REQs received the commission finds that HRC represents around 66% of the cost to make strata bolts in China, as shown in Figure 7. The commission considers that HRC accounts for a substantial proportion of the production cost of strata bolts. The commission's workings are available at **Confidential Attachment 20**.

### Relationship between CTM and sales price

The commission considers that the cooperative exporters are export focused manufacturers, as over 99% of the pieces sold by cooperative exporters during the investigation period were exported to Australia or a third country.

The low volume of pieces sold domestically means the commission cannot conduct a reliable trend analysis on domestic CTM against domestic sales prices.

The commission understands from REQs and exporter verifications that exporters of strata bolts consider their CTM when setting prices. The commissioner preliminarily finds that there is a relationship between the CTM strata bolts and the sales price of strata bolts.

The commission's workings are available at **Confidential Attachment 20**.

Preliminary findings in SEF 658

SEF 658 states that the Commissioner preliminarily finds that the GOC's actions, policies, and practices have distorted conditions in the Chinese steel market. These distortions have created a PMS in respect of the domestic market for HRC in China for the investigation period.

The commission considers that the GOC has had a continued involvement within the Chinese steel industry through its plans, policies, planning guidelines and directives. This involvement has materially contributed to the steel industry's overcapacity, oversupply and distorted structure during the investigation period. It is the commission's view that the prices of strata bolts, as a downstream product influenced by HRC costs, would be substantially different in a market not characterised by GOC influence.

The rationale and evidence that underpins this preliminary finding is based on the information currently before the commission and is explained in SEF 658 – Appendix A – Particular Market Situation Assessment.<sup>58</sup> The following is a summary of key factual findings from SEF 658, which support the preliminary finding of a particular market situation:

- The GOC considers that the steel industry is a pillar of the national economy.<sup>59</sup>
- The commission considers that the GOC exerts influence over the Chinese steel industry in several ways:
  - the GOC's planning systems and its effect on the trends in the steel industry
  - through the size and prevalence of SOEs in the steel industry
  - the GOC's involvement in the markets for raw materials used in the production of steel
  - subsidies and other benefits and incentives provided by the GOC to steel producers.
- The Chinese steel market is characterised by excess capacity, which has been directly and indirectly contributed to by the GOC.
- Distortive effects of the GOC planning system, which include excess capacity, continued operation of underperforming firms, destabilising effects from short-time frames to respond to certain plans, conflicts between plan directives and entities' incentives, and effects on production levels and, by extension, pricing.
- SOEs make up a significant part of the Chinese steel industry. The commission identified that, for the largest 10 Chinese steel firms by production, 70% of production was by SOEs in 2024. Crude steel production by these 6 SOEs alone accounted for 30% of total crude steel production in China in 2024.<sup>60</sup>
- Subsidisation of the Chinese steel industry, which has the effect of continuing excess capacity.

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<sup>58</sup> EPR 658, item no 27, p 98.

<sup>59</sup> Ministry of Industry and Information Technology of the People's Republic of China (MIIT), [Work Plan for Stabilising Growth in the Steel Industry \(2025-2026\)](#), MIIT, 22 September 2025.

<sup>60</sup> WorldSteel, '[World Steel in Figures 2025](#)', WorldSteel website, June 2025. The commission has used publicly available information to determine whether entities are SOEs

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The commission refers to Appendix A of SEF 658 for a full account of the evidence supporting the preliminary finding of a PMS for Chinese strata bolts.

### *Role of the GOC in private firms*

SEF 658 states while not expressly compulsory under law, private firms engage with the policies and objectives of the GOC by aligning their commercial interests with industry directives. Private firms also appointed party members on supervisory boards where relevant. An example of a private firm engaging in GOC policies is from Shagang Group, stating 'In the future, Shagang Group will conscientiously implement the State policy concerning the steel industry development.'<sup>61</sup>

The commission also notes that overcapacity arising from GOC influence impacts the overall market in ways that put downward pressure on prices, as do the unprofitable sales of firms (often SOEs) transacting at losses in the Chinese steel sector.<sup>62</sup> The high level of government intervention in the steel industry (in part due to the high share of SOEs) means that privately-owned enterprises are prevented from operating under market conditions.

### Submissions received

The commission received two submissions in response to PAD 659 from exporters that discuss PMS.

#### *Anto*

Anto's submission in response to PAD 659 was published on 13 January 2026. In it, among other things, Anto asserts that the commission should not rely on SEF 658 in order to find that a PMS exists for the purposes of case 659 because a SEF is a preliminary report and not a final determination.<sup>63</sup>

#### *Tanrimine*

Tanrimine's submission in response to PAD 659 was published on 10 February 2026. In it, among other things, Tanrimine asserts that the commission should not rely on SEF 658 in order to find that a PMS exists for the purposes of case 659 because a PMS in the upstream market does not guarantee the downstream market is distorted. Tanrimine asserts that the market for strata bolts and the market for HRC have large differences, and that while manufacturers of HRC are often large SOEs, the manufacturers of strata bolts are smaller private companies.<sup>64</sup>

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<sup>61</sup> Shagang Group, [Group Brief Introduction](#), Shagang Group website, n.d., accessed 10 February 2026.

<sup>62</sup> European Commission, Commission staff working document: on significant distortions in the economy of the People's Republic of China for the purposes of trade defence investigations, document no SWD(2024)91 final, EC, European Union Government, 10 April 2024, accessed 3 June 2024, pp pp 402–403

<sup>63</sup> EPR 659, item no 15, topic no. 1.

<sup>64</sup> EPR 659, item no 17, topic no. 2.

*The commission's consideration of submissions*

The commission accepts that a PMS in the upstream market may not guarantee the downstream market is distorted and that the markets for HRC and strata bolts are not identical. However, the commission considers the high level of government intervention in the steel industry means that privately-owned enterprises are prevented from operating under market conditions.<sup>65</sup>

The commission further considers that:

- HRC accounts for around 66% of the CTM for strata bolts, and
- the sales price of strata bolts is based on the CTM of strata bolts.

The commission considers that the evidence from SEF 658 and the preliminary findings in SEF 658, as the most contemporary information available to the commission, strongly support a finding of PMS in SEF 659 given the nature of the goods and the costs attributable to HRC as a portion of those goods and as reflected in the sales price.

The commission therefore considers that SEF 658's preliminary PMS finding can be reasonably relied upon in this investigation.

The commission acknowledges that the preliminary findings in SEF 658 are not final. Where the commission has reason to reassess the evidentiary basis and/or its findings in SEF 658 such as if it is provided with other or contrary evidence either in response to SEF 658 or this SEF, the commission will assess the impact of any such changes in making its final recommendations in the final report.

## **14.5 Conclusion**

Having considered all the information before it, the commission preliminarily finds that a PMS existed in respect of the domestic market for strata bolts in China for the investigation period.

Whether the PMS in respect of the domestic market for strata bolts in China has resulted in Chinese domestic sales being not suitable for determining normal value under section 269TAC(1) is discussed in chapter 15.

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<sup>65</sup> EPR 658, item no 27, p 125.

## **15 PROPER COMPARISON OF DOMESTIC AND EXPORT PRICES**

### **15.1 Preliminary findings at SEF stage**

The Commissioner has preliminarily found that sales of strata bolts in the domestic Chinese market are not suitable for determining a normal value pursuant to section 269TAC(1). This is because the existence of a market situation does not permit a proper comparison of domestic prices with the export prices of the goods.

### **15.2 Introduction**

For section 269TAC(2)(a)(ii) to apply, the Commissioner must be satisfied that:

1. there is a particular market situation in the country of export, and
2. because of that situation domestic sales of like goods in that market are not suitable for use in determining a price under section 269TAC(1).

The Commissioner has found at chapter 14 that a particular market situation exists in respect of the domestic market for strata bolts in China for the investigation period. The commission has examined whether domestic sales of like goods in China are suitable for determining the normal value of the cooperating Chinese exporters under section 269TAC(1).

### **15.3 Proper comparison of domestic and export price**

The commission's assessment of whether sales are 'suitable' for the purposes of section 269TAC(1) considers the relative effect of the particular market situation on both the domestic sales and export sales. If domestic sales and export sales are not equally affected by the particular market situation, such a finding may render domestic sales not suitable for the purposes of section 269TAC(1).

The relative effect of the particular market situation on domestic and export prices requires an assessment of the relationship between price and cost of strata bolts sold in the respective domestic and export markets. In relation to the domestic sales price, the relevant market is the domestic market of the exporting country (for this investigation, China). For the export price, the relevant market is that in the country into which the goods are being sold (Australia). In assessing the comparability of sales in each market, it is important to note that those sales are defined by the prevailing conditions of competition in each market. It is also important that the relevant factual circumstance of each price is considered within the proper context of the relevant market.

### **15.4 Background**

The commission note that Anto is the only cooperative exporter who made domestic sales of the goods during the investigation period that were in the OCOT. Sandvik Jining made no domestic sales, and Tanrimine made two domestic sales that were sample sales, and not within the OCOT.

The remaining exporters of strata bolts are uncooperative exporters.

Therefore, the commission has completed chapter 15 having regard to Anto's domestic and export prices, as the best available information, and applied the conclusions to Sandvik Jining, Tanrimine, and all other exporters, due to the lack of other information.

### **15.5 Prevailing conditions of competition are different**

The commission considers that the prevailing conditions of competition are different between Australia and China. These differences mean that while the identified market situation affects both domestic and export prices for strata bolts, the impact of that market situation is different.

In making this finding, the commission has considered a variety of information in assessing the prevailing conditions of competition in China and Australia. Sources of information include:

- Australian industry
- exporters and importers
- relevant findings from previous cases conducted by the commission
- other sources which have been referenced throughout this section.

In making the relevant findings in this section, the Commissioner has considered the structure of each market, market conditions, raw materials, the level of import penetration in each market, and the nature of any competitive advantage arising from the particular market situation.

### **15.6 Market structure**

The commission considers that the Australian and Chinese strata bolt markets have a similar structure, in that strata bolts are:

- sold into same markets (underground mining)
- sold to the same type of customers (mainly end users).

#### **15.6.1 Australia**

The Australian market is supplied DSI, Jenmar and SSMS and imports from China. Strata bolts are primarily sold to the underground mining sector.

#### **15.6.2 China**

The cooperating exporters are export focussed producers with little focus on selling strata bolts domestically.

The commission considers that the Chinese strata market is characterised by a lack of domestic sale focus from producers.

### **15.7 Market conditions**

The primary driver for the demand of strata bolts is the underlying commodity price of commodities mined underground such as gold, copper and nickel. The commission

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considers that these drivers can differ between markets, especially as China is a large importer of these commodities, while Australia is an exporter.

Price drivers also differ between markets, with Australian prices influenced primarily by import prices, while Chinese prices are primarily influenced by raw materials.

Chinese market conditions have been influenced by a market situation. A combination of oversupply and lower raw material prices have led to depressed prices.

### **15.7.1 Australia**

The commission considers that pricing for strata bolts in Australia is influenced by import offers.

### **15.7.2 China**

Information before the commission from cooperative exporters does not suggest that there is strong domestic demand for strata bolts, nor that strata bolts are imported in any significant quantities into China. The commission considers that the price for strata bolts in China is primarily influenced by raw material prices.

In chapter 14, the commission found that there was a particular market situation in the Chinese strata bolt market. This market situation has led to decreased domestic prices for strata bolts in China.

## **15.8 Raw materials**

The commission considers that there are differences between the Australian and Chinese strata bolt markets in respect of the hot rolled steel used and the prices for that steel. These differences affect the nature of competition in each market.

The commission considers that Chinese exporters of the goods to Australia can take advantage of lower steel costs to compete with both the Australian industry and exporters from other countries which do not benefit from lower priced steel. This benefit does not extend to the domestic Chinese market, where producers benefit relatively equally from the distorted steel prices.

### **15.8.1 Australia**

The applicants produce strata bolts from hot rolled steel produced in Australia. The major raw materials used in steel production are iron ore, coal, and steel scrap. The commission understand that BlueScope Steel Ltd (BlueScope) is the sole producer of hot rolled steel in Australia and sources its raw materials from unrelated suppliers. The commission verified BlueScope's cost of production during investigation 658 and was satisfied that the recorded costs were complete, relevant, and accurate.<sup>66</sup>

The commission's information regarding the raw materials used in the production of hot rolled steel in other countries that import into Australia is limited to information received in other cases involving hot rolled steel. The commission notes that there have been no

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<sup>66</sup> [EPR 658](#), no 20, Chapter 6 & 7.

findings in relation to the existence of a particular market situation in those cases.<sup>67</sup> Those findings were made in a period before the investigation period. However, the commission considers that the significant proportion of import share held by China over the investigation period indicates that any potential distortion (or lack of distortion) in the domestic markets of other countries has a negligible effect on the nature of competition in the Australian export market.

### **15.8.2 China**

The majority of steel production in China is from the blast furnace – basic oxygen furnace (BF-BOF) steelmaking process. The major raw materials used in BF-BOF steel production are iron ore, coal, and steel scrap.

As discussed in chapter 14 and SEF 658, the commission has found that the GOC has influenced the prices of these raw materials. The commission considers that the resulting raw material prices are lower than they would otherwise be under normal competitive market conditions.

While these distorted raw material and resulting steel prices may affect domestic Chinese strata bolt producers relatively equally (notwithstanding other benefits such as state-ownership of Chinese steel producers), the commission considers that they have an uneven effect on the export of strata bolts to Australia. Chinese exporters of the goods to Australia can take advantage of the lower steel costs to compete with both the Australian industry and exporters from other countries which do not benefit from lower priced steel.

## **15.9 Import penetration**

The degree of import penetration can affect how prices are set in the domestic market. A high level of import penetration may indicate that prices are influenced by reference to import prices. Alternatively, a low level of import penetration indicates that domestic prices are predominantly influenced by domestic sales.

The commission is satisfied that import penetration in the Chinese strata bolt market is low compared to the Australian strata bolt market. Accordingly, the commission is satisfied that the conditions of competition in respect of imports is different between China and Australia.

### **15.9.1 Australia**

The commission considers that import penetration of strata bolt into Australia is medium.

The commission has found that imports of strata bolts into Australia are supplied by several manufacturers in China. Imports make up around a third of the Australian market, although the market share of imports has increased over the injury period.

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<sup>67</sup> Refer to *Anti-Dumping Continuation Report no 400* and *Anti-Dumping Commission Report no 594*.

### **15.9.2 China**

The commission has no information before it to suggest that the import penetration in China for strata bolts is near as high as it is in the Australian market.

The GOC did not provide an RGQ to this investigation.

Reporting from Steel Orbis estimates that the total production of HRC in China in 2024 was 213 million tonnes.<sup>68</sup> Based on this data and that provided by the GOC, the commission estimates that import penetration for the Chinese HRC market of approximately 0.021%. While this information relates to HRC, the commission again notes that HRC is the major cost component for strata bolts, and there is limited information available at the strata bolt specific level. Using HRC information as a proxy, this highlights China's high degree of self-sufficiency and the marginal role imports play in its steel market generally.

### **15.10 The market situation affects the comparability of domestic and export prices**

The commission considers that the market situation identified in chapter 14 affects the comparability of domestic and export prices for strata bolts. This is because the conditions of competition are different between the two markets and are affected by the market situation differently.

The commission makes the following observations between the Chinese domestic market and Australian export market:

- Strata bolts are sold to similar types of customers in China and Australia.
- The market conditions differ as demand in Australia appears stronger.
- The raw materials used in the production of HRC are similar for China and Australia (iron ore, coal, and steel scrap).
- The raw materials used in the production of strata bolts in China have been affected by the market situation.
- Import penetration into China is very low, compared to the medium import penetration into Australia.
- The Chinese exporters enjoy a cost advantage resulting in both increased margins and an increase in export volumes to Australia.

The commission considers that the above assessment indicates that the market situation in China affects all Chinese producers within China relatively equally with respect to domestic sales within China. This is characterised by competition influenced by the cost to make and demand factors. Both of these characteristics have been influenced by the market situation. The conditions of competition within China have had the effect of reducing import penetration to very low levels.

In Australia, competition is primarily in the form of imports and with the Australian industry. This competition results in a competitive advantage for Chinese exporters.

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<sup>68</sup> Steel Orbis, '[China's HRC output increases by 3.8 percent in 2024](#)', *Steel Orbis website*, 22 January 2025, accessed 12 November 2025.

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Chinese exporters have access to cost inputs which have been materially affected by the market situation and have depressed prices due to systemic decreases in demand. This leads to a situation where Chinese exporters are able to export to other countries at a more competitive price, while still enjoying increased profitability.

## 16 COST OF PRODUCTION IN CHINA

### 16.1 Preliminary findings at SEF stage

The Commissioner preliminarily recommends establishing a cost of production for the goods in China, as the country of export, under section 269TAC(2)(c)(i) based on the cooperative exporters' recorded costs, with an adjustment calculated by reference to a benchmark.

The benchmark is based on the difference between Chinese and Brazilian market index prices of steel slab, with necessary adjustments to reflect a cost of production for hot rolled steel in China.

### 16.2 Applicable legislation, policy and practice

Where the Minister is satisfied that normal value cannot be determined under section 269TAC(1), section 269TAC(2)(c) provides that the normal value is:

... the sum of:

- (i) such amount as the [Minister] determines to be the cost of production or manufacture of the goods in the country of export, and
- (ii) on the assumption that the goods, instead of being exported, had been sold for home consumption in the ordinary course of trade in the country of export—such amounts as the [Minister] determines would be the administrative, selling and general costs associated with the sale and the profit on that sale.

Sections 269TAC(5A) and 269TAC(5B) provide that the construction of normal values under section 269TAC(2)(c) is to be worked out in such a manner, and taking account of such factors, as the Regulation provides in respect of those purposes.

Section 43(2) of the Regulation requires that the Minister must work out the cost of production or manufacture using the information set out in the exporter or producer's records if:

- an exporter or producer of the goods keeps records relating to the goods that are in accordance with generally accepted accounting principles (GAAP) in the country of export (section 43(2)(b)(i) of the Regulation), and
- those records reasonably reflect competitive market costs associated with the production or manufacture of like goods (section 43(2)(b)(ii) of the Regulation).

Section 43(2) of the Regulation imposes an obligation on the Minister to use an exporter's records, where the prescribed criteria are met. Neither the Act nor the Regulation prescribe a particular method for the Minister to determine the cost of production or manufacture under section 269TAC(2)(c)(i) in circumstances where the exporter or producer's records do not satisfy section 43(2) of the Regulation. Additionally, neither the Act nor the Regulation limit the data that the Minister may use in this regard.

In respect of the ADA, the relevant obligations for determining normal values are set out in Article 2. The determination of whether an exporter's recorded costs are to be used in

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determining the cost of production in the country of origin are set out in Article 2.2.1.1. Article 2.2.1.1 provides that, where an exporter's recorded costs are in accordance with the GAAP of the exporting country, and reasonably reflect the costs associated with production (collectively, the first two conditions of Article 2.2.1.1), costs "shall normally" be calculated on the basis of those records.

The commission notes that, where the first two conditions of Article 2.2.1.1 are met, consideration of whether the obligation to "normally" calculate the cost of production on the basis of the exporter's records should be departed from may be informed by some of the same factual findings that also informed:

- the conclusions reached as part of the commission's assessment under section 43(2) of the Regulation
- the commission's assessment of the existence of a particular market situation.

Where the commission has had regard to the same factual matters for multiple purposes it has done so mindful that the legal tests being considered are distinct.

### **16.3 Generally accepted accounting principles (GAAP)**

The commission conducted onsite verification of the information and data provided by the cooperating exporters Sandvik Jining and Tanrimine. As part of the verification process, the commission verified that both exporters kept records relating to the cost of production of like goods and is satisfied that those records were in accordance with GAAP in China.<sup>69</sup> The commission also verified that the exporters' cost to make and sell data was complete, relevant, and accurate.<sup>70</sup> Accordingly, the commission is satisfied that the exporters kept records relating to the cost of production of like goods, and that those costs were in accordance with GAAP in China and reasonably reflected the actual cost of production.

### **16.4 Do records reasonably reflect competitive market costs?**

Section 43(2)(b)(ii) requires the Minister to use an exporter's records where those costs reasonably reflect *competitive* market costs.

As outlined in chapter 14, the commission considers that the significant influence of the GOC has materially altered prices in the steel industry and HRC market in China. The commission also considers that the GOC's influence has also materially altered the prices of production inputs including (but not limited to) raw materials used to make steel in China. In particular, the GOC's influence has resulted in artificially low prices for the key raw materials, as well as the other inputs associated with the production steel, including steel slab and HRC.

The commission considers that direct and indirect influences of the GOC affect Chinese manufacturers' costs to produce steel slab and HRC, and therefore that the Chinese strata bolts exporters' recorded costs do not reflect competitive market costs. The records of the 658 exporters indicate that steel slab costs comprise on average over 90% of the

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<sup>69</sup> EPR 659, item no 22, section 3.3.2 and item no 23, section 3.3.2.

<sup>70</sup> *ibid*, *Key Outcomes*.

cost to make HRC. Similarly, in this investigation, the cooperating exporters' records indicate that the cost of HRC represents around 66% of the cost to make strata bolts. The commission therefore considers the Chinese strata bolts exporters' recorded costs for HRC do not reflect competitive market costs.

The commission has recorded the confidential benchmark data relied upon for the determination of the appropriate cost of production at **Confidential Attachment 2**.

## **16.5 Do the exporter's records meet the first two conditions of Article 2.2.1.1?**

Where the criteria in section 43(2)(b) of the Regulation are not met, the commission will calculate the cost of production under section 269TAC(2)(c)(i) having regard to all relevant information. The Minister is neither required to, nor prohibited from, using an exporter's records to determine normal values under section 269TAC(2)(c)(i), however, the Minister is to exercise their discretion in section 269TAC(2)(c)(i) in accordance with the requirements of the ADA.<sup>71</sup>

Article 2.2.1.1 of the ADA provides a presumption in favour of using the information in the exporter's records where an exporter keeps information relating to the production of like goods and:

- the records are kept in accordance with GAAP of the exporting country, and
- the records reasonably reflect the costs associated with production of the like goods.

The commission finds that the exporters' records are kept in accordance with GAAP of China and reasonably reflect the costs associated with production of strata bolts. However, Article 2.2.1.1 does not mandate the use of the information in an exporter's records where those conditions are met in all circumstances. It only provides that where those conditions are met, costs 'shall normally' be calculated based on the exporter's records.

The commission's consideration of the domestic market for strata bolts in China, including the factual findings set out in chapter 14, suggest it should examine whether circumstances are normal and ordinary such that the presumption in Article 2.2.1.1 should apply. Consequently, the commission has further considered the exporters' recorded HRC costs to assess whether the circumstances in which the exporters' costs were formed were normal and ordinary, such that they should be used as the costs of production pursuant to section 269TAC(2)(c)(i).

## **16.6 Are circumstances 'normal and ordinary'?**

The commission considers there are compelling reasons for determining that circumstances in which the exporters' cost were formed are not 'normal and ordinary' such that using the cooperating exporters' cost records to construct a normal value is not

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<sup>71</sup> See *Steelforce Trading Pty Ltd v Parliamentary Secretary to the Minister for Industry, Innovation and Science* [2018] FCAFC 20; 259 FCR 478, [108], Pagone and Bromwich JJ agreeing at [128] and [137] respectively. Cited affirmatively by Griffith J in *Changshu Longte Grinding Ball Co., Ltd v Parliamentary Secretary to the Minister for Industry, Innovation and Science (No 2)* [2018] FCA 1135, [50].

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appropriate. This is despite the commission's finding that the cooperating exporters' records comply with Chinese GAAP and reasonably reflect actual costs incurred in the production of the goods.

It is the commission's view that the circumstances in which the cost of HRC has been formed are not normal and ordinary, resulting in the cooperating exporters' recorded costs of HRC reflecting an unreliable cost of production for strata bolts. This unreliability means that it is not appropriate to use the cooperating exporters' recorded cost of HRC.

The commission's assessment of the circumstances in which HRC costs were formed and the impact this had on the cooperating exporters' recorded costs is informed by two key factors.

Firstly, the GOC has intervened extensively in the markets for key raw materials used in steel production. This has resulted in lower prices of critical inputs such as iron ore, coal, steel scrap, and electricity than what would have otherwise prevailed in the absence of GOC intervention.

Secondly, as these raw materials represent the majority of the cost to produce steel slab, and in turn HRC, the effects on raw material pricing have also flowed through to the cooperating exporters' recorded cost of production.

The cumulative effect of these factors is that the circumstances in which the exporters' costs were incurred or formed cannot be considered normal and ordinary.

The commission's assessment of these circumstances, and their impact on the cooperating exporters' recorded costs, is supported by the following findings.

### **16.6.1 Circumstances are not normal and ordinary**

The commission has examined the information before it in relation to investigation 658, which concerns the production of HRC manufactured in China and exported to Australia. In that case, the exporters of HRC are integrated steel manufacturers, producing steel from raw materials including iron ore and coke, casting the steel into steel slabs and rolling the slabs at high temperature to produce HRC. The investigation period for investigation 658 is also the same as the investigation period for this investigation.

In SEF 658, the commission considered that the circumstances involving the cost of production for steel slab in the records of the Chinese HRC manufacturers are not normal and ordinary. This has subsequently affected those manufacturers' cost of production records and selling prices for HRC. The commission's assessment of the circumstances involving the cost of production for steel slab is informed by the following factual findings set out in section 16.4 and chapter 14.

The evidence before the commission shows that steel slab is a key cost component in producing HRC, representing over 90% of the cooperating exporters' cost to make for HRC. As this component reflects the cost of upstream raw materials and other inputs – for example, iron ore, coal, steel scrap, and electricity – any effect due to the GOC's influence on those input prices directly affects the cost of production for HRC.

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The commission considers that the GOC has significant involvement in the raw material markets specific to the production of steel. A brief summary of these findings is repeated here:

- The GOC established the China Mineral Resources Group Limited in 2022 as a SOE to centralise iron ore procurement and increase control over iron ore pricing. This measure increases the GOC's control over iron ore pricing in China and allows tolerance for losses due to state backing, materially altering iron ore prices.
- The GOC influences coal prices through production caps, export licencing requirements, and subsidies. These measures have led to oversupply and reduced coal prices, lowering steel making costs.
- The GOC maintains high export duties on steel scrap (40%) and pig iron (20%), discouraging exports and increasing domestic supply, which reduces raw material prices and lowers steel production costs.
- Electricity is regulated under the *Pricing Law of the People's Republic of China*, and the GOC maintains control over pricing through mechanisms such as coal-electricity price linkage, resulting in electricity prices that differ from those that would prevail in the absence of that price regulation and control.
- The support afforded SOEs contributes to excess capacity and depresses prices for raw materials as SOEs can absorb losses and maintain demand for inputs, creating material alterations in input pricing.

### **16.6.2 Circumstances not being normal and ordinary leading to materially altered production costs**

The commission considers that the not normal and ordinary circumstances (the circumstances) materially affect the cost of production of HRC in China. In SEF 658, the commission examined the HRC manufacturers' cost of production for steel slab to assess the materiality of the effect of the circumstances on their cost of production for HRC.

The commission also found in SEF 658 that domestic prices for HRC in China tracked with domestic costs and the margins achieved on domestic sales of HRC were small, and in some cases sales were unprofitable. This indicates that domestic selling prices of HRC in China are not normal and ordinary and therefore the cooperating exporters' recorded costs for HRC are materially altered by the PMS for HRC in China.

### **16.6.3 Comparison at the steel slab level**

In SEF 658, the commission considered that the most appropriate level to undertake its assessment of the effect of the circumstances on the HRC manufacturers' records is at the steel slab level, treating the raw material input for the production of HRC as steel slab entered into production at the hot rolling mill (also known as a hot strip mill).

In the present investigation the commission considers it reasonable to reference the same benchmark, as steel slab represents more than 90% of the cost to make HRC (as found by the commission in SEF 658).

To assess the effect of the circumstances on the exporters' records, the commission has compared the exporters' recorded cost for HRC to a benchmark.

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### Selection of appropriate benchmark

The commission considers that a benchmark is an appropriate measure of the effect of the circumstances on the Chinese HRC manufacturers' cost of production for steel slab. An appropriate benchmark represents a cost of production in China that is free from the effects of the circumstances.

In SEF 658, the commission considered whether there is an appropriate alternative to using a benchmark for the purposes of assessing the effect of the circumstances on the HRC manufacturers' recorded costs. Instead of a benchmark, the commission considered whether it could have quantified the effect of the GOC's influence on the raw material markets and steel slab costs. However, the commission considers that the broad ranging and multifactorial nature of the GOC's influence over raw material markets and resulting steel slab costs mean that such a quantification is likely to have a high risk of containing inaccuracies or not fully accounting for the whole of the effect. The use of a benchmark provides a wholistic comparison of the HRC manufacturers' recorded costs to a cost that is free from the effects of the circumstances.

For the purposes of selecting an appropriate benchmark to compare to the HRC manufacturers' recorded steel slab cost, the commission considered:

1. private domestic prices or costs for steel slab in China
2. import prices for steel slab into China
3. prices or costs for steel slab from countries other than China.

The commission identified the following information relating to steel slab cost and price:

- third-party financial data, obtained from Bloomberg LP and MEPS International Ltd
- Chinese government data listing steel slab export and import prices with trading partners, totalled for the 3 months of October to December 2023 and the 9 months of January to September 2024 – non-confidential attachment B-8.2 to the Chinese government's submission published 7 February 2025<sup>72</sup>
- information BlueScope provided in its application for investigation 658 and during verification in that case
- third-country production cost information verified by the commission in previous cases into a slightly narrower range of hot rolled coil steel.<sup>73</sup>

The commission considered the most appropriate information to use is to compare the domestic market price indices for China and Brazil, applying this difference to the HRC manufacturers' cost to make the steel slab.

The commission's assessment is outlined in detail in SEF 658 at appendix C. In summary:

- The commission considers it does not have sufficient information to be able to determine a cost of production in China unaffected by the not normal and ordinary

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<sup>72</sup> EPR 658, document number 8, non-confidential attachment B-8.2.

<sup>73</sup> The goods covered in *Investigation 188* did not include HRC which had patterns in relief (checker plate).

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circumstances based on private domestic prices or costs in China. Such prices would likely also be affected by the not normal and ordinary circumstances.

- The commission considered third party financial data for domestic prices in Brazil, China, India, and the Islamic Republic of Pakistan; export prices from the Black Sea and the Commonwealth of Independent States and the Russian Federation; and import prices from Taiwan, the US, and an average of Southeast Asian prices.
- The commission considered that that Brazilian domestic prices were the most appropriate benchmark to represent a cost of production in China unaffected by the not normal and ordinary circumstances. This was due to both Brazilian producers and China using primarily blast furnaces to produce steel, Brazil's relatively high total annual steel production (10th highest globally compared to China having the highest total annual production), and Brazil being broadly similar to China on certain socioeconomic metrics. Also, the commission did not identify any steel market interventions in Brazil that would give rise to the not normal and ordinary circumstances that affect the Chinese costs.
- The commission adjusted the Brazilian benchmark for labour cost differences so that it represented a cost of production in China.

The commission refers to SEF 658 Appendix C for a full explanation of consideration of the benchmark.

### *Effect of circumstances on the exporters' recorded costs for HRC*

In SEF 658, the commission calculated that the Brazilian market index price of steel slab was on average 37% higher than the Chinese index price in the investigation period, using a simple average of the monthly market indices. The commission considers that the effect of the circumstance is significant given steel slab represents the largest portion of the cost of production for HRC.

The commission considers that this finding reflects the persistent material effects of the GOC's influence over the investigation period, rather than normal market variation. This is because:

- the GOC's influence has resulted in material alterations specific to the steel markets in China, including specifically the raw materials used in steel production (including steel slab and HRC)
- the benchmark represents a cost of production for steel slab in China not affected by the GOC's influence and resulting effects.

The commission considers that the impact of the GOC's influence over the steel markets in China results in a material decrease in the cost of production for steel slab and HRC. Accordingly, the commission considers that the difference between the Brazilian and Chinese market price indices for steel slab reflects the impact of the GOC's influence over the steel markets in the form of lower costs. The commission considers this same impact, as a proportion of the Chinese steel slab market price, applies to the HRC manufacturers' recorded steel slab costs. This means that those costs are not a reliable indication of the cost of production of HRC in China.

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The commission considers that relying solely on the exporters' recorded cost for HRC to construct the normal value would undermine the very basis for having recourse to a constructed normal value in the first place. That is, to utilise the exporters' recorded HRC costs would reintroduce the very factors that warranted, in the first instance, recourse to constructing the normal value.

### **16.7 How to determine the cost of production in China**

In the section above of this report, the commission explained why it considers there are compelling reasons for determining that circumstances in which the exporters' cost were formed are not 'normal and ordinary' such that using the exporters' cost records to construct a normal value is not appropriate. More specifically, the commission considers that the exporters' records of HRC costs are not suitable for use to establish the cost of production of strata bolts in China. The commission considers that the specific facts and evidence in this case, in respect of the exporters' records, provide compelling reasons to deviate from using their recorded cost of production for strata bolts.

The commission considers that the most appropriate method to determine the cost of production for strata bolts in China is to use the exporters' recorded cost of HRC, adjusted to remove the effects of the not normal and ordinary circumstances. To make this adjustment to the exporters' records, the commission has used the same method as was used to estimate the effect of the circumstances on the exporters' cost of HRC. That is, the commission has relied on the proportional difference between the Brazilian and Chinese steel slab market price indices in USD per MT, adjusted to reflect a price for HRC, and applied to the exporters' HRC costs.

The commission has calculated a quarterly benchmark price for HRC by taking the quarterly benchmark price determined for steel slab in SEF 658 and dividing it by the average proportion of the cost to produce slab as a percentage of the cost to produce HRC for the verified steel manufacturers in investigation 658. This ensures that the benchmark reflects the additional cost to manufacture HRC (i.e. the cost of hot rolling the slab). The commission is satisfied that this methodology is a reliable means of determining the cost of HRC in China.

**17 APPENDICES AND ATTACHMENTS**

<b>Confidential Attachment 1</b>	Australian market analysis
<b>Confidential Attachment 2</b>	Benchmark data
<b>Confidential Attachment 3</b>	Anto – Export price
<b>Confidential Attachment 4</b>	Anto – Normal value
<b>Confidential Attachment 5</b>	Anto – Dumping margin
<b>Confidential Attachment 6</b>	Sandvik Jining – Export price
<b>Confidential Attachment 7</b>	Sandvik Jining – Profit
<b>Confidential Attachment 8</b>	Sandvik Jining – Normal value
<b>Confidential Attachment 9</b>	Sandvik Jining – Dumping margin
<b>Confidential Attachment 10</b>	Tanrimine – Export price
<b>Confidential Attachment 11</b>	Tanrimine – Normal value
<b>Confidential Attachment 12</b>	Tanrimine – Dumping margin
<b>Confidential Attachment 13</b>	All other exporters – Dumping margin
<b>Confidential Attachment 14</b>	Anto – Subsidy margin
<b>Confidential Attachment 15</b>	Sandvik Jining – Subsidy margin
<b>Confidential Attachment 16</b>	Tanrimine – Subsidy margin
<b>Confidential Attachment 17</b>	All other exporter – Subsidy margin
<b>Confidential Attachment 18</b>	Economic condition of Australian industry
<b>Confidential Attachment 19</b>	Non-injurious price and effective duty rate
<b>Confidential Attachment 20</b>	Cost components of strata bolts
<b>Confidential Attachment 21</b>	Chinese market assessment – Slab cost assessment
<b>Confidential Attachment 22</b>	Applicant's market size estimation methodology