

26 March 2026

Anti-Dumping Commission  
Investigations 2  
GPO Box 1632  
Melbourne Victoria 3001

Email: [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au)

## Public File

Dear Director,

### Investigation No. 659 concerning Certain Strata Steel Bolts (friction bolts) exported from China

#### I. Introduction

Jennmar Australia Pty Ltd (**Jennmar**), as an applicant member of the Australian industry producing like goods to the goods the subject of this inquiry (**INV 659**), provides the following submission in response to Statement of Essential Facts No. 659 (**SEF 659**), published on 6 March 2026.

#### II. Key SEF outcomes

Jennmar broadly supports the Commission's preliminary findings and proposed recommendations. Jennmar submits that the evidence before the Commission supports the publication of a dumping duty notice and a countervailing duty notice in respect of strata steel bolts exported to Australia from the People's Republic of China (**China**).

Jennmar does however raise concerns with certain aspects of the SEF, which are addressed in the body of this submission.

On dumping margins assessed over the October 2023 – September 2024 investigation period:<sup>1</sup>

- SEF 659 has preliminarily found that all exports of the goods from China during the investigation period were dumped at margins that were not negligible. Dumping margins range from 3.4 percent (Tanrimine) to 35.2 percent (all other exporters), with Anto at 23.0 percent and Sandvik Jining (**Sandvik**) at 10.2 percent.
- Critical to the dumping assessment, SEF 659 has found that a particular market situation (**PMS**) existed in the Chinese domestic market for strata bolts during the investigation period, based on the Government of China's (**GOC's**) extensive involvement in the steel industry through its plans, policies and directives, which has materially contributed to overcapacity, oversupply and a distorted industry structure.

---

<sup>1</sup> SEF 659, chapter 6, p. 30-43.

- Because of the PMS, domestic sales were not suitable for determining normal values under section 269TAC(1).<sup>2</sup> The Commission therefore constructed normal values under section 269TAC(2)(c).
- In constructing these, the Commission adjusted the exporters' costs of production to replace the distorted cost of hot rolled coil (**HRC**) (representing approximately 66 percent of the cost to make strata bolts<sup>3</sup>) with a benchmark derived from Brazilian steel slab market prices, adjusted for differences in labour costs and the additional cost of hot rolling.

On countervailable subsidies assessed over the investigation period:<sup>4</sup>

- SEF 658 preliminarily finds that all exports of the goods from China during the investigation period were subsidised at non-negligible margins.
- Subsidy margins range from 10.5% (Tanrimine) to 17.8% (all other exporters), with Anto at 14.0 percent and Sandvik at 14.3 percent.
- The subsidisation findings are driven principally by the less than adequate remuneration program (Program 590-20), under which HRC has been provided to exporters by Chinese state invested enterprises at prices below the above-noted benchmark.
- SEF 659 also finds countervailable grant programs received by Anto and Tanrimine.

On the economic condition of the Australian industry:<sup>5</sup>

- SEF 659 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 and reduced inventory turnover.

On material injury and causation:<sup>6</sup>

- The Commission is preliminarily satisfied that the injury experienced by the Australian industry has been caused by dumped and subsidised exports of the goods from China and that the injury is material.
- In reaching this finding, the Commission has had regard to the size of the dumping and subsidy margins, the magnitude of price undercutting by dumped and subsidised Chinese imports, the importance of price in purchasing decisions in the tender-based market for strata bolts, and the change in volume and market share of imports relative to the Australian industry.

<sup>2</sup> All legislative references in this submission are to the *Customs Act 1901*, unless otherwise specified.

<sup>3</sup> SEF 659, chapter 14.4, p. 84

<sup>4</sup> Ibid, chapter 7, p. 44-58.

<sup>5</sup> Ibid, chapter 8, p. 59-64.

<sup>6</sup> Ibid, chapter 9, p. 65-68.

On whether dumping and subsidisation will continue in the absence of remedial measures:<sup>7</sup>

- SEF 659 finds that exports of the goods to Australia from China may continue at dumped and subsidised prices, having regard to the dumping and subsidisation found during the investigation period, existing distribution links between Chinese exporters and Australian importers, the trend of increasing import volumes, the nature of competition in the Australian market, and the excess production capacity in the Chinese steel industry.

### III. Support for the SEF's findings

Jennmar supports the Commissioner's preliminary finding of the SEF that the Australian industry has experienced material injury caused by dumped and subsidised exports of strata steel bolts from China. Jennmar submits that the evidence before the Commissioner establishes that the injury is material in respect of each of volume, price and profit.

#### ***Volume injury is material***

The SEF finds that the Australian industry has experienced a sustained loss of sales volume and market share over the injury period, coinciding with the increased presence of dumped and subsidised imports from China. This has occurred in a market characterised by stable to growing demand driven by strong commodity prices and new mine openings. In those conditions, the Australian industry would ordinarily have expected to maintain or grow its volumes. The volume loss reflects the displacement of domestic supply to Chinese imports through the tender process.

The SEF finds that the Australian industry has lost both existing supply contracts and tenders for new agreements because importers have been able to offer prices the Australian industry cannot match without incurring losses.

The tender-based structure of the market means each lost contract represents a sustained volume displacement over the life of the agreement. The magnitude of this volume shift, against positive demand conditions, is not immaterial, insubstantial or insignificant within the meaning of the *Ministerial Direction on Material Injury 2012*.

#### ***Price injury is material***

The SEF has found price depression, price suppression and price undercutting. Price is the determinative competitive factor in the strata bolt market – Australian made and imported strata bolts are substitutable and perform in the same manner, and the tender-based structure makes pricing transparent and directly comparable.

#### ***Jennmar***

The SEF details that Jennmar provided tender documents demonstrating that Chinese imports undercut its pricing by 23 percent. The increased price pressure from Chinese supply has forced Jennmar to renegotiate prices with customers, and even where it has retained business, it has been compelled to reduce prices to loss-making levels. Jennmar also provided evidence of losing tenders to secure long-term supply in the Australian market as a direct result of price undercutting.

#### ***DSI***

The SEF details that DSI provided a comprehensive record of all tenders in which it has participated since January 2014, identifying the incumbent and successful party in each case. DSI has experienced price undercutting resulting in both lost

<sup>7</sup> Ibid, chapter 10, p. 69-70.

contracts and reduced margins on retained business. In respect of one contract, DSI provided a summary of price movements demonstrating a progressive decline in margin over the life of the agreement, directly supporting the claim of injury resulting from price undercutting.

The combined effect of price depression, price suppression and undercutting of this magnitude, in a market where price is the decisive competitive factor, constitutes material price injury.

### ***Profit injury is material***

The SEF finds that profit injury is the direct consequence of the volume and price effects described above. Lost volume has reduced revenue and increased unit costs through reduced absorption of fixed production costs. Price depression and suppression have prevented the Australian industry from achieving selling prices sufficient to recover costs and earn a reasonable return.

The Commissioner's analysis at section 8.7 of the SEF demonstrates a sharp decline in both profit and profitability over the most recent two years of the injury period. This decline has occurred notwithstanding positive market demand, and is the obvious result of competing against Chinese imports at dumped and subsidised prices. The effects on investment, employment and capacity utilisation are reflected in the other economic indicators at section 8.8 of the SEF.

## **IV. Industry concern – profit component of constructed normal values**

### ***Jennmar's concern***

Jennmar cannot ascertain from the SEF what profit amount has been applied in the constructed normal values for the three cooperative exporters, and how the Commission has applied Regulation 45 of the *Customs (International Obligations) Regulation 2015* in determining that amount. Jennmar respectfully submits that the SEF lacks the transparency required to enable industry to meaningfully comment on this aspect of the preliminary findings.

### ***The regulatory framework***

Where a normal value is constructed under section 269TAC(2)(c), as is the case in this inquiry for all exporters, the profit component must be determined in accordance with Regulation 45. From the *Dumping and Subsidy Manual*, in relevant part:<sup>8</sup>

*The primary method the Commission must use is the profit achieved for sales of 'like goods' sold by the exporter or producer 'in the ordinary course of trade'—Regulation 45(2).*

...

*Where profit cannot be determined under Regulation 45(2), for example because sales of like goods are not in the ordinary course of trade, Regulation 45(3) sets out three other methods to determine profit. They are:*

- *identify the actual amounts realised by the exporter or producer from the sale of the same general category of goods in the domestic market of the country of export—Regulation 45(3)(a); or*
- *identify the weighted average of the actual amounts realised by other exporters or producers from the sale of like goods in the domestic market of the country of export—Regulation 45(3)(b); or*

<sup>8</sup> Dumping and Subsidy Manual, December 2021, p. 38-39.

- *subject to Regulation 45(4), use any other reasonable method and have regard to all relevant information—Regulation 45(3)(c).*

*Any of these three alternatives can be used as there is no hierarchy.*

**The position disclosed in the SEF is internally inconsistent**

SEF 659 discloses the following in respect of each cooperative exporter's domestic sales position:

- Anto made domestic sales of like goods, but did not make a profit on those sales.<sup>9</sup> The Commission states that it applied the weighted average profit realised by “other exporters” from the sale of like goods in the domestic market in China.<sup>10</sup>
- Sandvik Jining did not sell like goods for home consumption in China.<sup>11</sup> The Commission states that it applied the profit achieved on the “same general category of goods”,<sup>12</sup> however the SEF does not disclose what the same general category of goods was, referring only to Confidential Attachment 3.<sup>13</sup>
- Tanrimine did not sell like goods for home consumption in China, apart from two domestic sales identified during verification as sample sales that were not in the ordinary course of trade (**OCOT**).<sup>14</sup> Despite this, the Commission states at chapter 6.7.3 that the profit applied was the profit “achieved on sales of like goods in the OCOT”.<sup>15</sup>

Jenmar submits that the Commission's treatment of the profit component raises the following concerns:

- The treatment of Tanrimine appears contradictory. The SEF finds that Tanrimine did not sell like goods for home consumption in China other than two sample sales that were not in the OCOT, yet has purported to apply a profit based on Tanrimine's sales of like goods in the OCOT. Jenmar respectfully request that the Commission clarify what profit figure was in fact applied to Tanrimine's constructed normal value.
- For Anto, the profit of “other exporters” on domestic sales of like goods is difficult to reconcile with the factual findings in the SEF. If Sandvik Jining had no domestic sales at all, and Tanrimine's only domestic sales were two sample sales not in the OCOT, it is unclear which exporter's profit was used, or how a weighted average could have been calculated from the available data. If the profit ultimately applied was derived from Tanrimine's two sample sales, the applicants would have concerns about the reliability of that figure given the Commission's own finding that those sales were not in the OCOT.
- For Sandvik Jining, the profit on the same general category of goods is not transparent. The SEF does not identify what that general category of goods is, nor does it explain the basis on which those goods were determined to fall within the same general category as strata bolts. Jenmar accepts that the detail may be contained in the confidential attachments but submit that the non-confidential version of the SEF should contain sufficient information to allow an understanding of the methodology applied.

<sup>9</sup> SEF 659, chapter 6.5.2, footnote 21.

<sup>10</sup> Ibid, p. 37.

<sup>11</sup> Ibid, section 6.6.3, p. 39.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid, at footnote 25.

<sup>14</sup> Ibid, at chapter 6.7.3 and chapter 15.4.

<sup>15</sup> Ibid, p. 41.

### ***Dumping margin consequences***

The profit component is a material element of the constructed normal value. To the extent that the profit applied is understated, whether because it is derived from an unreliable data set, from sales not in the OCOT, or from an unrelated category of goods, the resulting normal values and dumping margins will also be understated. Given the significance of the dumping margins to both the proposed measures and the double counting adjustment for the LTAR subsidy program, it is important that the profit methodology is clearly articulated and correctly applied.

Jennmar therefore requests that the Commission clarify the profit figure applied to each cooperative exporter's constructed normal value and the specific limb of Regulation 45 under which it was determined. If the profit figures applied are found to be based on inadequate or unreliable data, the Commission needs to devise the profit component using the most reliable information available, including by reference to any other reasonable method.

### **V. Industry concern – form of measures**

Jennmar submits that the Commissioner should recommend the combination duty method rather than the *ad valorem* duty method as the form of measures for all exporters of the goods from China. Jennmar submits that the combination method (comprising a floor price as the variable element and an *ad valorem* percentage as the fixed element) is better suited to the characteristics of the market and the goods, and is consistent with the Commission's established practice in steel investigations.

### ***The goods are not characterised by many models with significantly different prices***

The Commissioner's consideration at chapter 12.3.2 of the SEF refers to the existence of different types of goods (galvanised and black) with varied prices as a factor favouring the *ad valorem* method. Jennmar submits however that this overstates the degree of product variation in the market.

The exporter verification reports for the two verified exporters demonstrate that the goods are highly standardised:

- Sandvik Jining produced and sold a single model control code during the investigation period: MCC G-L2-D2-B2 (galvanised, 2.4 metre length, 45 - 47 mm outside diameter, 2.7 - 3.5 mm base metal thickness).<sup>16</sup> The entirety of Sandvik Jining's exports to Australia consisted of this one product type.
- Tanrimine produced and sold three models in total.<sup>17</sup> However, only one type (N/G-L2-D2-B2) was sold on the Australian market. The difference between Tanrimine's three MCCs and Sandvik Jining's single MCC is the result of the Commission's decision to add a ring type category (normal versus high load rating) to the MCC structure specifically for Tanrimine. This adjustment aside, the product range reduces to two MCCs, one galvanised and one black, which differ only in surface finish.

Jennmar submits that strata bolts are not a product category characterised by “many models or types of goods that have significantly different prices” within the meaning of the *Guidelines on the Application of Forms of Dumping Duty November 2013 (the Guidelines)*.<sup>18</sup> In substance, the goods are a single standardised product with a single finish variable. That degree of product homogeneity does therefore not engage the principal advantage of the *ad valorem* method identified in the Guidelines.

<sup>16</sup> Sandvik Jining exporter verification report, chapter 4.3.3, p. 11.

<sup>17</sup> Tanrimine exporter verification report, chapter 4.3.3, p. 11-12.

<sup>18</sup> Refer [https://www.industry.gov.au/sites/default/files/2021-06/adc\\_guideline\\_forms\\_of\\_dumping\\_duty-november2013.pdf](https://www.industry.gov.au/sites/default/files/2021-06/adc_guideline_forms_of_dumping_duty-november2013.pdf)

### ***The combination method is consistent with Commission practice in steel investigations***

The Commission has repeatedly applied the combination duty method in steel investigations where it considers this form of measure provides an effective remedy against injurious dumping while allowing exporters to compete at prices above the non-injurious price. The Commission's practice demonstrates that the combination method is a well-established approach in investigations involving steel products – particularly of HRC and downstream derivatives thereof – where price is the principal competitive factor.

Relevant examples include the following original investigations:

- Investigation No. 177: Hollow Structural Sections (2012): dumping duties imposed using the combination method.<sup>19</sup>
- Investigation No. 198: Hot-Rolled Plate Steel (2013): the Commission recommended dumping duties calculated using a combination of fixed and variable duties.<sup>20</sup>
- Investigations No. 190 and 193: Aluminium-Zinc Coated Steel (2013): the dumping duty component was imposed using the combination duty method.<sup>21</sup>
- Investigation No. 234: Quench and Tempered Steel Plate (2014): dumping duties applied using the combination method for Sweden.<sup>22</sup>
- Investigation No. 370: Zinc-Coated Steel (2016): the Commission again imposed dumping duties using the combination method.<sup>23</sup>
- Investigation No. 558: Aluminium-Zinc Coated Steel (2020): the Commission determined that the combination duty method represented the most appropriate form of measure.<sup>24</sup>

These investigations demonstrate that the Commission has consistently adopted the combination duty method in steel cases, particularly where products are relatively standardised and competition occurs primarily through price. Strata steel bolts are no different. The goods are a homogeneous downstream steel product manufactured from a single primary input, sold into a tender-based market in which price is acknowledged to be the determinative competitive factor.

### ***The combination method better achieves the remedial purpose***

Jennmar submits that the combination method better achieves the purpose of removing the injurious effects of dumping and subsidisation in this case for the following reasons:

<sup>19</sup> Refer <https://www.industry.gov.au/sites/default/files/adc/public-record/410-reportno177.pdf> at p. 103.

<sup>20</sup> Refer <https://www.industry.gov.au/sites/default/files/adc/public-record/102-finalreport-rep188.pdf> at p. 80.

<sup>21</sup> Refer [https://www.industry.gov.au/sites/default/files/adc/public-record/144-notice-theaustralian-s269tg1and2-noticesintheaustralian-5august2013\\_0.pdf](https://www.industry.gov.au/sites/default/files/adc/public-record/144-notice-theaustralian-s269tg1and2-noticesintheaustralian-5august2013_0.pdf)

<sup>22</sup> Refer <https://www.industry.gov.au/sites/default/files/adc/public-record/100-qtsteelplate-finalreport-adnfinal.pdf> Of relevance also is that of the three subject countries (Finland, Japan and Sweden), Sweden was found to have dumped by the highest margin, at 34.0 percent.

<sup>23</sup> Refer <https://www.industry.gov.au/sites/default/files/adc/public-record/106-report-final-report-rep-370.pdf> at p. 85.

<sup>24</sup> Refer <https://www.industry.gov.au/sites/default/files/adc/public-record/558-072-notice-adn-adn-2021-147-findings-in-relation-to-a-dumping-investigation.pdf>

- the floor price element establishes a minimum effective price below which additional variable duty is payable. This provides a direct safeguard against price undercutting, the form of injury the Commission has found to be most acute in the SEF, and cannot be circumvented by reducing declared export prices; and
- the ad valorem element ensures that the fixed component of the duty adjusts proportionally to movements in the export price, maintaining effectiveness in a market where steel input costs and therefore product prices fluctuate over time.

## **VI. Conclusion**

Jennmar broadly supports the Commission's preliminary findings and proposed recommendations in SEF 659, and welcomes the same final recommendations being made to the Minister in the final report. Jennmar has however raised concerns regarding the profit component of Chinese constructed normal values, and the applicable form of measures. Jennmar respectfully requests that these concerns be comprehensively addressed by the Commission.

If you have any questions concerning this submission, please do not hesitate to contact the Australian industry representative Mr Chad Uphill on +61 (0) 412 377 603.

FOR AND ON BEHALF OF

Jennmar Australia Pty Ltd

AN AUSTRALIAN INDUSTRY APPLICANT