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Director – Investigations
Anti-Dumping Commission
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Investigation 659 – Strata Steel Bolts Exported from China

Submission by Minova Australia Pty Ltd

Minova Australia Pty Ltd (Minova) welcomes the opportunity to provide comments in response to the Statement of Essential Facts (SEF 659) concerning the alleged dumping and subsidisation of certain strata reinforcing steel bolts exported from China.

Minova participated fully in this investigation and appreciates the Commission's work. However, Minova submits that SEF 659 does not establish the statutory requirements necessary for the imposition of anti-dumping or countervailing duties.

Under the *Customs Act 1901* (the Act), duties may only be imposed where:

1. Dumping or subsidisation has occurred
2. The Australian industry has suffered material injury
3. The injury was caused by dumped or subsidised imports.

Minova submits that SEF 659 does not adequately demonstrate the third requirement.

Minova's submission addresses four central issues:

- absence of a demonstrated causal link between imports and injury
- the dominant role of mining activity in driving demand
- structural features of the market limiting price effects
- reliance on preliminary upstream findings and broader market considerations.

These matters are addressed below.

1. Causation has not been established

SEF 659 identifies declines in sales, profitability and capacity utilisation. However, it does not demonstrate that these outcomes were caused by imports.

Where multiple factors may contribute to injury, the Commission must ensure that injury attributed to imports is not caused by other factors. SEF 659 does not sufficiently isolate the effects of imports from broader market conditions.

2. Demand is driven by mining activity

Demand for strata bolts is closely tied to underground mining activity.

SEF 659 acknowledges that demand fluctuates according to:

- mine openings and closures
- commodity price cycles
- geological conditions.

Reductions in underground development, including mine closures and care-and-maintenance decisions during the investigation period, provide an independent explanation for changes in demand.

Market structure constrains price effects

Strata bolts are supplied under multi-year tender contracts with:

- fixed or pre-agreed pricing
- committed volumes
- significant switching barriers, including engineering and safety approvals

In this environment, the market does not operate as a spot market in which import prices can readily drive price.

The Commission's assessment of price effects should be considered in light of these structural constraints.

3. Reliance on preliminary findings from Investigation 658 introduces uncertainty

SEF 659 relies heavily on conclusions drawn from Investigation 658 concerning hot rolled coil (HRC), a major input cost. However:

- Investigation 658 remains ongoing
- the findings relied upon are preliminary
- those findings may change before final determination.

Accordingly, dumping calculations in SEF 659 are subject to material uncertainty.

5. Interaction of upstream and downstream measures, product scope and market structure

Certain broader market considerations are relevant to the assessment of injury and the potential effects of any measures.

5.1 *Interaction of upstream and downstream measures*

SEF 659 relies in part on findings from Investigation 658 concerning HRC. Where both upstream inputs and downstream finished goods are subject to measures, the combined effect may influence the availability and competitiveness of supply in the Australian market. This is relevant context when assessing both injury and the potential impact of any measures.

5.2 *Product scope and consistency*

The definition of the goods under consideration should ensure that functionally comparable products are treated consistently.

Differential treatment of products with similar function or underlying technology may affect both the assessment of injury and competitive outcomes. Consistency of scope is therefore important to avoid unintended distortions.

5.3 *Market structure considerations*

SEF 659 indicates that domestic producers represent a substantial proportion of Australian production.

In a market characterised by limited suppliers and high switching barriers, imports play an important role in maintaining competitive supply conditions. The potential impact of measures on supply availability, pricing and customer choice is therefore a relevant consideration.

6. Particular Market Situation (PMS) requires further substantiation

A finding of Particular Market Situation requires evidence that domestic costs are so distorted that they cannot reasonably be relied upon. SEF 659 does not clearly demonstrate that:

- any distortion materially affects the cost of producing strata bolts, or
- exporters' records fail to reflect competitive costs.

The analysis relies primarily on preliminary findings from Investigation 658 rather than product-specific evidence. Minova submits that SEF 659 does not clearly demonstrate that these conditions have been satisfied.

7. Product scope and comparability require careful consideration

The definition of the goods under consideration should ensure that functionally comparable products are treated consistently.

Inconsistent treatment of comparable products may affect both the assessment of injury and competitive outcomes in the market.

8. The domestic industry already holds a dominant market position

SEF 659 indicates that domestic producers hold a substantial share of the market.

In a market characterised by limited suppliers and high switching barriers, imports play an important role in maintaining competitive supply conditions.

Restrictions on imports may have broader implications for pricing, supply resilience and customer choice.

9. The Non-Injurious Price methodology and lesser duty rule should be carefully considered

SEF 659 indicates that the Commission calculated a Non-Injurious Price (NIP) but concluded that the Minister is not required to apply the lesser duty rule.

Minova submits that the purpose of the lesser duty rule is to ensure that anti-dumping measures do not exceed the level necessary to remove injury.

Strata bolts are essential safety components used in underground mining operations.

Excessive duties may result in:

- increased operating costs for Australian mining companies
- reduced supply flexibility
- increased costs for underground development projects.

Minova therefore respectfully submits that the Minister should carefully consider the application of the lesser duty rule when determining any final measures.

Conclusion

Minova respectfully submits that SEF 659 does not sufficiently demonstrate that dumped or subsidised imports caused material injury to the Australian industry.

In particular:

- broader mining sector conditions provide alternative explanations for changes in market demand

- the procurement structure of the market limits the price effects of imports
- dumping calculations rely heavily on preliminary findings from Investigation 658
- the basis for determining a Particular Market Situation requires further substantiation
- and aspects of product scope and market structure warrant further consideration.

Minova respectfully requests that the Commissioner reconsider the preliminary findings before making final recommendations to the Minister and that the Minister carefully consider the application of the lesser duty rule when determining any final measures.

Yours sincerely

A handwritten signature in black ink that reads "Kylie Harvey".

Kylie Harvey
Commercial Manager
Minova Australia