Australian Government
Department of Industry, Science and Resources

Anti-Dumping Commission

CUSTOMS ACT 1901 - PART XVB

REPORT NO 669

INQUIRY CONCERNING THE CONTINUATION OF THE ANTI-DUMPING MEASURES APPLYING TO

STEEL REINFORCING BAR

EXPORTED TO AUSTRALIA FROM THE PEOPLE'S REPUBLIC OF CHINA

9 February 2026

CONTENTS

ABBREVIATIONS

Abbreviation	Full text
ABF	Australian Border Force
ACRS	the Australasian Certification Authority for Reinforcing and Structural Steels
The Act	*Customs Act 1901*
ADN	Anti-Dumping Notice
ADRP	Anti-Dumping Review Panel
BF-BOF	blast furnace and basic oxygen furnace
China	the People's Republic of China
the Commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
CTMS	cost to make and sell
DCR	Dumping Commodity Register
Dumping Duty Act	*Customs Tariff (Anti-Dumping) Act 1975* (Cth)
EAF	electric arc furnace
Echeng	Baowu Group Echeng Iron and Steel Co Ltd
EPR	electronic public record
EXW	Ex-Works
FOB	Free On Board
the goods	the goods the subject of the application (also referred to as the goods under consideration)
GFSEC	Global Forum on Steel Excess Capacity
HRC	hot rolled coil
IDD	interim dumping duty
InfraBuild Steel	InfraBuild (Newcastle) Pty Ltd (formerly Liberty OneSteel (Newcastle) Pty Ltd), InfraBuild NSW Pty Ltd and The Australian Steel Company (Operations) Pty Ltd, collectively
inquiry period	1 April 2024 to 31 March 2025
IPP	import price parity
the Australian Standard	Australian/New Zealand Standard *AS/NZ 4671:2019 Steel reinforcing materials*
the Manual	the *Dumping and Subsidy Manual (December 2021)*
MCC	model control code
the Minister	the Minister for Industry and Innovation and Minister for Science
OCOT	ordinary course of trade
OECD	Organisation for Economic Co-operation and Development
PMS	particular market situation
Rebar	steel reinforcing bar

Abbreviation	Full text
REV 563	*Anti-Dumping Commission Review 563*
REV 676	*Anti-Dumping Commission Review 676*
RGQ 658	The Government of China's questionnaire response to *Investigation 658*
SEF	statement of essential facts
SG&A	selling, general and administrative expenses
USP	unsuppressed selling price
WTO	World Trade organization
YEM	year ending March

1 SUMMARY AND RECOMMENDATIONS

1.1 Introduction

The Anti-Dumping Commission (the commission) has prepared this final report concerning an inquiry into whether to continue the anti-dumping measures (the measures) applying to steel reinforcing bar (rebar, or the goods) exported to Australia from the People's Republic of China (China).

The measures are in the form of a dumping duty notice and are due to expire on **13 April 2026**.[1] The measures were initially imposed by public notice on 13 April 2016,[2] and were continued for a further five years from 13 April 2021.[3]

The Commissioner of the Anti-Dumping Commission (the Commissioner) initiated this inquiry on 5 May 2025 following their consideration of an application[4] received from InfraBuild (Newcastle) Pty Ltd (InfraBuild)[5] seeking the continuation of the measures.

Section 269ZHF(2) of the *Customs Act 1901* (Cth) (the Act) provides that the Commissioner must not recommend that the Minister for Industry and Innovation and Minister for Science (the Minister) take steps to secure the continuation of the measures unless the Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the measure is intended to prevent.

This final report sets out the material findings of fact and particulars of the evidence on which the Commissioner has based their recommendations to the Minister.

1.2 Recommendations

The Commissioner is satisfied that the expiration of the measures on rebar exported to Australia from China would be likely to lead to a continuation of, or a recurrence of, dumping and the material injury that the measures are intended to prevent.

Accordingly, and as outlined in chapter 10, pursuant to section 269ZHF(1) the Commissioner recommends that:

- the Minster take steps to secure the continuation of the dumping duty notice applying to the goods exported to Australia from China, and

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[1] Sections 269TM and 269ZHG(5) of the *Customs Act 1901* (the Act). All legislative references are to the *Customs Act 1901*, unless otherwise specified.

[2] Electronic public record (EPR) for case 300, no 64, Anti-Dumping Notice (ADN) 2016/39.

[3] EPR 560, no 12, ADN 2021/030.

[4] EPR 669, no 1.

[5] As outlined in the application, the Australian industry consists of InfraBuild and two other related party producers, InfraBuild NSW Pty Ltd and The Australian Steel Company (Operations) Pty Ltd, collectively referred to as 'InfraBuild Steel'.

- the dumping duty notice have effect in relation to exports of the goods from China as if different variable factors have been ascertained and that the rate of interim dumping duty (IDD) in Table 1 apply to the goods exported from China to Australia from **14 April 2026**.

Country	Exporter	Fixed rate of IDD	Duty method
China	Baowu Group Echeng Iron and Steel Co., Ltd	N/A	Floor price
	Uncooperative and all other exporters	23.7%	Combination

Table 1: Recommended measures resulting from this inquiry

If the Minister accepts these recommendations, the measures will be continued for a further 5 years and the specified rates of IDD in Table 1 will apply to the goods exported to Australia from China from **14 April 2026**.

1.3 Conduct of the inquiry

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

The Commissioner notified interested parties of the initiation of this inquiry in ADN 2025/039, published on 5 May 2025. Interested parties were invited to lodge submissions and responses to the importer and exporter questionnaires.

The Commissioner established an inquiry period of 1 April 2024 to 31 March 2025 (the inquiry period).[6] To analyse the performance of the Australian industry in the years before and after measures were imposed, the Commissioner has examined the period from 1 April 2020 to 31 March 2025 (the injury analysis period).

In preparing this report, the Commissioner has had regard to:

- the application seeking a continuation of the measures
- data obtained from the Australian Border Force (ABF) import database
- the exporter questionnaire response received from Baowu Group Echeng Iron and Steel Co., Ltd (Echeng)
- further information obtained during the Echeng verification
- information obtained from Anti-Dumping Commission Review 676 (REV 676), including submissions received
- submissions relating generally to the continuation of the measures to which the Commissioner has had regard for the purpose of formulating the *Statement of Essential Facts No 669* (SEF 669)
- SEF 669, published on 23 December 2025,[7] which sets out the preliminary findings of the Commissioner and the proposed recommendations to the Minister based on the available information at that time

[6] EPR 669, no 2, ADN 2025/039.

[7] EPR 669, no 11.

- the same submission received from Echeng in response to both SEF 669 and the SEF published in REV 676.
- other information as referenced in this report.[8]

Review 676

Also relevant to this inquiry is a review of the measures. On 26 May 2025, the Commissioner initiated REV 676 in relation to the measures as they apply to a single exporter, Echeng. This followed an application for a review of the measures by Echeng under Division 5.

The period examined in REV 676 is the same as the period examined in this inquiry and concerns the same measures. Therefore, the variable factors determined by this inquiry and the variable factors determined in REV 676 are the same for Echeng. The exporter questionnaire response for Echeng was used for both this inquiry and REV 676 (and is identical). Aside from Echeng, no other responses to the exporter questionnaire were received.

1.4 Summary of findings

For the reasons set out in this report, the Commissioner is satisfied that the expiration of the measures in respect of exports of rebar from China would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the measures are intended to prevent.

A summary of each chapter in this report is outlined below.

1.4.1 The goods, like goods and the Australian industry (chapter 3)

The Commissioner finds locally produced goods are 'like' to the goods the subject of the application. At least one substantial process in the manufacture of rebar is carried out in Australia and therefore there is an Australian industry producing like goods. The Commissioner is satisfied that there is an Australian industry, comprised of InfraBuild (Newcastle) Pty Ltd and The Australian Steel Company (Operations) Pty Ltd (TASCO) (collectively InfraBuild Steel), producing those like goods.

1.4.2 Australian market (chapter 4)

The Australian rebar market is supplied by the Australian industry (InfraBuild Steel), imports from China, and by imports from other countries (some of which are also subject to separate anti-dumping measures). The volume of imports from China has remained low since the last continuation of the measures (from Continuation Inquiry No 560). The market size for rebar in Australia has increased overall.

[8] An extensive list of the information used in the commission's assessment of a particular market situation in China is detailed in Appendix AError! Reference source not found..

Rebar is primarily sold to processors or distributors who then on-sell to end users in the construction industry. Both InfraBuild Steel and imported goods compete for sales to processors and distributors.

Demand for rebar in Australia is closely linked to the construction industry. The commission has found that there is a positive medium-term outlook for construction demand.

Rebar is a commodity product, and the Australian market for rebar is price sensitive. Provided the goods meet the grade requirements for the desired end use there are limited ways in which suppliers can differentiate their offering beyond price and service. InfraBuild Steel's selling prices reference an import price parity (IPP) model, where import prices influence the overall price. InfraBuild Steel's pricing also includes an assessment of input costs.

1.4.3 Economic condition of the Australian industry (chapter 5)

The Commissioner assessed the economic condition of the Australian industry from 1 April 2020 to analyse trends in the market for rebar and assess potential injury factors.

The Commissioner has found that InfraBuild Steel has experienced a recent decline in its economic condition, finding a decline in the following economic indicators:

- sales volumes and market share since the year ending 31 March (YEM) 2023
- price depression and suppression since YEM 2023
- profit and profitability since YEM 2023.

Based on the economic indicators assessed by the commission, the Commissioner considers that InfraBuild Steel remains susceptible to material injury caused by dumped goods subject to the measures.

1.4.4 Likelihood of dumping and material injury continuing or recurring (chapter 6)

The Commissioner has found that the expiry of the measures would lead, or would be likely to lead, to a continuation or recurrence of the dumping and the material injury that the measures are intended to prevent. The Commissioner has reached this view based on the following findings.

Likelihood of future exports (section 6.5)

The commission considers that, should the measures expire, exports from China are likely to continue and volumes are likely to increase. This finding is based on the following significant factors:

- The Australian market remains an attractive destination for exporters, as demonstrated by the large import volumes from other countries.
- Exporters from China have demonstrated a change in behaviour in response to the measures.
- Other anti-dumping measures have influenced patterns of trade into the Australian market.

- Exporters from China have maintained limited distribution links with the Australian market and have the capacity to re-establish previous distribution links if the measures were to expire.
- Exporters from China continue to maintain Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) certification indicating that these exporters have maintained an interest in and ability to export rebar that meets the relevant Australian standards.
- Spare production and excess capacity exists in China, which could be directed to Australia if the measures expire.
- Anti-dumping and trade measures in other jurisdictions would likely make Australia a more attractive market if the measures were to expire.

Likelihood of dumping (section 6.6)

The commission considers that the expiry of the measures would be likely to lead to a continuation of dumping of the goods from China. This finding is based on the following significant factors:

- Exports from China were dumped during the inquiry period.
- Exports from China have been at consistently dumped prices for the duration of the measures.
- The price sensitive nature of the Australian market promotes a high level of price competition between exports.
- If exports from China were to resume in higher volumes, they would likely be at dumped prices to compete with other exports from countries not subject to the measures.

Likelihood of material injury (section 6.7)

The commission considers that the expiry of the measures would be likely to lead to a continuation of or a recurrence of material injury that the measures are intended to prevent. This finding is based on the following significant factors:

- Export volumes from China will likely increase if the measures expire.
- The likely increase in imports from China if the measures expire will likely result in lost market share and sales for InfraBuild Steel.
- Rebar is a commodity market where price is a key factor in customers' purchasing decisions.
- The expiry of measures would provide exporters from China with a price advantage in a price sensitive market.
- Exports from China will likely undercut InfraBuild Steel's selling prices if the measures expire.
- InfraBuild Steel has considerable regard to import pricing through its import price parity (IPP) model. Consequently, it is likely that Australian industry would be required to respond to lower Chinese exporter prices when setting its own prices. This will likely result in further price suppression and/or depression for InfraBuild Steel, further impacting profit and profitability.

1.4.5 Variable factors – export price and normal value (chapter 7)

The Commissioner has determined that the export price and normal value have changed for Echeng and uncooperative and all other exporters.

For the purposes of this continuation inquiry, the commission has assessed variable factors to determine whether exports in the inquiry period were dumped, and whether dumping is likely to continue or recur if the measures are not continued.

For this inquiry Echeng provided data in the form of a completed exporter questionnaire and participated in a virtual verification. The commission has used Echeng's data, in addition to other relevant sources, in assessing its export price and normal value in the inquiry period. No other exporters cooperated with this inquiry.

As Echeng did not export the goods to Australia during the inquiry period, the commission has not assessed a dumping margin for Echeng.

The commission notes that Echeng's export price and normal value for this inquiry are the same as in *Anti-Dumping Commission Report Number 676* (REP 676).

The commission has determined dumping margins as set out in Table 2.

Country	Exporter	Dumping margin
China	Baowu Group Echeng Iron and Steel Co., Ltd	N/A
	Uncooperative and all other exporters	23.7%

Table 2: Dumping margins

1.4.6 Variable factor – Non-injurious price (chapter 8)

Having regard to the available information, the commission has calculated a non-injurious price (NIP) for the goods exported to Australia, being the minimum price necessary to prevent the injury, or a recurrence of the injury, to the Australian industry caused by the dumping of the goods exported from China.

The commission has determined that the NIP has changed since it was last ascertained. As the NIP is higher than the normal value established for all exporters from China the NIP is not operative, and the lesser duty rule will not apply.

The commission notes that the NIP for this review is the same as in REP 676.

1.4.7 Duty method (chapter 9)

The Commissioner recommends that the combination method continue to be used to calculate the IDD payable by uncooperative and all other exporters. This is the same as the current method.

The Commissioner recommends that the floor price duty method be used to calculate the IDD payable by Echeng. This is different to the current method applying to Echeng as at the date of this report.

Country	Exporter	Current measures	Recommended measures
China	Baowu Group Echeng Iron and Steel Co., Ltd	19.0% Combination[9]	Floor price
	Uncooperative and all other exporters	19.0% Combination	23.7% Combination

Table 3: Current and recommended rate of dumping duty and duty methods

1.5 Recommendations (chapter 10)

The Commissioner is satisfied that the expiration of the measures would be likely to lead to a continuation of, or a recurrence of, dumping and the material injury that the measures are intended to prevent.

Accordingly, and as outlined in chapter 10, pursuant to section 269ZHF(1), the Commissioner recommends that:

- the Minster take steps to secure the continuation of the dumping duty notice applying to the goods exported to Australia from China, and
- the dumping duty notice have effect in relation to exports of the goods from China by uncooperative and all other exporters[10] as if different variable factors have been ascertained.[11]

If the Minister accepts the Commissioner's recommendations, the rate of IDD in Table 4 would apply to the goods exported from China to Australia from **14 April 2026**.

Country	Exporter	Fixed rate of IDD	Duty method
China	Baowu Group Echeng Iron and Steel Co., Ltd	N/A	Floor price
	Uncooperative and all other exporters	23.7%	Combination

Table 4: Recommended measures resulting from this inquiry

[9] On the date this report was provided to the Minister, Echeng was subject to the uncooperative and all other exporters rate of duty. The Commissioner has proposed recommending changes to the variable factors in the statement of essential facts for a separate Review No 676 in relation to Echeng.

[10] The Commissioner has proposed recommending changes to the variable factors in the statement of essential facts for a separate Review No 676 in relation to Echeng. I recommend that the Minister determine that the notice continues after 13 April 2026 in relation to Echeng with the variable factors from that review.

[11] Section 269ZHF(1)(a)(iii).

2 BACKGROUND

2.1 Legislative framework

The procedures to be followed by the Commissioner in an application for the continuation of the measures are set out in Division 6A of Part XVB.

2.1.1 Legislative test

Under section 269ZHF(2), the Commissioner must not recommend that the Minister take steps to secure the continuation of the measures unless the Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the measure is intended to prevent.

2.1.2 Statement of essential facts (SEF)

Section 269ZHE(1) requires the Commissioner to publish a statement of the facts on which they propose to base their recommendations to the Minister about the continuation of the measures. This is referred to as the SEF.

Section 269ZHE(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 inquiry. Under section 269ZHE(3), the Commissioner is not obliged to have regard to any submissions relating generally to the inquiry that are received by the Commissioner after the 37 days if to do so would, in the Commissioner's opinion, prevent the timely placement of the SEF on the EPR.

The Commissioner may also have regard to any other matters they consider relevant.

The Commissioner placed SEF 669 on the EPR on 23 December 2025.[12]

2.1.3 Final report

Section 269ZHF(1) requires the Commissioner, after conducting an inquiry, to give the Minister a report which recommends that the relevant notice:

- remain unaltered
- cease to apply to a particular exporter or to a particular kind of goods
- have effect in relation to a particular exporter or to exporters generally as if different variable factors had been ascertained, or
- expire on the specified expiry day.

[12] EPR 669, no 11.

The initiation notice advised publication of SEF 669 was due on or before 25 August 2025. The Commissioner approved extensions of time for the publication of SEF 669 on 8 August 2025 and 17 November 2025. See ADN 2025/072 and ADN 2025/119 respectively, EPR 669, no's 5 and 9.

Pursuant to section 269ZHF(3)(a) the Commissioner, in deciding on the recommendation to be made to the Minister in their final report, must have regard to the application, submissions relating generally to the continuation of measures considered by the Commissioner in formulating the SEF and any submission responding to the SEF received within 20 days of publication of the SEF. The Commissioner may also have regard to submissions received after this time in accordance with section 269ZHF(4).

The Commissioner may also have regard to any other matter they consider relevant.

In accordance with section 269ZHF(5) the final report to the Minister must include a statement of the Commissioner's reasons for any recommendation contained in the report, set out the material findings of fact on which the recommendation is based and provide particulars of the evidence relied on to support those findings.

2.2 Application and initiation

On 5 February 2025, the Commissioner published a notice[13] on the commission's website inviting the following persons to apply for the continuation of the measures:

- the person whose application under section 269TB resulted in the measures,[14] or
- persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the measures.[15]

On 26 March 2025, InfraBuild lodged an application for the continuation of the measures on the goods exported to Australia from China.[16]

The Commissioner was satisfied that:

- the application complied with section 269ZHC (content and lodgement requirements),[17] and
- there appeared to be reasonable grounds for asserting that the expiry of the measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.[18]

The Commissioner therefore decided not to reject the application and published ADN 2025/039 initiating the present inquiry on 5 May 2025.[19]

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[13] In accordance with section 269ZHB(1). ADN 2025/004.

[14] Section 269ZHB(1)(b)(i).

[15] Section 269ZHB(1)(b)(ii).

[16] Under section 269ZHC. A non-confidential version of the application is available on EPR 669, no 1.

[17] Section 269ZHD(2)(a).

[18] Section 269ZHD(2)(b).

[19] EPR 669, no 2.

2.3 Current measures

The measures were initially imposed by public notice on 13 April 2016 by the relevant Minister following the original investigation (*Investigation 300*). The findings of that original investigation are detailed in *Anti-Dumping Commission Report No 300* (REP 300).[20]

Table 5 summarises the current measures applying to China.[21]

Country	Exporter	Dumping notice	
		Duty method	Effective IDD rate
China	All exporters	Combination	19.0%

Table 5: Measures applying to exports of the goods

Further details about these measures can be found on the Dumping Commodity Register (DCR) on the commission's website.[22]

2.3.1 Other Current cases - Review 676

The commission is concurrently conducting a review of measures on the goods from China, *Review 676*.[23] *Review 676* is examining the period 1 April 2024 to 31 March 2025 (the same period as this inquiry) to determine whether the variable factors have changed as they apply to one exporter, Echeng. Echeng has not previously exported the goods to Australia.

Whilst *Review 676* is a separate review to this continuation inquiry, as the goods and the inquiry period are the same for both, Echeng has submitted a response to the exporter questionnaire that is applicable to both.[24] The Commissioner has also had regard to other information on the record for *Review 676* where applicable.

2.3.2 Previous cases involving China

Table 6 outlines previous cases involving the goods from China.

Case number	ADN number	Date published	Country of export	Findings
Investigation 300	2016/39	13 April 2016	China	Dumping duties imposed on all Chinese exporters
Investigation 322	2016/95	19 October 2016	China	No countervailing notice was published.

[20] EPR 300, no 63.

[21] EPR 560, no 12.

[22] The DCR is available at Current measures in the dumping commodity register.

[23] EPR 676, no 3, ADN 2025/043.

[24] EPR 669, no 4.

Case number	ADN number	Date published	Country of export	Findings
Reinvestigation 369	Public Notice	13 December 2016	China	Revised normal values for Hunan Valin, Shandong, and Yonggang following Anti-Dumping Review Panel (ADRP) review.
Review 421	2017/109	4 August 2017	China	Review ceased due to withdrawal of application by Zenith Steel Group Co., Ltd.
Review 411, 412 and 423	2018/49	20 April 2018	China	Change to variable factors for certain exporters (single exporter reviews).
	Public Notice – Minister's Decision	5 October 2018		Revised normal values for Hunan Valin, Shagang, and Yonggang following ADRP review.
Review 467	2018/185	20 December 2018	China	Change to variable factors for all exporters from China.
Exemption 0070, 0071, 0072	2019/089	17 July 2019	China Hellenic Republic (Greece) Republic of Indonesia (Indonesia) Republic of Korea (Korea) Republic of Singapore (Singapore) Kingdom of Spain (Spain) Taiwan Kingdom of Thailand (Thailand)	Certain exemption goods were not considered exempt from the measures, while others remained exempt.
Review 563	2020/140	24 December 2020	China	Change to variable factors for all exporters from China.
Continuation 560	2021/030	12 April 2021	China	Continuation of measures for all exporters from China.
Accelerated Review 662	2025/013	6 March 2025	China	Review terminated.

Table 6: Previous cases involving China

2.3.3 Cases involving other countries

Table 7 outlines cases involving rebar exported to Australia from countries other than China.

Case type and number	ADN number	ADN Date	Country of export	Findings
Investigation 264	2015/133	19 November 2015	Korea Malaysia Singapore Spain Taiwan The Republic of Türkiye (Türkiye)	Dumping duties imposed on ROK, Singapore, Spain and Taiwan (except Power Steel Co. Ltd).
ADRP Review 2016/34	Public Notice	14 July 2016	Spain	Nervacero S.A. excluded from dumping duties imposed from Investigation 264.
Review 380	2017/33	13 April 2017	Spain (single exporter)	Change to variable factors for Compañía Española de Laminación, S.L.
Investigation 418	2018/010	7 March 2018	Greece Indonesia Spain Taiwan Thailand	Dumping duties imposed on all countries (excluding PT Ispat Panca Putera and PT Putra Baja Deli from Indonesia).
Reinvestigation 418	Public Notice - Minister's Decision	4 April 2019	Greece Indonesia Spain Taiwan Thailand	Change to the variable factors for Nervacero S.A. (Spain).
Accelerated Review 471	2018/108	3 August 2018	Thailand	Change to variable factors and duty method for The Siam Construction Steel Co., Ltd.
Accelerated Review 472	2018/109	3 August 2018	Thailand	Change to variable factors and duty method for N.T.S. Steel Group Public Company Limited.
Accelerated Review 481	2018/140	21 September 2018	Indonesia	Change to variable factors and duty method for PT. Toyogiri Iron Steel
Review 486	2019/054	29 May 2019	Korea Taiwan	Change to variable factors for all exporters from Korea and Taiwan (except Power Steel Co. Ltd).
Continuation 546	2020/111	6 November 2020	Korea Singapore Spain Taiwan	Continuation of measures and variable factors were changed for ROK and Spain. Measures expired on Singapore and Taiwan (except Power Steel Co. Ltd).
Review 566	2021/150	15 December 2021	Korea Spain	Changes to variable factors for all exporters from Korea and Spain (except Nervacero S.A.).
Accelerated Review 600	2022/046	4 July 2022	Korea	Change to variable factors and duty method for Dongkuk Steel Mill Co., Ltd.

Case type and number	ADN number	ADN Date	Country of export	Findings
Continuation 601	2023/004	21 February 2023	Greece Indonesia Spain Taiwan Thailand	Continuation of measures and change to variable factors for all countries except Thailand. Measures expired for Thailand.
Investigation 655	2025/124 2025/125 [25]	24 September 2025*	Indonesia Malaysia Thailand Türkiye The Socialist Republic of Vietnam (Vietnam)	Measures imposed in relation to exports from Malaysia, Thailand, Türkiye and Vietnam. Investigation terminated in relation to Southern Steel Berhad from Malaysia, Hoa Phat Hai Duong Steel Joint Stock Company from Vietnam and Pt Ispat Panca Putera & Pt Putra Baja Deli from Indonesia
Continuation 660	2025/102	10 November 2025	Korea Spain (except Nervacero S.A.)	Continuation of measures and changes to variable factors.

Table 7: Cases involving countries other than China

2.4 Conduct of the inquiry

2.4.1 Periods examined

The Commissioner established an inquiry period of 1 April 2024 to 31 March 2025 to assess dumping. The commission invited exporters and importers of the goods subject to the measures to provide information relevant to this period.

To analyse the performance of the Australian industry in the years before and after the measures were imposed, the commission has examined information from 1 April 2013. In some instances, it is necessary for the commission to analyse information prior to 2020 to examine the effects of the measures.

2.4.2 Questionnaires and verification

Australian industry

The Commissioner is satisfied that the applicant, InfraBuild, and its related entities (collectively, InfraBuild Steel) are the sole members of the Australian industry producing like goods to the goods the subject of this inquiry.[26]

[25] Applications have been received for a merits review of the Minister's decisions in relation to *Investigation 655* and a review of these decisions may be commenced by the ADRP.

[26] See chapter 3.

The commission conducted a verification visit to InfraBuild Steel's premises in August 2025 and made additional enquiries about InfraBuild Steel's information through electronic and other channels. The resulting verification report is available on the EPR.[27]

Importers

The commission identified several importers from the ABF import database that imported rebar from China during the inquiry period[28]. The commission sent importer questionnaires to the identified importers and placed a copy of the importer questionnaire on the commission's website for completion by other importers the commission did not contact directly.

The commission received 2 incomplete responses to the importer questionnaire (RIQ). The commission only received responses to Part A of these questionnaires.

Exporters

The commission identified the largest suppliers of rebar from China during the inquiry period as reported in the ABF import database[29]. The commission sent questionnaires to the following identified exporters directly:

- Jiangsu Soho International (Jiangsu)
- Xiamen Yuling Sincere Co Ltd (Xiamen)

A copy of the exporter questionnaire was sent to Echeng given this continuation was undertaken concurrently with REV 676 (refer section 2.3.1).

The commission also placed a copy of the exporter questionnaire on the commission's website for completion by other exporters who were not contacted directly.

The commission received one response to the exporter questionnaire (REQ), from Echeng. The non-confidential version of Echeng's REQ is available on the commission website.[30] The commission conducted a verification of the information in Echeng's REQ and the associated verification report is available on the commission's website.[31]

Echeng has fully cooperated with this inquiry.

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[27] EPR 669, no 7.

[28] **Confidential Attachment 7**.

[29] Ibid.

[30] EPR 669, no 4.

[31] EPR 669, no 8.

Uncooperative exporters[32]

The commission did not receive a completed questionnaire response from any other exporter. The Commissioner considers that all other exporters from China (except Echeng) are uncooperative exporters in this inquiry.

Section 269T(1) states that an exporter is an 'uncooperative exporter' where the Commissioner is satisfied that an exporter of goods the subject of the inquiry did not give the Commissioner information the Commissioner considered to be relevant to the continuation inquiry within a period the Commissioner considered to be reasonable, or where the Commissioner is satisfied that an exporter significantly impeded the inquiry.

The *Customs (Extensions of Time and Non-cooperation) Direction 2015* states at section 8 that the Commissioner must determine an exporter to be an uncooperative exporter, on the basis that no relevant information was provided in a reasonable period, if that exporter fails to provide a response or fails to request a longer period to do so within a specified timeframe, or provides a response that the Commissioner considers did not provide information relevant to the case.

Government of China

On 6 May 2025, the commission sent a government questionnaire to the Government of China (GOC) seeking information concerning whether there was a situation in the Chinese rebar market during the inquiry period that would make sales within that market unsuitable for determining normal values.

The commission did not receive a response to this questionnaire from the GOC.

2.4.3 Submissions received from interested parties

The commission received the submissions listed in Table 8 before publishing the SEF. Non-confidential versions of these submissions are available on the EPR.

EPR No	Interested party and topic of submission	Date received	Chapter reference
6	InfraBuild Steel - Submission on Echeng exporter briefing	11 August 2025	Chapter 7
10	InfraBuild Steel – Submission on assessment of Chinese rebar market	21 November 2025	Chapter 7

Table 8: Submissions received prior to this SEF

[32] 'Uncooperative exporter' is defined in section 269T(1).

Table 9 lists the submissions received after the publication of the SEF.

EPR No	Interested party and topic of submission	Date received	Chapter reference
12	Echeng – Proposed floor price - Currency should be denominated in United States Dollars (USD)	12 January 2026	Chapter 7

Table 9: Submissions after the publication of the SEF

The Commissioner must have regard to any submission made in response to the SEF provided by interested parties within 20 days of the Commissioner publishing the SEF on the public record.[33] The Commissioner is not obliged to have regard to any submission in response to the SEF after this date, if to do so would, in the Commissioner's opinion, prevent the timely preparation of the final report to the Minister.[34] The Commissioner may also disregard information for which an interested party did not provide a public summary unless it could demonstrate the information was incapable of being summarised for the public record.[35]

The Commissioner has had regard to each of the submissions referred to in Table 8 and Table 9: Submissions after the publication of the SEF

in the preparation of this report

In assessing the variable factors insofar as they relate Echeng, the commission has had regard to submissions made to REV 676 where relevant to this inquiry. Copies of these submissions are available on the EPR for REV 676.

[33] Section 269ZHF(3)(a)(iv)

[34] Section 269ZHF(4)

[35] Sections 269ZJ(5) and (6)

3 THE GOODS, LIKE GOODS AND THE AUSTRALIAN INDUSTRY

3.1 Finding

The Commissioner finds that:

- locally manufactured rebar is 'like' to the goods subject to the measures
- there is an Australian industry, composed of 2 related entities, producing like goods, being InfraBuild Steel
- the like goods are wholly manufactured in Australia.

3.2 Legislative framework

To be satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation or recurrence of dumping and the material injury that the measure is intended to prevent, the Commissioner firstly determines whether 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.

The definition of like goods is relevant in the context of this inquiry in determining the Australian industry and whether the expiry of the measures would lead to a continuation of, or a recurrence of, the dumping and material injury that the measures are intended to prevent. The commission's framework for assessing like goods is outlined in chapter 2 of the *Dumping and Subsidy Manual* (the Manual).[36]

Where the locally produced goods and the imported goods are not alike in all respects, the Commissioner assesses whether the respective goods have characteristics closely resembling each other. The Commissioner considers:

- physical likeness
- commercial likeness
- functional likeness, and
- production likeness.

The Commissioner must also consider whether the Australian industry manufactures 'like' goods in Australia. Section 269T(2) specifies that for goods to be regarded as being produced in Australia, they must be either wholly or partly manufactured in Australia. Under section 269T(3), 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.

The following analysis therefore establishes the scope of the commission's inquiry.

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[36] Available at Dumping and subsidy manual.

3.3 The goods subject to the measures

ADN 2025/039 defined the goods subject to the measures as follows:

> *Hot-rolled deformed steel reinforcing bar whether or not in coil form, commonly identified as rebar or debar, in various diameters up to and including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process.*
>
> *The goods include all steel reinforcing bar meeting the above description of the goods regardless of the particular grade or alloy content or coating.*
>
> *The goods subject to the measures do not include plain round bar, stainless steel, and reinforcing mesh.*

3.3.1 Exempt goods

Following recommendations from the then Commissioner, the then Minister exempted certain goods from IDD and dumping duty applying under the measures. The following categories of rebar are exempt from duty:

- Hot-rolled steel reinforcing bar with a continuous thread, commonly identified as 'threadbar' or 'threaded-bar', in straight lengths, complying with Australian/New Zealand Standard 4671, grade 500 N, with a 40 mm diameter.[37]

- Fully threaded hot-rolled prestressing steel reinforcing bar, in straight lengths, with a minimum yield strength of 885 MPa or greater, with a 26.5 mm, 32 mm, 36 mm, 40 mm or 50 mm diameter.[38]

[37] Refer to Ministerial Exemption Instrument No 2 of 2019.

[38] Refer to Ministerial Exemption Instrument No 3 of 2019.

3.3.2 Tariff classification

The goods are generally classified according to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:[39]

Tariff Subheading	Statistical Code	Description
7213	**BARS AND RODS, HOT-ROLLED, IN IRREGULARLY WOUND COILS, OF IRON OR NON-ALLOY STEEL**	
7213.10.00	42	Containing indentations, ribs, grooves or other deformations produced during the rolling process
7214	OTHER BARS AND RODS OF IRON OR NON- ALLOY STEEL, NOT FURTHER WORKED THAN FORGED, HOT-ROLLED, HOT-DRAWN OR HOT- EXTRUDED, BUT INCLUDING THOSE TWISTED AFTER ROLLING	
7214.20.00	47	Containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling
7227	**BARS AND RODS, HOT-ROLLED, IN IRREGULARLY WOUND COILS, OF OTHER ALLOY STEEL**	
7227.90	Other	
7227.90.10	69	Goods, as follows: a. of high alloy steel; b. "flattened circles" and "modified rectangles" as defined in Note 1(l) to Chapter 72
7227.90.90	01	Containing indentations, ribs, grooves or other deformations produced during the rolling process
	02	Of circular cross-section measuring less than 14 mm in diameter
	04	Other
7228	OTHER BARS AND RODS OF OTHER ALLOY STEEL; ANGLES, SHAPES AND SECTIONS, OF OTHER ALLOY STEEL; HOLLOW DRILL BARS AND RODS, OF ALLOY OR NON-ALLOY STEEL	
7228.30	Other bars and rods, not further worked than hot-rolled, hot-drawn or extruded	
7228.30.10	**70**	Goods, as follows: a. of high alloy steel; b. "flattened circles" and "modified rectangles" as defined in Note 1(m) to Chapter 72
7228.30.90	**40**	*Containing indentations, ribs, grooves or other deformations produced during the rolling process*
7228.60	Other bars and rods	
7228.60.10	**72**	Goods, as follows: a. of high alloy steel; b. "flattened circles" and "modified rectangles" as defined in Note 1(m) to Chapter 72

Table 10: Tariff classification of the goods

3.4 Model control codes

Table 11 lists the model control code (MCC) structure proposed by the commission in ADN 2025/039, which describes the key characteristics of the goods.

Item	Category	Sub-category	Identifier	Sales data	Cost data
1	Prime	Prime	P	Mandatory	N/A
		Non-Prime	N		
2	Minimum yield strength specified by product standard (Mega Pascals or MPa)	Less than or equal to 300	A	Mandatory	Mandatory
		Greater than 300 but less than or equal to 480	B		
		Greater than 480 but less than 550	C		
		Equal to or greater than 550	D		
3	Finished form	Rebar in length/straight	S	Mandatory	Mandatory
		Rebar in coil	C		
4	Nominal diameter (millimetres or mm)	Less than 12	A	Mandatory	Optional
		Greater than or equal to 12 and less than or equal to 16	B		
		Greater than 16 and less than or equal to 32	C		
		Greater than 32 and less than or equal to 50	D		
5	Length (metres or m)	Less than or equal to 6	1	Mandatory	Optional
		Greater than 6 and less than or equal to 12	2		
		Greater than 12	3		
		Coil product	C		
6	Deformation pattern along Length	Threaded	T	Mandatory	Optional
		Non-Threaded	N		

Table 11: Proposed MCC structure

[39] These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes is for convenience or reference only and does not form part of the goods description. Please refer to the goods description for authoritative detail about goods subject to the anti-dumping measures.

The commission invited interested parties to make submissions on any proposed changes to this MCC structure. The commission did not receive any submissions concerning the MCC structure. Accordingly, the commission has adopted this MCC structure for the purposes of this inquiry.

3.4.1 Other information – Australian Standards

InfraBuild Steel claimed that the goods in the Australian market generally meet the requirements of Australian/New Zealand Standard *AS/NZS 4671:2019 Steel for the reinforcement of concrete* (the Australian Standard).[40] The Australian Standard specifies the manufacturing methods, chemical, mechanical and dimensional requirements that the goods are required to achieve to meet the standard. A test certificate certifies that the relevant Australian Standard has been met. Accordingly, rebar from China or from the Australian industry certified to the same Australian Standard, will have a similar or identical physical likeness.

3.4.2 Other information – Certification

ACRS is an independent, not-for-profit production certification scheme.[41] The ACRS 'mark' is internationally recognised as the means of showing conformity to the Australian Standard. Whilst not compulsory, ACRS certification is a generally preferred minimum market requirement for the supply of rebar into the Australian market. Steel mills with ACRS certification are subject to the manufacturing and testing processes prescribed by ACRS to meet the requirements of the Australian Standard. Imported rebar sold in the Australian market generally originates from mills that are ACRS certified. As discussed in section 6.5.3, the commission found that 3 manufacturers of rebar from China have maintained ACRS certification.

3.5 Domestic production by the Australian industry

3.5.1 InfraBuild Steel

InfraBuild Steel are the only manufacturers in Australia of rebar.

[40] Standards Australia, AS/NZS 4671:2019, Standards Australia, 2019. See Australian Industry Report, EPR 669, no 7.

[41] Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) website, https://steelcertification.com/.

With end-to-end capabilities, InfraBuild Steel produce their own billet, which is then converted into rebar (among other products not the subject of this inquiry). InfraBuild Steel manufactures rebar using billets that are primarily sourced from its own electric arc furnace (EAF) steel mills operated at Rooty Hill and Laverton. Billet is also sourced from OneSteel Manufacturing Pty Limited (administrators appointed), based in Whyalla.[42] Steel billet sourced from Whyalla is produced using a blast oxygen furnace process. Billet is also occasionally sourced from overseas suppliers.

3.5.2 Production process

Production of all forms of deformed bar initially starts with billets that are reheated in a furnace to approximately 1,200 °C. The billet is then passed through a series of rolling 'stands' where the billet changes shape and progressively reduces in size. Deformations (ribs) are introduced through the finishing stands.

In the case of straight rebar, the bar is then subject to a water-cooling process where the surface of the bar is quenched rapidly and subsequently slow cooled on a cooling bed via convection. This quenching and tempering are done, in part, to achieve the required steel yield strength.[43] The straight rebar is then cut to length, bundled, tied and tagged.

To produce rebar in coils, after the finishing stands, the rebar is looped into rings, cooled on a cooling conveyor and then formed into a coil which may be further cold worked.

3.6 Like goods assessment

The Commissioner is satisfied that the locally produced rebar is like to the goods subject to the measures because the following characteristics of each closely resemble each other:[44]

- physical likeness
- commercial likeness
- functional likeness and
- production likeness.

In making this finding, the commission has relied on information provided by InfraBuild Steel, as well as previous cases (see Table 6) and information provided by Echeng as part of this inquiry.

3.6.1 Physical likeness

The commission considers that the locally produced rebar is physically like to the goods subject to the measures.

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[42] OneSteel Manufacturing Pty Ltd was related to InfraBuild steel prior to 19 February 2025, when OneSteel Manufacturing Pty Ltd was placed under administration. Refer to https://kordamentha.com/knowledge-hub/kordamentha-appointed-va-whyalla-steelworks-mining/. Following the appointment of administrators the parties ceased to be related.

[43] Strength of the bar can also be attained by adding alloy.

[44] Like goods are defined in section 269T(1).

The primary physical characteristics of the locally produced rebar are similar to the goods subject to the measures, notwithstanding variations in the technical specifications of those goods – for example, grade, deformation pattern, markings, length or thickness.

Rebar sold on the Australian market (both imported and locally manufactured rebar) is typically manufactured to the Australian Standard.[45] Accordingly, the locally produced rebar and the goods subject to the measures, if certified to the same Australian Standard, will have a similar or identical physical likeness.

The pattern of deformations on rebar are similar, despite including unique markings which indicate the producing mill and the Australian Standard.

3.6.2 Commercial likeness

The commission considers that the locally produced rebar is commercially like to the goods subject to the measures.

In the Australian market, locally produced rebar competes directly and indirectly with the goods subject to the measures. Rebar is generally further processed before the end-use application by fabricators. Processors and distributors purchase locally produced rebar and the goods subject to the measures and can readily switch between suppliers. As discussed in section 3.4.2, the goods subject to the measures in the Australian market would generally originate from mills that are ACRS certified. InfraBuild Steel also holds ACRS certification of its steel mills.

3.6.3 Functional likeness

The commission considers that the locally produced rebar is functionally like to the goods subject to the measures.

The locally produced rebar and the goods subject to the measures are highly interchangeable or substitutable, given that both can be sold to the same customers and for identical or comparable end uses (predominantly in concrete reinforcement and pre-casting). Rebar is commonly used as a concrete tensioning device in residential, commercial and infrastructure/construction applications (including continuous reinforced concrete pavement in road building). Australian produced rebar and the goods subject to the measures, whether in straight coil and/or threaded forms of the same diameter are substitutable in terms of end-use applications.

Rebar can be used ‘as is’ or may be subject to postproduction processing, such as bending, welding and cutting. The use of rebar coil requires straightening and cutting machines before the coil can be used in straight lengths or be further fabricated. Rebar processors or service centres can use either rebar straights or rebar coils depending on the equipment available at their processing facility.

[45] Refer to section 3.4.1.

3.6.4 Production likeness

The commission considers that the locally produced rebar is produced in a way that is like to the goods subject to the measures.

The commission has toured InfraBuild Steel's production facilities as well as various exporters in past rebar cases and considers that locally produced rebar and the goods subject to the measures are produced using similar methods. Certain aspects of the production process may vary to yield rebar products of the desired physical, mechanical and chemical properties. However, the varying methods do not substantially alter the fundamental production process adopted by both Australian industry and exporters.

The commission considers that the locally produced goods and the goods the subject of the measures are produced using similar production processes (rolling, forming, coiling, cutting etc) and similar raw material inputs, including raw material feedstock (scrap steel and billet). This results in alike rebar when produced to the Australian standard.

3.7 Conclusion – Australian industry

Based on the commission's analysis, the Commissioner is satisfied that:

- locally produced rebar is like to the goods the subject of the measures[46]
- at least one substantial process of manufacture of rebar is carried out in Australia[47]
- the like goods are, therefore, wholly or partly manufactured in Australia by InfraBuild Steel[48]
- there is an Australian industry, consisting of InfraBuild Steel, which produces like goods in Australia.[49]

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

[47] Section 269T(3).

[48] Section 269T(2).

[49] Section 269T(4).

4 AUSTRALIAN MARKET

4.1 Finding

The Commissioner finds that the Australian market for rebar is supplied by:

- the Australian industry
- the goods subject to the measures (i.e. from China)
- imports from countries that are currently subject to separate anti-dumping measures
- imports from other countries not subject to anti-dumping measures.

The volume of imports from China has remained low since the last continuation of measures. The market size for rebar in Australia has increased overall.

While there have been some changes in the composition of participants supplying the market, the fundamental conditions of competition remain unchanged. Rebar is a commodity product where price is the primary factor in purchaser decision making.

4.2 Approach to analysis

As discussed in chapter 3, InfraBuild Steel is the sole member of the Australian industry. The analysis in this chapter is based on verified financial information submitted by InfraBuild Steel and data captured in the ABF import database[50].

The period from 1 April 2020 has been examined for the purposes of analysing trends in the Australian market for rebar and for making observations with respect to the economic condition of the Australian market.

4.3 Market structure

4.3.1 Market segmentation and end use

The commission understands that rebar is sold to several key market segments in Australia, including:

- residential construction, including swimming pool construction
- non-residential commercial construction (such as schools)
- engineering construction (including mining and infrastructure).

The commission understands that rebar is primarily purchased for:

- cutting bending and/or welding into various shapes
- sale into residential, commercial and engineering construction sectors
- used in concrete reinforcement as a tension device.

[50] **Confidential Attachment 7**.

End uses include concrete slabs, prefabricated concrete beams, columns, cages, and precast products. Most rebar is fabricated/shaped/processed in some way before end use, but there are instances where no cutting, bending, or welding is needed before use.

Straight rebar and rebar in coil share the same market segmentation, but there is some difference in processing for end-use. InfraBuild Steel has stated that straight rebar and rebar in coil of the same diameter can be used interchangeably, depending on shape required and processing equipment available.

InfraBuild Steel explained that importers of rebar in coil in Australia have specialised machines to process rebar in coil into different required shapes. With these machines, rebar in coil can be quickly processed to produce large quantities of consistent shapes. Off-coil machine processing may save on labour and processing time compared to cut and bend machines that require manual feeding. Rebar in coil also typically requires a smaller footprint for storage and transport when compared to straight rebar.

InfraBuild Steel advised that rebar in coil is typically only available in diameters up to 20 mm (due to the technical difficulties of spooling a large diameter high tensile bar). Customers will decide whether to import either form of rebar in diameters up to 20 mm depending on their equipment and the processing required.

Construction requirements for use of heavier bar with a larger diameter (up to 50 mm) necessitates the ongoing demand for straight rebar.

Straight rebar in threaded form is mostly sold to entities involved in the mining sector.

4.3.2 Supply and distribution

Local production of rebar is supplemented by imports, with distributors and end users engaging with producers from a range of countries.

Figure 1 shows the supply channels for rebar into the Australian market. InfraBuild Steel and exporters utilise the same channels to market.

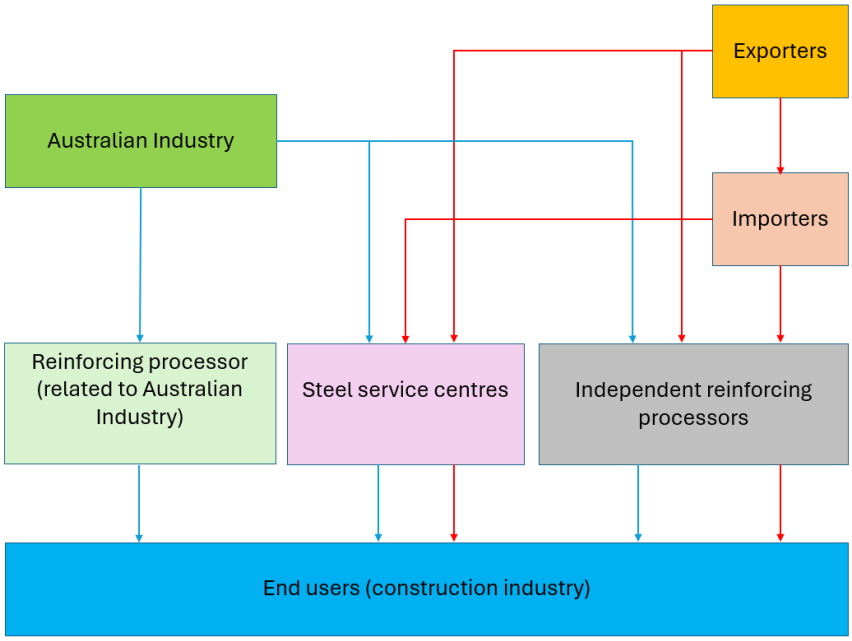

Figure 1: Supply channels into the Australian market

The Australian industry can supply rebar from stock (if available) or from scheduled production. The supply of rebar from stock can occur within two days. The supply of non-standard products or out-of-stock specifications will depend on the Australian industry's rolling schedule.

In contrast, the lead time from an exporter from order confirmation through to the receipt of the goods can range from two to three months. Exporters commonly supply standard products (500N grade) in either straight lengths or in coil as demand for these products is more predictable than non-standard products.

The Australian industry sells rebar to independent and related-party reinforcing processors and steel service centres. Rebar is despatched to customers from inventory that is held at the Australian manufacturer's mills. Once sold, it is transported via road, rail or sea freight to the customer.

4.4 Demand

4.4.1 Demand drivers

The commission understands that demand for rebar in Australia is closely aligned to the level of construction activity in Australia. Demand is therefore susceptible to changes in both government and private investment.

At a macro level, drivers of demand are availability of funds for construction works and population growth. The degree to which demand is sensitive to these broad factors can differ between market segments, and the effect of changes in demand are not necessarily experienced consistently in different market segments. There are therefore a diverse range of specific factors affecting the market segments that contribute to demand for the goods in Australia.

The commission considers that non-residential commercial construction is the main driver of demand for rebar, with demand closely aligned to the level of construction activity in Australia. InfraBuild Steel included data from the Australian Bureau of Statistics (ABS) concerning the value of building work done as part of its application.

Figure 2 shows the seasonally adjusted non-residential building work done since before the implementation of the measures. This data shows an increasing trend in the value of work done.

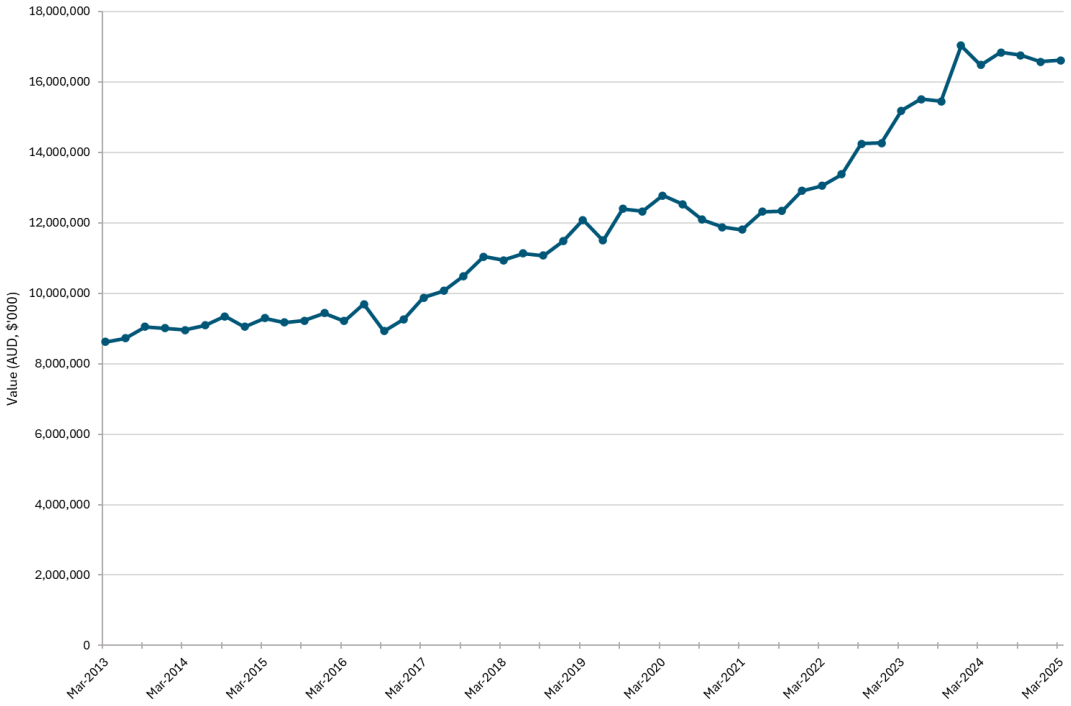

Figure 2: Seasonally adjusted non-residential building work done[51]

[51] Australian Bureau of Statistics (March 2025) 'Table 12. Value of Building Work Done by Sector, Australia' [time series spreadsheet], Building Activity, Australia, accessed 4 September 2025.

4.4.2 Demand outlook

The *Mid-Year Economic and Fiscal Outlook 2024–25* (MYEFO 24-25) forecasts that the outlook for construction demand is strengthening following a period of subdued activity.[52] In 2023–24, dwelling investment contracted due to elevated construction and financing costs, alongside persistent labour shortages in the residential construction sector. These challenges particularly affected high-density developments, where tight developer margins and cost pressures constrained new project commencements.

Looking ahead, MYEFO 24-25 forecasts that demand for new housing is expected to drive a recovery in construction activity. Dwelling investment was forecast to grow by 1% in 2024–25 and accelerate to 5% in 2025–26.[53] This growth will be underpinned by several key factors including robust population-driven housing demand, an anticipated easing in construction cost inflation, and supportive monetary policy settings.[54] Additionally, the Australian Government's $32 billion housing plan is expected to play a role in expanding the supply of new homes, further stimulating construction demand across the sector.

In the non-residential space, business investment is also expected to remain elevated, supported by strong balance sheets, high-capacity utilisation, and a substantial pipeline of non-dwelling construction projects. Although overall business investment growth is forecast to moderate slightly, rising by 1.5% in 2024–25 and 2% in 2025–26, it will remain at historically high levels.[55] Non-mining investment is projected to be the primary driver, with growth of 2.5% in 2024–25 and 2% in 2025–26, reflecting continued demand for commercial, industrial, and infrastructure developments.[56]

The commissions considers that these trends suggest a positive medium-term outlook for construction demand, with both residential and non-residential sectors poised for expansion as economic conditions stabilise, and policy support takes effect.

4.5 Market competition

Rebar used in Australia is predominantly manufactured to the Australian Standards and used in the same applications (primarily construction). There is little to differentiate rebar from different suppliers if it is to be used in the same application.

Price (including any inland transport) and lead time are the primary differentiating characteristics that rebar suppliers can offer in the Australian market. Customers frequently purchase from multiple suppliers (including InfraBuild Steel and exporters) and will reference pricing from different suppliers to obtain the best price. However, if a shorter lead time is required, customers are willing to pay extra.

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[52] The Commonwealth of Australia (2024), *Mid-Year Economic and Fiscal Outlook 2024-25*, The Commonwealth of Australia.

[53] The Commonwealth of Australia (2024), Mid-Year Economic and Fiscal Outlook 2024-25.

[54] Ibid.

[55] Ibid.

[56] Ibid.

As depicted in Figure 1, InfraBuild Steel competes with overseas manufacturers, exporters and traders, and Australian traders and importers for the sale of rebar.

4.6 Market size

The commission has estimated the size of the Australian market for each year ending 31 March (YEM) for the period 1 April 2020 to 31 March 2025.

To estimate the size of the Australian rebar market, the commission combined Australian industry's verified sales data, with information from the ABF import database. The Commissioner considers that the ABF import database to be a reliable source of data for imported rebar which is relevant and suitable for estimating the size of the Australian market.

Figure 3 illustrates the total market volume for rebar in Australia over the five-year period since the last continuation of measures. The chart shows a general upward trend indicating growing demand for rebar in Australia.

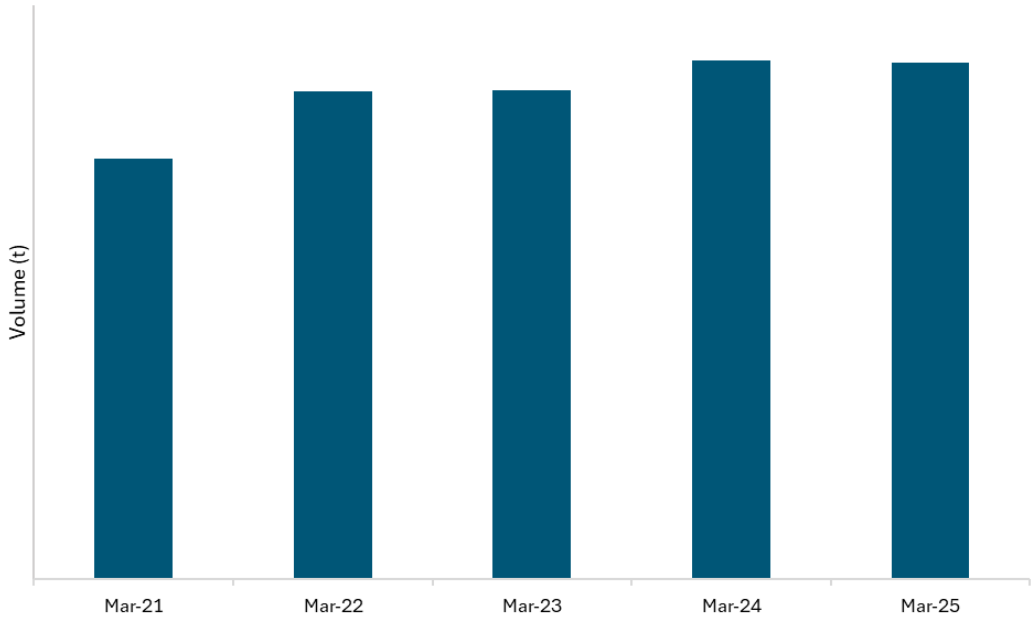

Figure 3: Estimated Australian market size

Details of the Australian market size estimate is at **Confidential Attachment 2**.

4.7 Market pricing

The commission considers that the Australian market pricing for rebar is influenced by the price of imported rebar and key price determinants such as the cost of scrap metal.

The commission has previously established that rebar is a commodity product. Provided the goods meet the relevant Australian Standard and the grade requirements for the desired end-use, there are limited ways in which suppliers can differentiate their offering beyond price and service. The commission's analysis of the landed price of imports from the wide variety of sources supplying the Australian market shows that the market for rebar is highly price sensitive.[57]

Since the measures were implemented in 2013, the Australian industry continues to apply an IPP model. Under its IPP model Australian industry negotiates pricing with customers with reference to offers made in the rebar market for imported goods.

InfraBuild Steel uses a slightly different pricing mechanism depending on the form of rebar (straight or coil). Regardless of the pricing mechanism used, InfraBuild Steel submitted that customers continue to reference price offers relating to imported rebar. This means that the price that InfraBuild Steel can achieve in the market continues to be influenced by the prices of the imported goods.

The commission notes that in prior cases it was found that InfraBuild Steel is generally able to command a small price premium for low volume product specifications. This is due to InfraBuild Steel's capacity to supply from stock holdings with shorter delivery timeframes than imported sources. Importers' capacity to supply low volume product specifications from stock holdings is generally limited to smaller quantities or across a narrower range of products. Importers tend to compete commonly in the higher volume, standard product offerings of 6 m straight lengths or coil of 500N grade. Although the pricing for standard, long-lead time products is more heavily influenced by import pricing, it is also a contributory factor in the pricing of non-standard product specifications.

[57] Refer to section 6.6.3 for further analysis.

5 ECONOMIC CONDITION OF THE AUSTRALIAN INDUSTRY

5.1 Finding

The commission has found that InfraBuild Steel has experienced a decline in its economic condition over the injury analysis period. Specifically, InfraBuild Steel has experienced a decline in:

- sales volumes and market share since YEM 2023
- price depression and suppression since YEM 2023
- profit and profitability since YEM 2023.

5.2 Background

As discussed in section 2.3, the measures are in the form of a dumping duty notice and were first applied on 13 April 2016 following the original investigation. The measures were continued for a further 5 years in April 2021 after completion of CON 560.[58]

An assessment as to whether the expiration of measures would lead, or would be likely to lead, to a continuation or recurrence of the material injury that the measure is intended to prevent involves a consideration of future outcomes based on an evaluation of the present position. To assist with that assessment, this chapter considers the economic condition of the Australian industry mainly since measures were last continued in April 2021.

The data in this report partially overlaps the period examined for CON 560 by 3 months. The Australian industry's economic condition prior to 2021 is outlined in *Anti-Dumping Commission Report No 560* (REP 560).[59]

5.3 Approach to analysis

The examination in this chapter provides the basis for the commission's analysis in chapter 6 of whether material injury is likely to continue or recur.

The commission has assessed the economic condition of the Australian industry for the period 1 April 2020 to 31 March 2025 (injury analysis period), using the verified information provided by InfraBuild Steel in this inquiry and the original investigation, and data from the ABF import database. The information relating to volume, price and profit is presented yearly for years 1 April to 31 March (YEM). The data presented for other economic factors covers up to December 2024 and is based on calendar years (unless otherwise noted).

This assessment is set out at **Confidential Attachment 3**.

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[58] EPR 560, no 12.

[59] EPR 560, no 11.

5.4 Volume effects

The commission has examined InfraBuild Steel's sales volumes, as well as the volume of imports over the injury analysis period.

5.4.1 Sales volume

Figure 4 shows InfraBuild Steel's sales volume of rebar over the injury analysis period. While sales volume fluctuated over the injury analysis period, the overall trend indicates a slight increase from the beginning to the end of the period. Sales volume peaked in YEM 2023, followed by a decline over the next two years.

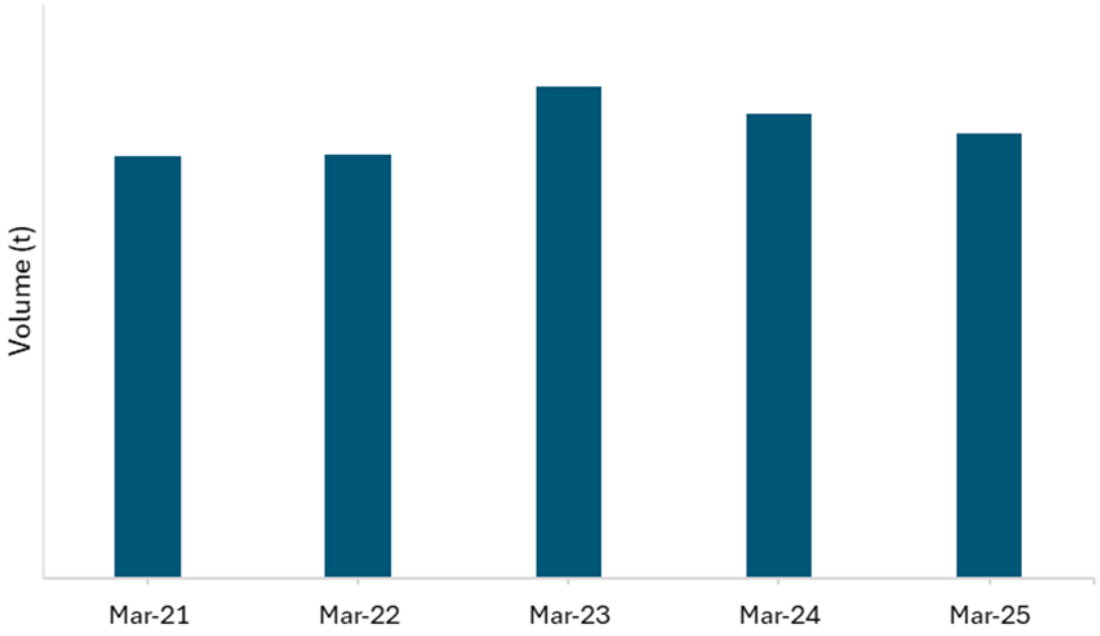

Figure 4: InfraBuild Steel sales volume

5.4.2 Market share

Figure 5 illustrates the commission's estimate of the Australian market share for various participants over the injury analysis period. This is based on InfraBuild Steel's verified sales data and ABF import data.

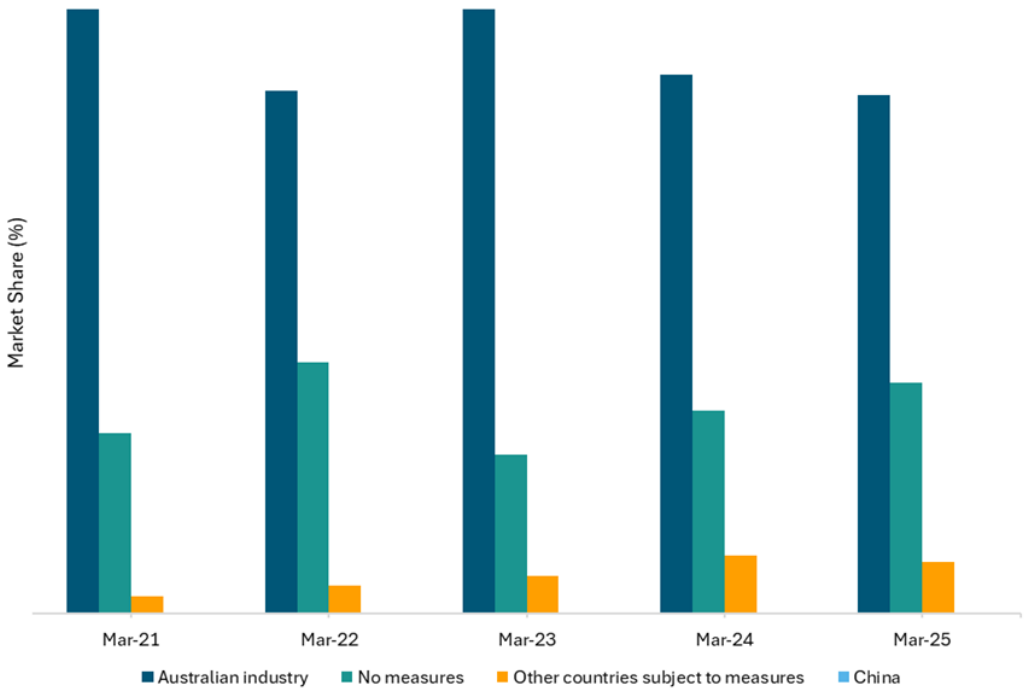

Figure 5: Australian market share

Figure 5 shows that InfraBuild Steel has, at times, experienced mixed outcomes in relation to market share in the period since YEM 2021. Overall, InfraBuild Steel's market share has decreased. Since YEM 2023, InfraBuild Steel has lost market share at a time when the Australian market increased in size. This coincides with an increase in the market share held by imports generally.

Other countries subject to measures

Other countries subject to separate anti-dumping measures include imports from Greece, Indonesia, Spain, Taiwan, and Korea. The measures applying to the Korea and Spain (excluding Nervacero S.A.) were recently continued as part of *Continuation Inquiry 660* (CON 660).[60] CON 660 also revised the applicable rates of duty for the Korea and Spain (excluding Nervacero S.A.).

[60] EPR 660, no 26, ADN 2025/102, published on 10 November 2025.

Countries not subject to anti-dumping measures

Countries not subject to anti-dumping measures during the period analysed includes imports from countries which were investigated as part of *Investigation 655*. *Investigation 655* investigated exports of rebar in straight lengths from Indonesia, Malaysia, Thailand, Türkiye, and Vietnam.[61] Measures were imposed in relation to exports from Malaysia, Thailand, Türkiye and Vietnam in December 2025[62], which is outside the injury assessment period in this chapter.

5.5 Price effects

5.5.1 Introduction

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.

5.5.2 Price depression

The commission considers that InfraBuild Steel has experienced price depression over the last two years of the injury analysis period.

The commission has examined InfraBuild Steel's unit sales revenue to assess whether InfraBuild Steel has experienced price depression. Figure 6 shows InfraBuild Steel's unit revenue over the injury analysis period.

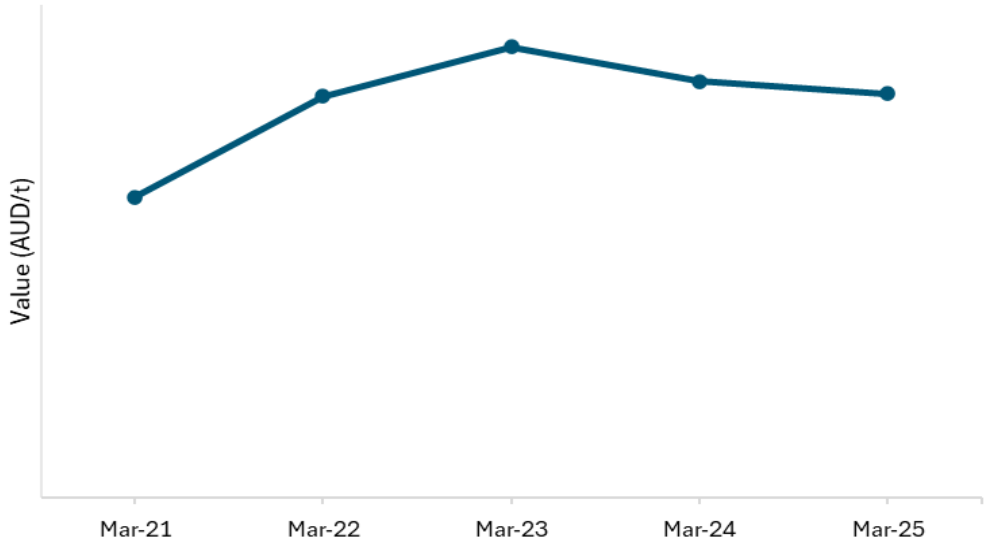

Figure 6: InfraBuild Steel unit revenue

[61] EPR 655.

[62] Investigation 655 was terminated in relation to Southern Steel Berhad from Malaysia, Hoa Phat Hai Duong Steel Joint Stock Company from Vietnam and Pt Ispat Panca Putera & Pt Putra Baja Deli from Indonesia.

InfraBuild Steel's unit revenue peaked in YEM 2023, following which revenue declined over the next two years.

5.5.3 Price suppression

The commission considers that InfraBuild Steel has experienced price suppression over the last two years of the injury analysis period

The commission compared InfraBuild Steel's unit sales revenue and CTMS to assess whether InfraBuild Steel had experienced price suppression. Figure 7 shows InfraBuild Steel's unit selling price and unit CTMS over the injury analysis period.

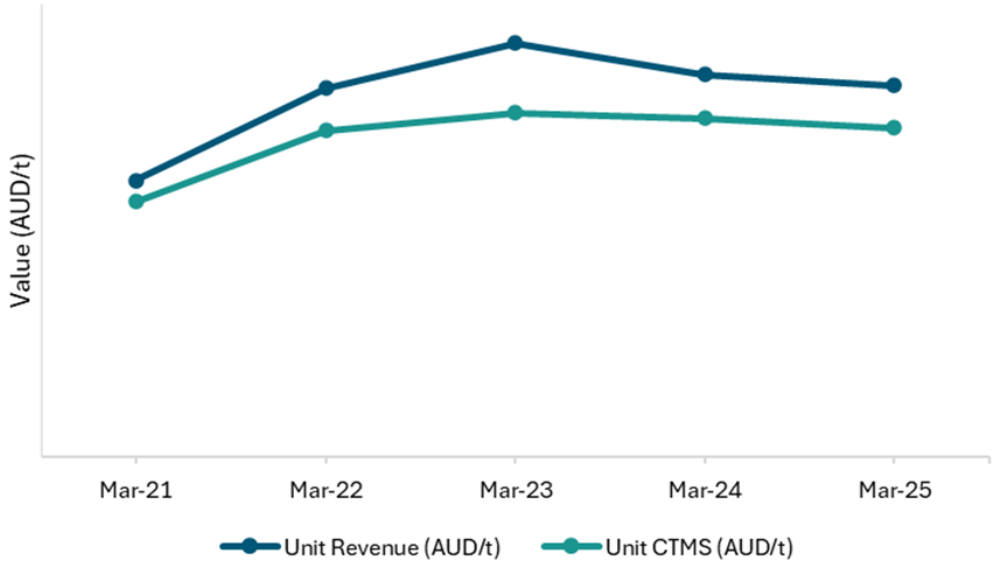

Figure 7: InfraBuild Steel unit selling price and CTMS

InfraBuild Steel's unit sales revenue exceeded unit CTMS across the entire injury analysis. Unit pricing grew at a faster rate than unit CTMS over the first three years, peaking in YEM 2023. However, this margin narrowed again in the final two years as both unit revenue and unit CTMS declined.

5.6 Profits and profitability

The commission considers that InfraBuild Steel has experienced a decline in profit and profitability since YEM 2023.

Figure 8 shows InfraBuild Steel's profit and profitability over the injury analysis period.

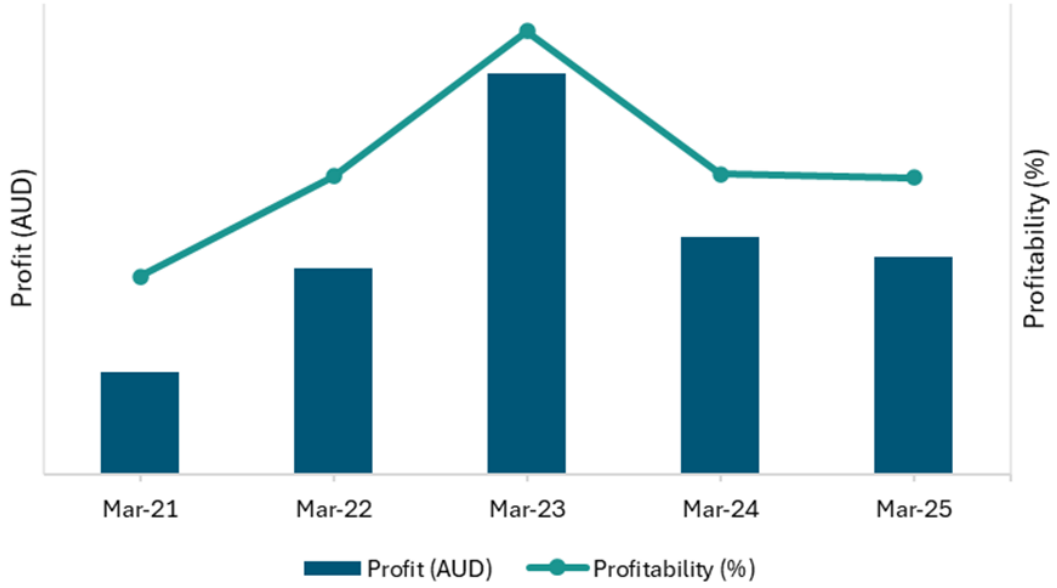

Figure 8: InfraBuild Steel profit and profitability

InfraBuild Steel achieved net profit and profitability in each year of the analysis period, with strongest result in the YEM 2023. InfraBuild Steel experienced a sharp decline in profitability going into YEM 2024, followed by a minor drop in year ending YEM 2025.

5.7 Other economic factors

The commission considers that InfraBuild Steel has continued to experience injury in some economic factors. The commission notes, however, that it has seen an improvement in many other economic factors following the imposition of the measures.

InfraBuild Steel provided information on a range of other economic factors to further underpin data submitted in its application to this inquiry. This is reflected in Table 12.

Other Economic Factors	2020	2021	2022	2023	2024
Capital investment ($)	100	149	187	462	657
Assets ($)	100	109	138	158	190
Revenue ($)	100	131	170	169	146
Return on investment (%)	100	246	305	209	123
Maximum capacity (tonnes)[63]	100	101	103	102	102
Capacity utilisation (%)	100	112	108	107	88
Employment (headcount)	100	111	165	176	179
Wages ($)	100	99	116	123	126
Productivity (tonnes per shift)*	100	100	103	102	104
Closing stock (tonnes)	100	183	162	209	200
Financing costs ($)	100	163	425	573	828
Receivables turnover	100	108	140	157	98
Inventory days on hand	100	107	142	155	137
R&D expenditure ($)[64]	100	90	135	119	299

Table 12: Summary of InfraBuild Steel's other economic factors

The commission has made the following observations concerning InfraBuild Steel's other measures of performance in relation to the production and sale of rebar over the injury analysis period.

- capital investment and assets used in the production of like goods increased
- finance expenses showed a significant increase.
- capital utilisation was stable over 4 years before falling in the last year.
- employment increased overall, and wages similarly grew.
- increases in closing stock and inventory days on hand may indicate slowing sales.

[63] Rod and bar production (includes goods other than rebar).

[64] Data for years 1 July to 30 June.

6 LIKELIHOOD THAT DUMPING AND MATERIAL INJURY WILL CONTINUE OR RECUR

6.1 Finding

The Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or recurrence of dumping and the material injury that the measures are intended to prevent.

After considering the commission's analysis and findings, the Commissioner is satisfied that the following is likely to occur if the measures expire.

Chinese exporters will continue exporting the goods and volumes are likely to increase because:

- they have demonstrated a change in behaviour in response to the measures
- they have maintained distribution links, and can re-establish previous links
- they maintain ACRS certification
- they maintain spare production capacity
- there is excess capacity within China
- Australia is an attractive export destination.

Dumping will likely continue or recur because:

- exports from China were likely dumped in the inquiry period
- Chinese exporters have historically exported at dumped prices
- Chinese exporters will likely lower export prices to compete with exports from other countries in the absence of measures.

Material injury that the measures are intended to prevent will likely continue or recur because:

- The goods subject to the measures will likely undercut InfraBuild Steel if the measures expire.
- InfraBuild Steel has considerable regard to import pricing through its IPP model. Consequently, it is likely that Australian industry would be required to respond to lower Chinese exporter prices when setting its own prices. This will likely result in further price suppression and/or depression for InfraBuild Steel, further impacting profit and profitability.
- Imports have been eroding InfraBuild Steel's sales volumes and market share.
- Imports of the goods subject to the measures are likely to increase if the measures expire which will likely further erode InfraBuild Steel's sales volumes and market share.

6.2 Legislative framework

Under section 269ZHF(2) the Commissioner must not recommend that the Minister take steps to secure the continuation of measures unless they are satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the measure is intended to prevent.

The commission notes that its assessment of the likelihood of certain events occurring and their anticipated effect, as is required in a continuation inquiry, necessarily requires an assessment of a hypothetical situation. The commission must consider what will happen (or what would be likely to happen) in the future should a certain event, being the expiry of the measures, occurs. However, the Commissioner must nevertheless base their conclusions and recommendations on facts.[65]

6.3 The commission's approach

The commission considered several relevant factors to assess the likelihood that dumping and material injury will continue or recur, as outlined in the Manual.[66] The commission's view is that the relevance of each factor varies depending on the nature of the goods and the market into which the goods are sold. In this instance, no one factor can provide decisive guidance. The following analysis therefore examines a range of factors that the commission considers relevant to this inquiry.

6.4 Australian industry claims

In its application, InfraBuild made the following claims regarding the continuation or recurrence of injury of the goods subject to the measures:

- exporters from China have maintained ACRS certification necessary to supply via their original distribution networks in Australia
- exporters of the goods from China have demonstrated excess production capacity of rebar, and are expected to continue to seek other markets for this product including Australia
- strong demand for rebar in Australia makes it an attractive destination for exporters
- Australian consumers of rebar are highly sensitive to price and the Australian industry's prices for rebar sold into the Australian market are mainly influenced by price competition from importers.

The commission has considered InfraBuild Steel's claims in its analysis below.

6.5 Are exports likely to continue or recur?

The commission considers that, should the measures expire, exports from China are likely to continue and volumes are likely to increase. This finding is based on the following significant factors:

- The Australian market remains an attractive destination for exporters, as demonstrated by the import volumes from large range of countries
- Exporters from China have demonstrated a change in behaviour in response to the measures.
- Anti-Dumping measures in general have influenced patterns of trade in the Australian market.

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[65] ADRP Review 2016/44, *Anti-Dumping Review Panel Report no 44*, para 37.

[66] The Manual, Chapter 35.

- Exporters from China have maintained limited distribution links with the Australian market and have the capacity to re-establish previous distribution links if the measures expire.
- Exporters from China maintain ACRS certification.
- Spare production and excess capacity exists in China, which could be directed to Australia if the measures expire.
- Anti-dumping and trade measures in other jurisdictions likely make Australia a more attractive market if the measures were to expire.

In reaching these findings, the commission has assessed:

- import volumes
- maintenance of distribution links
- ACRS accreditation
- spare production capacity and excess capacity
- availability of other markets.

6.5.1 Import volumes

The commission assessed import volumes from all sources from 1 April 2013, before any measures on rebar were imposed. The pattern of trade observed before and after the imposition of various measures and the effect the measures had on import volumes are discussed below.

Figure 9 shows imports from China and the quarter that securities (PAD 300) and the measures (REP 300) were imposed.[67]

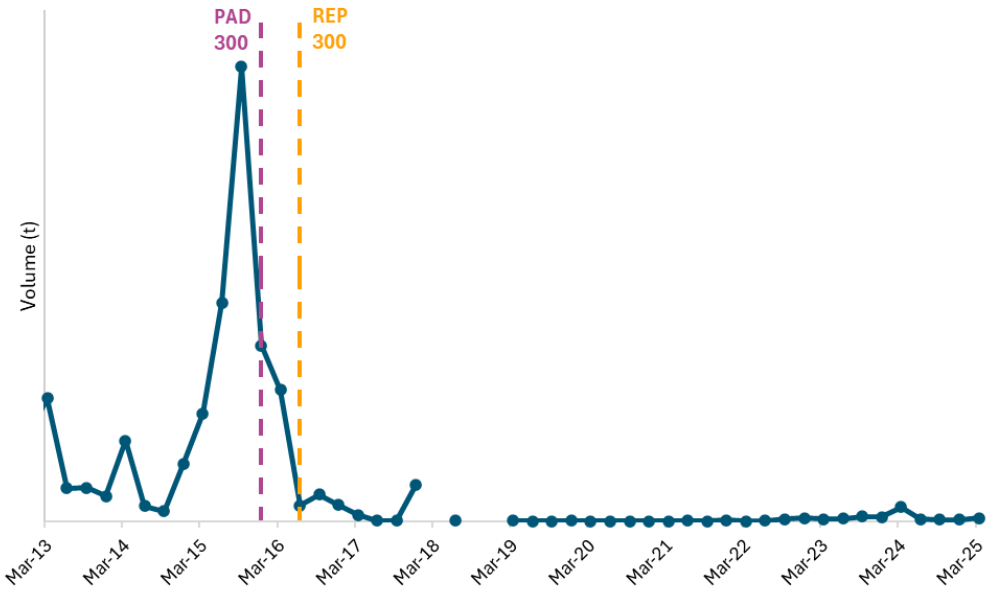

Figure 9: Imports from China

[67] Securities were imposed on 21 December 2015 (ADN 2015/151). Measures were imposed on 13 April 2016 (ADN 2016/39).

Figure 9 illustrates that exports from China have virtually ceased since measures were introduced in April 2016 (REP 300). However there has continued to be exports of the goods from China, albeit in small quantities. Chinese exports of rebar had a strong presence in the Australian market through to March 2016, peaking in September 2015. In the December 2015 quarter, PAD 300 was implemented leading to a sharp drop in imports compared to the peak in the previous quarter.

Figure 10 shows the quarterly export volumes from China, other countries subject to measures, and all other countries not subject to measures over the analysis period. The commission has also indicated the quarters in which respective measures were imposed.

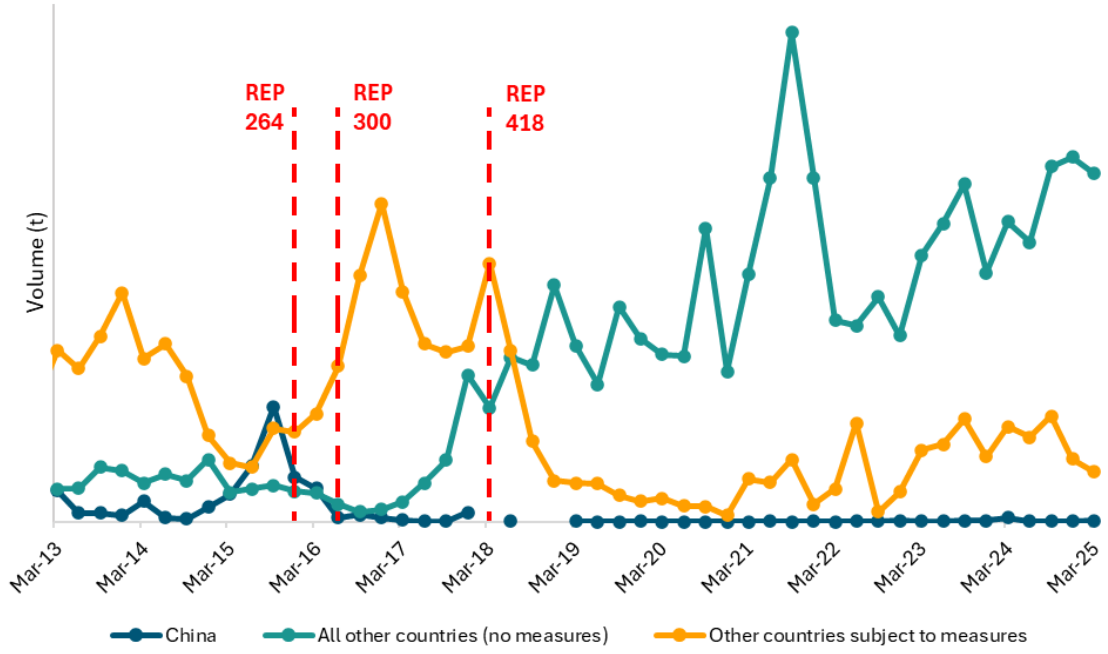

Figure 10: Quarterly export volumes of rebar

Figure 10 illustrates the impacts on trade flows of the goods from various countries following the imposition of measures. As detailed, importers switched their sources of supply in response to the measures and other changes in relative pricing. This observed behaviour also suggests that importers can quickly switch between sources of supply, and can source rebar from different suppliers and countries, including suppliers and countries where they may not have previously sourced the goods. This is particularly so for steel traders that operate under tight trading margins. For steel traders, price is the primary factor in purchasing decisions, noting that these steel traders are not bound by exclusive or long-term contracts and typically source rebar from multiple suppliers and/or countries.

The commission's analysis demonstrates that measures have influenced import volumes and patterns of trade into the Australian market. The commission considers that the changes in the pattern of trade are a direct result of the price sensitivity in the Australian market. Exporters subject to measures have generally only exported significant volumes when at dumped prices, due to the price advantage from dumping. The fact that new supply sources have quickly emerged following the imposition of measures indicates that Australia is an attractive market for exporters of rebar, and that importers can alter their supply channels in response to the imposition of measures or other changes in relative pricing in the market.

The commission's assessment of import volumes is at **Confidential Attachment 4**.

6.5.2 Maintenance of distribution links

In its application to continue the measures, InfraBuild Steel claimed that exporters from China have maintained distribution links to the Australian market.

The commission considers that if the measures were to expire, importers (particularly steel traders) supplying the Australian market would be able to readily re-establish trade relationships with exporters from China.

As detailed in section 6.5.1, importers have switched their sources of supply in response to the measures and other changes in relative pricing. This observed behaviour indicates that importers can quickly switch between sources of supply. Importers can source rebar from different suppliers and countries, including suppliers and countries where they might not have previously sourced the goods.

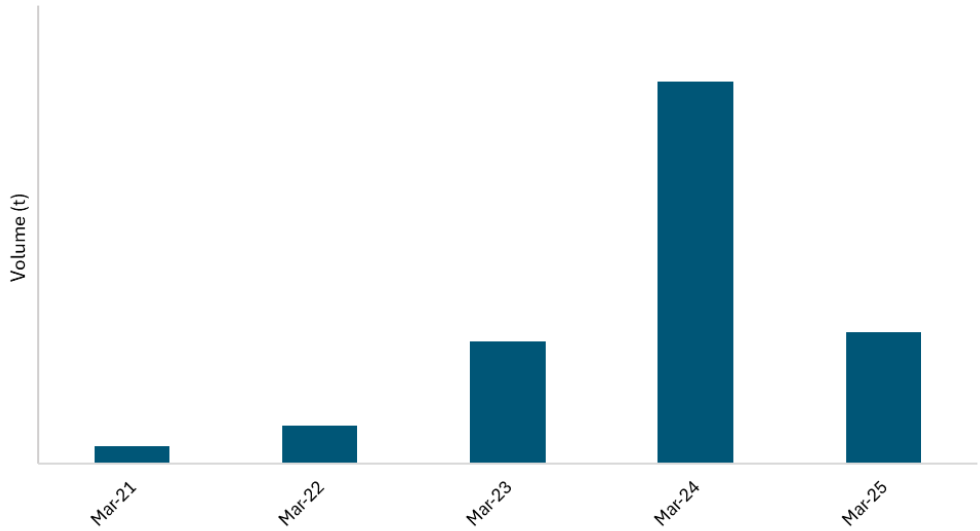

Figure 11 shows imports of the goods from China following the previous continuation. As shown in Figure 10, the import volumes are considerably lower than the volumes prior to measures being imposed. However, these continued smaller export volumes indicate that some distribution links have been maintained between Chinese exporters and the Australian market.

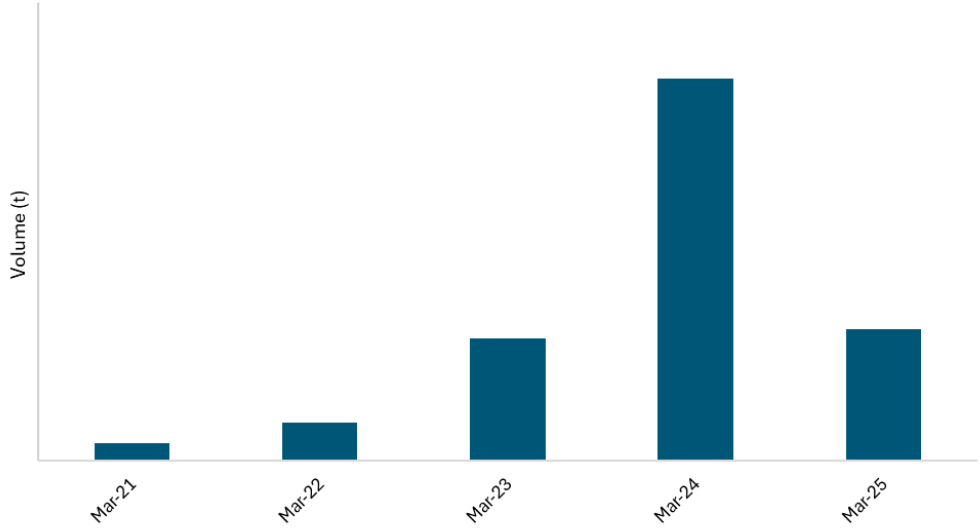

Figure 11: Chinese export volumes following previous continuation

The commission considers that importers could access existing distribution links or readily re-establish previous distribution links with Chinese exporters if the measures expire.

6.5.3 ACRS certification

ACRS certification is for a 12-month period, and each certified exporter must demonstrate to ACRS that it has maintained conformity with the standards to be recertified each year.

The commission reviewed the ACRS certification register[68] and found that 3 exporters of rebar (in straight or bar form) from China have obtained and maintained current ACRS certification.

- Jingye Iron and Steel Co Ltd[69]
- HBIS Company Ltd., Chengde Branch[70]
- Shiu Wing Steel Limited[71]

[68] ACRS, Check Certificates, 20/01/2026.

[69] Certificate no 150802. First Certified: 31/08/2015. Valid until 31/12/2026.

[70] Certificate no 170903. First Certified: 05/09/2017. Valid until 31/12/2026.

[71] Certificate no 211202. First Certified: 17/12/2021. Valid until 31/12/2026.

Given the requirements placed on exporters to maintain ACRS certification, the commission considers it reasonable to conclude that exporters with ACRS certification intend to continue to supply the Australian market or would likely continue to supply the Australian market if the measures should expire. The commission also notes that the ACRS website lists several exporters from China that formerly held an ACRS accreditation in relation to rebar in straight and coil form but had their certificates terminated either for non-compliance or for being non-producers. It is possible that some of these exporters, or new exporters (such as Echeng who participated in this inquiry) could apply for ACRS accreditation should the measures expire.

6.5.4 Spare production capacity and excess capacity

The commission considers that Chinese exporters have significant spare production capacity, and that this could be utilised to increase exports to Australia if the measures expire.[72]

The commission analysed the spare production capacity for Echeng, the only exporter that cooperated with this inquiry. The commission determined that Echeng had significant excess capacity during the inquiry period.

The commission has also examined excess capacity as part of its consideration of whether a particular market situation (PMS) exists in the Chinese rebar market in **APPENDIX A**.[73] As part of that assessment, the commission has found that Chinese steel producers have significant excess capacity. This excess capacity has resulted in increasing exports of finished steel products from China, including rebar (Figure 14).

Based on the available information, the commission considers it is reasonable to infer that this spare production capacity extends to uncooperative exporters from China.

6.5.5 Attractiveness of Australia as an export destination

The commission considers that the trade measures in other jurisdictions and high demand for rebar in Australia indicates that Australia will likely become a more attractive export market to exporters in China if the measures expire.

Trade measures in other jurisdictions

InfraBuild outlined in its application[74] that anti-dumping measures have also been imposed on exports of the goods from China by:

- Canada
- the Dominican Republic
- Pakistan
- the United Kingdom

[72] The commission has defined spare capacity as the difference between an exporter's capacity utilisation and nameplate capacity.

[73] Excess capacity is defined by the Global Forum on Steel Excess Capacity (GFSEC) as the gap between demand for steel and the capacity to produce steel.

[74] EPR 696, no 1.

- the United States.

InfraBuild also noted in its application the imposition of other trade measures on Chinese exporters, such as the section 232 tariffs.[75] Since March 2025, Chinese exporters have also been subject to additional tariffs on exports to the US market. Additionally, in 2024 the European Union extended safeguards measures on certain steel products for a further two years until June 2026.

In addition to anti-dumping or safeguard measures, the commission notes that other jurisdictions are imposing measures such as the EU's Carbon Border Adjustment Mechanism (CBAM). The purpose of the CBAM is to account for embedded carbon emissions in imported products.[76] At a high-level, the CBAM will impose a tariff on imports of certain products (including steel) which have high levels of embedded emissions. There is also a lengthy administrative process for importers to identify and report the levels of direct and indirect emissions in the products they import. The full CBAM is due to take effect in the EU on 1 January 2026. The commission considers that the introduction of the CBAM will likely reduce the attractiveness of exporting to the EU, particularly from China where the majority of steel production is carbon intensive.

The commission notes that there has also been considerable volatility and uncertainty in relation to recent US trade policy and that the longer-term impact of these policies may take some to time to unfold.

As detailed in sections 6.5.2 and 6.5.4 above, Chinese exporters maintain distribution links to Australia and have significant spare production capacity. Noting these factors, the commission considers that anti-dumping and other trade measures applying in other jurisdictions may result in Chinese exporters seeking alternative export markets or increasing volumes into existing export markets. The commission considers that trade measures in other jurisdictions mean that Australia will likely become a more attractive export market if the measures expire.

Demand for rebar in Australia

As detailed in section 4.4, the commission considers that demand for rebar in Australia will likely increase in the medium-term, based on construction demand. This increasing demand is in part evidenced by the increased volumes of imports. Further, the commission considers that Echeng's participation in this inquiry and in REV 676 indicates that there is demand for rebar from China. The commission considers that the demand for rebar in Australia supports a finding that imports are likely to continue if the measures expire.

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[75] The import tariffs imposed on aluminium and steel under section 232 of the *Trade Expansion Act of 1962* (USA) in 2018.

[76] European Commission (EC), *Carbon Border Adjustment Mechanism*, EC, n.d., accessed 19 November 2025.

6.6 Will dumping continue or recur?

The commission considers that the expiry of the measures would be likely to lead to a continuation of dumping of the goods from China. This finding is based on the following significant factors:

- Exports from China were dumped during the inquiry period.
- Exports from China have been at consistently dumped prices for the duration of the measures.
- The price sensitive nature of the Australian market promotes a high level of price competition between exports.
- If exports from China were to resume in higher volumes, they would likely be at dumped prices to compete with exports from other countries.

In coming to these findings, the commission has assessed:

- dumping in the inquiry period
- previous dumping margin assessments
- an assessment of the competitiveness of Chinese prices.

6.6.1 Assessment of likelihood of dumping during the inquiry period

The commission found that exports of the goods from China to Australia were dumped during the inquiry period.

The commission received only one REQ, from Echeng. As Echeng did not export the goods to Australia during the inquiry period, the commission has used other information in its assessment of whether exports were dumped.

The commission has found that exports from China by all exporters (other than Echeng) were dumped at a rate of 23.7%. The commission's assessment is based on the changes to the export price and normal value for uncooperative exporters. These changes are outlined in chapter 7.

6.6.2 Previous dumping margin assessments

The commission considers that the past behaviour of dumping by exporters from China is an indicator that dumping is likely to continue if the measures expire.

Table 13 summarises the history of dumping margins associated with each exporter and uncooperative and all other exporters from China.

Exporter	Investigation 300	Review 411/412/423	Review 467	Review 563
Shandong Shiheng Special Steel Group	15.3%	No change	All exporters reverted to uncooperative and all other exporters rate	All exporters reverted to uncooperative and all other exporters rate
Shandong Iron and Steel Company Limited, Laiwu Company	16.4%	No change		
Jiangsu Yonggang Group Co. Ltd.	11.7%	6.1%		
Hunan Valin Xiangtan Iron & Steel Co. Ltd.	15.2%	19.7%		
Jiangsu Shagang Group Co. Ltd.	N/A	12.3%		
Uncooperative and all other exporters	30.0%	No change	22.7%	19.0%

Table 13: Previous dumping margin assessments

The commission has found that dumping margins for Chinese exporters have remained consistently material over the life of the measures. While some exporters were individually assessed in earlier reviews, all exporters reverted to the uncooperative and all other exporters rate following *Review 467*.

The general trend in the 'uncooperative and all other exporters' assessment shows a gradual decline over time, from 30% in *Investigation 300* to 19% in *Review 563* (REV 563). However, the margins remain materially significant, supporting a finding that dumping is likely to continue if the measures expire.

6.6.3 Estimate of competitiveness of Chinese prices

As noted in chapter 4, the Australian market is supplied by exports of rebar from numerous countries. The commission has undertaken a comparison of prices across a sample of different import sources to inform its findings about the likelihood of dumping continuing by exporters from China should the measures expire.

The commission's sample included the 5 largest exporting countries by volume since the measures were last continued. Exports from these countries collectively represented almost 70% of exports from year ending March 2021 to 2025.

Figure 12 shows the volume of imports of rebar from the 5 largest exporting countries, plus China.

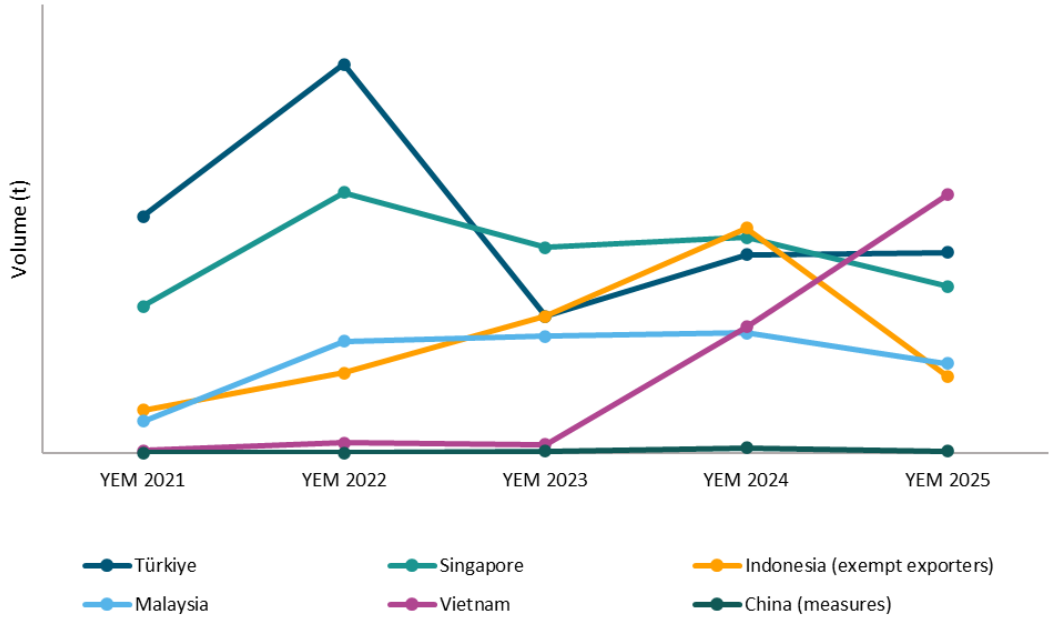

Figure 12: Volume of imports for top exporting countries

Figure 12 shows that Turkey and Singapore were consistently the largest contributors, followed by Indonesia and Malaysia. Vietnam exhibited substantial growth following the year ending March 2023. The commission considers that, in the absence of measures, China would be competing in a market already supplied by a diverse group of exporters. This context is important to understanding the potential impact of price competition and the likelihood of continued dumping should the measures expire.

To assess the impact of price competition, the commission compared the landed (duty inclusive) export price for China to the export prices at the same terms for the 5 largest exporting countries over the inquiry period. For the purposes of assessing relative price competitiveness, the commission considers the landed (duty inclusive) export price the most appropriate basis. This price is representative of the cost an importer will incur in having the goods delivered to the port in Australia regardless of the source. As this price also includes any applicable dumping duties, it reflects an effectively undumped price in relation to China.

The commission found that landed prices were closely aligned, except for Vietnam. Prices from Vietnam emerged as the lowest prices in the last two quarters of the inquiry period. This coincided with an increase in imports from Vietnam. The commission considers that the narrow range of prices across the largest exporting countries and the increase in imports from Vietnam in response to its lower prices supports a finding that the Australian rebar market is price sensitive.

Across the inquiry period, China consistently recorded higher landed prices relative to the top 5 exporting countries. The commission considers that the higher landed prices coupled with the low import volumes (Figure 10) indicates that undumped exports from China are not competitive with prices from other sources. The commission considers that Chinese exporters will have a strong commercial incentive to reduce export prices further to regain market share if the measures expire.

The commission also compared landed prices excluding duty to assess Chinese prices if the measures expire. The commission found that Chinese landed prices excluding duty were around the middle of the pricing from the 5 largest exporting countries. The commission considers that this indicates that Chinese exports would be more competitive if the measures expire. The commission notes that this assessment is based on the current rate of duty applying to exports from China (19%). In section 6.6.1, the commission has found that Chinese exports were dumped during the inquiry period at a higher rate (23.7%). The commission considers that this increased level of dumping would have further increased the competitiveness of Chinese exports if the dumping was not remedied.

The price sensitive nature of the Australian market promotes a high level of price competition between exports. Based on the finding of dumping during the inquiry period, the commission considers that any reduction in export prices to improve the competitiveness of Chinese exports relative to other supply sources is likely to lead to a continuation of dumping at higher margins. Therefore, the commission considers that dumping is likely to continue if the measures expire.

The commission's assessment of import pricing is set out in **Confidential Attachment 9**.

6.7 Will material injury continue or recur?

The commission considers that the expiry of the measures would be likely to lead to a continuation of or a recurrence of material injury that the measures are intended to prevent. This finding is based on the following significant factors:

- Rebar is a commodity market where price is a key factor in customer's purchasing decisions.
- Export volumes from China will likely increase if the measures expire.
- The likely increase in imports from China if the measures expire will likely result in lost market share and sales for InfraBuild Steel.
- Exports from China will likely undercut InfraBuild Steel's selling prices if the measures expire.
- The expiry of measures would provide exporters from China with a price advantage in a price sensitive market.

- InfraBuild Steel has considerable regard to import pricing through its IPP model. Consequently, it is likely that Australian industry would be required to respond to lower Chinese exporter prices when setting its own prices. This will likely result in further price suppression and/or depression for InfraBuild Steel, further impacting profit and profitability.

In reaching these findings, the commission has assessed:

- the likely effects of Chinese exports on InfraBuild Steel's prices if the measures expire
- the likely effects of Chinese exports on InfraBuild Steel's sales volumes if the measures expire
- other injury factors.

6.7.1 Pricing analysis

The commission considers that InfraBuild Steel is likely to experience a continuation of price related injury if the measures expire.

The commission has previously established that the price of imported goods has an influence on the price levels that Australian industry can achieve.[77] To inform its consideration of the likely effect on prices should the measures expire, the commission undertook a pricing analysis using two methods to estimate the Free Into Store (FIS) price of imported rebar at an equivalent level of trade to that of the Australian industry.

For the first method, the commission used:

- landed import prices from ABF import data for Chinese imports of rebar, less any dumping duty
- InfraBuild Steel's verified delivery costs
- verified importer SG&A from CON 660.[78]

For the second method, the commission used:

- third-party data for Free On Board (FOB) rebar prices from China, based on the HRB400 standard (approximately 400 MPa yield strength) for 12 mm and 20 mm diameters
- weighted quarterly average ocean freight and marine insurance costs from ABF import data for Chinese imports of rebar
- InfraBuild Steel's verified delivery costs
- verified importer SG&A from *Continuation 660*.

[77] Anti-Dumping Commission Report no 300 and Anti-Dumping Commission Report no 560.

[78] The commission did not have any importer cooperating in this inquiry. CON 660 also involves rebar. The commission did not include an amount for importer profit as importers were found to be unprofitable in CON 660.

These constructed FIS prices were then compared to the Australian industry's prices for equivalent rebar sizes and grades. The commission's undercutting analysis indicated that, in the absence of measures, imported goods from China would likely be priced below InfraBuild Steel's prices. For 12 mm rebar, constructed FIS prices were consistently lower than InfraBuild Steel's prices across all four quarters examined. The undercutting was even more pronounced for 20 mm rebar, where constructed FIS prices were substantially below InfraBuild Steel's prices throughout the inquiry period. FIS prices derived from ABF import data also showed undercutting in most quarters, although in the third quarter ABF-based prices exceeded InfraBuild Steel's prices for both 12 mm and 20 mm rebar.

During the verification, InfraBuild Steel provided the commission with evidence that the price of imports had negatively impacted its negotiations with customers. InfraBuild Steel also provided evidence that it had to lower its prices in response to imports more generally. This evidence is set out in **Confidential Attachment 5**.

On the basis that the commission has established that InfraBuild Steel's customers utilise import prices to negotiate price, the commission considers it likely that the price of rebar from China would also be referenced by InfraBuild Steel's customers if the measures expire.

The commission considers that it is likely that price undercutting by Chinese exports will resume in the absence of measures. Furthermore, the margin of undercutting could widen with the removal of duties on China in a competitive, price-sensitive market. Under such conditions, the Australian industry is likely to experience continued price suppression or depression under these circumstances, and with it, a material reduction in revenue and profit.

The data and analysis related to price undercutting is set out in **Confidential Attachments 6 and 8**.

6.7.2 Sales analysis

The commission considers that InfraBuild Steel is likely to experience further reductions in sales volumes and market share if the measures expire.

The commission identified at section 6.5.1 and 6.6.3 that:

- Chinese export volumes declined significantly following the introduction of the measures
- importers have demonstrated flexibility in sourcing, quickly switching supply channels in response to measures and price changes
- trade patterns and import volumes are strongly influenced by price sensitivity in the Australian market.

This analysis supports the commission's view that price remains the key driver of purchasing decisions in the Australian market. Importers have shown a consistent ability to adjust their sources of supply in response to anti-dumping measures and shifts in relative pricing.

Despite changes in trade patterns resulting from the imposition of measures, the underlying conditions of competition in the Australian market have not materially changed. Price continues to be the primary factor influencing buyer behaviour, and the commission considers that, if measures were to expire, dumped goods from China would likely regain a competitive price advantage. This would be expected to result in increased import volumes from China and a shift in purchasing behaviour toward lower-priced imports.

Figure 13 illustrates the movements in the market share of Australian industry and imports compared to the overall Australian market size since the measures were last continued.

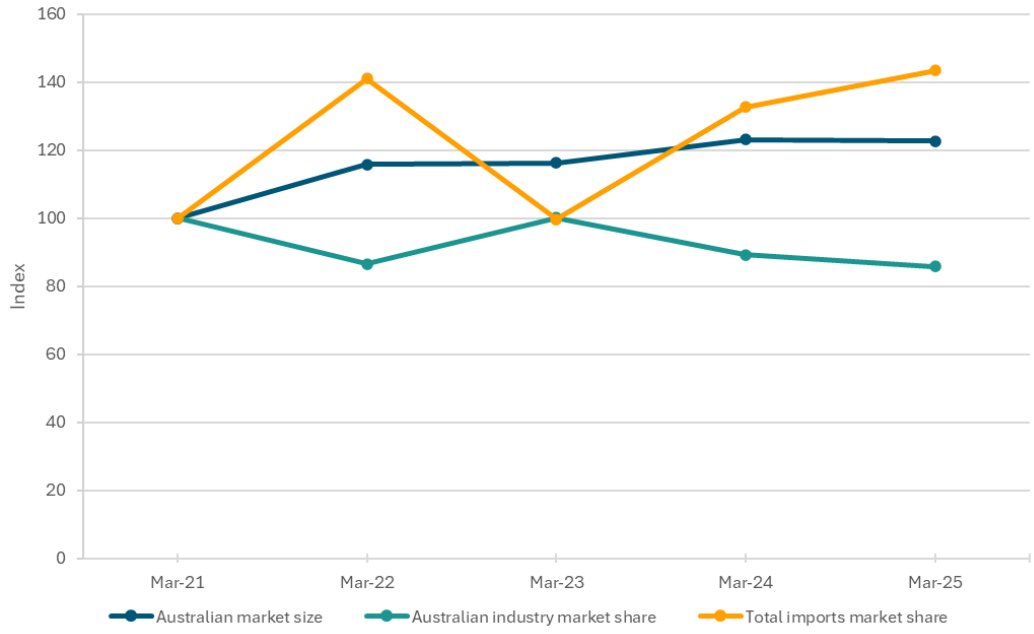

Figure 13: Movement in market share and market size

Figure 13 demonstrates that the Australian industry has lost market share at a time when the Australian market is increasing in size. This market share has instead been taken up by imports. The commission considers that this indicates that demand for rebar is increasing, but the Australian industry is unable to capitalise on this increased demand.

Given China's previously demonstrated capacity to supply significant volumes at lower prices, the absence of measures would likely lead to further competition and downwards pressure on pricing. This would likely result in InfraBuild Steel being vulnerable to losing further sales volume and market share to dumped imports from China.

The commission's assessment of the movements in market share and size is set out in **Confidential Attachment 2**.

6.7.3 Other injury factors

The commission examined whether the existence of other factors could effectively sever the link between the expiration of the measures on the one hand, and a likely recurrence of material injury on the other.

As detailed in section 6.5.1 of this SEF, Chinese exports of rebar had a strong presence in the Australian market until the introduction of the measures in April 2016. Following that, import volumes from China declined significantly and have remained low. The commission's analysis of trade flows shows that importers have responded to the imposition of measures and changes in relative pricing by switching supply sources, particularly among steel traders who operate on tight margins and are not bound by long-term contracts. This behaviour reflects the price-sensitive nature of the Australian market and the ability of importers to adjust sourcing strategies quickly.

The commission accepts that the presence of imports from other sources not subject to measures may continue to exert competitive pressure on the Australian industry. This includes imports from countries examined as part of *Investigation 655*. However, the existence of other contributing factors does not negate the injury that the industry is likely to experience from the increased volumes of dumped exports from China. While injury caused by other factors should not be attributed to dumping from China, it is also noted that dumping need not be the sole cause of injury for the commission to find the likelihood of material injury.

The commission's analysis has demonstrated the price sensitive nature of the Australian market and the ability of importers to adjust sourcing in response to pricing advantages. The contraction in Chinese import volumes following the imposition of measures demonstrated that exporters were unable to maintain competitiveness once dumping was remedied by the measures.

The commission therefore considers that if the measures expire, exporters from China would again benefit from a price advantage from dumping. The commission considers that the Australian industry will still face competition from exports from other sources as it did during the inquiry period. However, the commission considers that if the measures expire, the presence of dumped exports from China will likely result in significant downwards pressure on prices to the material detriment of the Australian industry.

7 VARIABLE FACTORS – EXPORT PRICE AND NORMAL VALUE

7.1 Finding

The Commissioner finds that the export price and normal value, variable factors relevant to the determination of dumping duties payable under the *Customs Tariff (Anti-Dumping) Act 1975* (Cth) (the Dumping Duty Act), have changed since last ascertained for:

- Echeng
- Uncooperative and all other exporters.

The Commissioner recommends to the Minister that the dumping duty notice have effect as if a different export price and normal value had been ascertained for exporters.

7.2 Legislative framework

7.2.1 Continuation inquiries

Under section 269ZHF(2), the Commissioner must not recommend that the Minister take steps to secure the continuation of the measures unless the Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, dumping. The existence of dumping during the inquiry period may be an indicator of whether dumping may occur in the future.

If the Commissioner recommends that the Minister takes steps to secure the continuation of the measures, the Commissioner must decide whether the notice should be altered. The Commissioner may recommend one or more of the following:

(i) that the notice remain unaltered
(ii) that the notice cease to apply to a particular exporter or to a particular kind of goods, or
(iii) that the notice have effect in relation to a particular exporter or to exporters generally, as if different variable factors had been ascertained.

7.2.2 Variable Factors

The variable factors relevant to the determination of dumping duties payable under the Dumping Duty Act are export price, normal value and the NIP.

- **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 exported to Australia otherwise than by the importer, and have been purchased by the importer from the exporter in arms length transactions.

  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 'arm's 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, the export price is determined having regard to all relevant information.

- **Normal value** is determined under section 269TAC.

  Section 269TAC(1) states 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.

  However, if the Minister is satisfied that normal value cannot be ascertained under section 269TAC(1) because of one of the circumstances set out in sections 269TAC(2)(a) or (b), such as where there is an absence or low volume of relevant sales of like goods in the market of the country of export, or there is a particular market situation such that the sales in that market are not suitable for determining a price the normal value of the goods is to be calculated through either a constructed normal value under section 269TAC(2)(c) or using prices of like goods exported to a third country under section 269TAC(2)(d).

  If the Minister is satisfied that sufficient information has not been furnished or is not available to enable the normal value of goods to be ascertained under the preceding sections (other than section (5D)), the normal value of those goods is such amount as is determined by the Minister having regard to all relevant information under section 269TAC(6).

- **Dumping margins** are worked out under section 269TACB.

- **Uncooperative exporters:** Section 269TACAB(1) sets out the provisions for calculating export prices and normal values for uncooperative exporters. Export prices are to be worked out under section 269TAB(3) and normal values are to be calculated under section 269TAC(6).

7.3 Variable factors

The commission assessed the variable factors or Echeng and uncooperative exporters.

Assessments of the variable factors applying to Echeng have been completed in both this inquiry and in REV 676. Aside from not assessing the low volume exporter provisions under section 269TAB(2A)[79] in this inquiry, the findings in this report and REP 676 are the same in relation to the variable factors applying to Echeng. Where relevant, the commission has considered submissions to REV 676 in assessing the variable factors applying to Echeng in this inquiry.

The commission completed a virtual verification of the information Echeng provided in its REQ[80]. The Commissioner is satisfied that Echeng is a manufacturer of the goods and like goods. The Commissioner is also satisfied that the information provided by Echeng is accurate and reliable for the purpose of ascertaining variable factors applicable to its future exports of the goods.

7.3.1 Baowu Group Echeng Iron and Steel Co., Ltd

Export price

The commission has calculated Echeng's export price under section 269TAB(3) having regard to all relevant information.

The commission found that Echeng did not export the goods to Australia during the inquiry period. Therefore, sufficient information is not available to determine the export price of the goods using:

- the price paid or payable for the goods by the importer[81]
- the price at which the goods were sold by the importer in Australia less prescribed deductions[82]
- the price having regard to all the circumstances of the exportation.[83]

Consequently, the commission considers that there is insufficient information available to ascertain the export price under section 269TAB(1).

As sufficient information is not available to ascertain the export price under section 269TAB(1), the commission has determined the export price for Echeng having regard to all available information.[84]

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[79] Section 269TAB(2A) is only applicable If an export price of goods exported to Australia is being ascertained for the purposes of conducting a review of anti - dumping measures under Division 5 of the Act.

[80] EPR 669, no 8.

[81] Section 269TAB(1)(a).

[82] Section 269TAB(1)(b).

[83] Section 269TAB(1)(c).

[84] Section 269TAB(3).

Calculation of export price

Calculation of export price under section 269TAB(3)

The Minister can determine an export price under section 269TAB(3) by having regard to all relevant information. As Echeng did not export the goods to Australia during the review period, the commission has had regard to the following relevant information:

- InfraBuild's submission in REV 676 proposing the use of related party Shandong Iron and Steel Company Limited, Laiwu Company's (Shandong Laiwu) export price in the original investigation as a basis for determining an export price.
- the export price ascertained for uncooperative exporters as part of previous and current inquiries, including CON 669
- Echeng's normal value.

Shandong Laiwu's export price.

InfraBuild submitted in REV 676 that the export data from the original Investigation for Shandong Laiwu, a related entity, should be used to establish an export price for Echeng.[85] Using a similar methodology applied to the uncooperative and all other exporters in CON 669, InfraBuild proposed that an export price for Echeng could be established by:

- comparing the price of shipments of a similar volume by Shandong Laiwu between the original investigation period and the review period by other exporters and
- apply the percentage change to the Shandong Laiwu export price determined in the original investigation.

Echeng disputed InfraBuild's proposed approach.[86] Echeng claimed that the relationship between Echeng and Shandong Laiwu relied on by InfraBuild was based on assessment for Echeng's eligibility for an accelerated review, not for imputing export prices across unrelated periods or entities.[87] Echeng further claimed InfraBuild's proposed methodology cherry-picked data from a different exporter in a vastly different market context.

In response to Echeng's submission, InfraBuild further submitted that it was appropriate to determine Echeng's export price with its proposed methodology of using Shandong Laiwu's export prices in the original investigation.[88] InfraBuild further claimed that setting the export price equal to the normal value resulted in a 'zero margin outcome' and would allow Echeng to enter the market without an effective remedy. InfraBuild postulated that in a market with rising steel costs, the commission's approach would create a 'green light' for future dumping. InfraBuild claimed that allowing this outcome would have real and adverse consequences for the Australian industry. In support of its claim, InfraBuild

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[85] EPR 676, no.12.

[86] EPR 676, no 13.

[87] Echeng previously applied for an accelerated review (Accelerated Review No. 662) This review was terminated after the Commissioner's finding that Echeng was related to Shandong Laiwu whose exports had been examined in the original investigation. The identified association was that the China Baowu Steel Group Corporation (Baowu Group) had an ownership interest in both Echeng and Shandong Laiwu.

[88] EPR 676, no 14.

referenced excerpts from the Explanatory Memorandum for the *Customs Amendment (Anti-Dumping Measures) Bill 2017 (2017 Bill)*.

Echeng in a further submission disputed InfraBuild's claims.[89] Echeng claimed that InfraBuild's proposed methodology would rely on unrelated export prices from a different entity, in a different time period, and under entirely different market conditions, none of which reflected Echeng's actual production costs, normal values, or potential export behaviour. Echeng claimed that InfraBuild's reference to the explanatory memorandum was misplaced and selectively interpreted. Echeng considers that its circumstances fall outside the scope of the amendments implemented through the *2017 Bill*.

The commission clarifies, that even though the export price is recommended to be set equal to the normal value, this does not result in a 'zero margin outcome' in this review. The Commissioner has recommended that the form of measures for Echeng is a floor price set equal to the ascertained normal value. If Echeng were to export below this floor price, it will be required to pay IDD equal to the difference between its export price and the floor price. While the commission acknowledges that an increase in global steel prices may lead to the floor price being temporarily out of date, a fall in global steel prices would have the opposite effect. Affected parties can seek reviews of the measures periodically, as was the case in this review. Further, the Minister may request the Commissioner to initiate a review at any time.

The commission examined the exports of Shandong Laiwu during the original investigation period. This analysis identified that only 1.15% of Shandong Laiwu's shipment volume during the original investigation period was consistent with the export volumes of exporters during the review period. Given the immaterial volume of Shandong Laiwu's exports in the original inquiry period that would meet the similar volume criteria, and subsequent changes to market conditions, the commission considers that InfraBuild's proposed methodology does not provide a contemporary basis on which to establish an export price specific to the circumstances applying to Echeng for the review period, a cooperative exporter in this review. The commission considers the recommended variable factors which are specific to Echeng for the review period are more appropriate in the circumstances.

The commission's export volume analysis is contained in **Confidential Attachment 1.**

Uncooperative exporters' export price

In REP 669, the commission has recommended determining export prices for uncooperative exporters by adjusting the uncooperative export price from the original investigation. The commission does not consider it appropriate to determine Echeng's export price using the export price ascertained for uncooperative exporters from the original investigation. This is because the uncooperative export price is based on an uncooperative exporter price from the original investigation, a period of almost 9 years ago.

[89] EPR 676, no. 15.

The commission considers that as Echeng has cooperated with this review, it is not appropriate to use an export price that is based on uncooperative exporters. This is particularly so, when there is other information available specific to Echeng's circumstances in the review period, i.e. Echeng's normal value. As Echeng has not exported the goods to Australia previously, there is no historical export price specific to Echeng for the commission to adjust.

Echeng's normal value

The commission considers that Echeng's normal value for the review period is the most relevant information to ascertain the export price. Echeng's normal value is:

- contemporary
- specific to Echeng
- representative of an undumped price
- likely to resemble models that may be exported to Australia by Echeng in the future.

The commission considers it appropriate to determine Echeng's ascertained export price to be equal to Echeng's ascertained normal value. The commission has ascertained Echeng's export price at the FOB level.[90]

The commission's export price calculation for Echeng is set out in **Confidential Attachment 10**.

Normal value

The commission considers that, due to a situation in the domestic market for the goods in China, sales in that market are not suitable for use in determining a normal value under section 269TAC(1). The commission has therefore calculated Echeng's normal value pursuant to section 269TAC(2)(a)(ii), using the constructed method under section 269TAC(2)(c).

The commission's assessment of the particular market situation (PMS) in the domestic market for rebar in China is set out in Error! Reference source not found.

The commission's assessment of the effect of the PMS on the comparability of Echeng's domestic and export sales is set out in **Appendix B**.

The commission has also found that it is not appropriate to use Echeng's cost of production for steel billet. The commission's assessment of Echeng's cost of production is set out in **Appendix C**.

[90] In SEF 676, the commission proposed that Echeng's normal value and export price be set to an ex works price. The commission has changed its recommendation in the final report. Further details concerning this change are included page 28 of this report.

Constructed normal value under section 269TAC(2)(c)

The commission has calculated Echeng's normal value under section 269TAC(2)(c) using the sum of:

- Echeng's cost to make (CTM) for rebar, with its steel billet costs adjusted by reference to a benchmark
- Echeng's SG&A for its domestic sales
- Echeng's profit on its domestic sales if they had been sold in the OCOT.

MCCs included in the commission's calculations of SG&A and the CTM are listed in Table 14[91]. The CTM MCCs used is reflected in the first three characters of the listed MCCs.

P-B-C-A-C-N	P-C-S-B-2-N
P-B-C-B-C-N	P-C-S-C-1-N
P-B-S -B-1-N	P-C-S-C-2-N
P-B-S-B-2-N	P-C-S-D-1-N
P-B-S-C-1-N	P-C-S-D-2-N
P-B-S-C-2-N	P-D-C-A-C-N
P-B-S-D-1-N	P-D-S-B-1-N
P-B-S-D-2-N	P-D-S-B-2-N
P-C-C-A-C-N	P-D-S-C-1-N
P-C-S-B-1-N	P-D-S-C-2-N

Table 14: MCCs included in Echeng's CTM & SG&A

The commission considers that these MCC's reflect the forms, minimum yield strengths, diameters, lengths and deformation patterns of models that may be exported to Australia by Echeng in the future. Whilst InfraBuild submitted that Grade 500N is the commonly sold grade in Australia, the commission notes that in the context of the MCC category relating to yield strength, the Australian standard, AS/NZS 4671:2019, specifies steel strength grades of minimum yield strengths of 250 MPa, 300 MPa, and 500 MPa. Whilst searches of the ACRS website indicate that Echeng currently doesn't hold any ACRS accreditation, exporters from a range of countries hold accreditations for each of the specified minimum yield strengths in the Australian standard.

[91] InfraBuild sought further clarification of the MCCs included constructing the CTMS in its submission in response to SEF 676. See EPR 676, no.12.

As outlined in **Appendix B**, the commission has found that Echeng's cost of production for steel billet does not reflect competitive market costs and is affected by circumstances that are not normal and ordinary. Accordingly, the commission has adjusted Echeng's cost of production for steel billet by reference to a benchmark. The benchmark is based on Hoa Phat Hai Duong Steel Joint Stock Company's (Hoa Phat) verified cost of production of steel billet in Vietnam, where no particular market situation was found, adjusted to reflect a cost of production in China.[92] The commission has not adjusted any other cost items in Echeng's cost of production for rebar.

The commission has used Echeng's SG&A as set out in its records, pursuant to section 44(2) of the Customs (International Obligations) Regulation 2015 (the International Obligations Regulations).

The commission has used an amount for profit where Echeng's domestic sales had been sold in the OCOT, pursuant to section 45(2) of the International Obligations Regulations. Consistent with the commission's practices, domestic sales of all models of like goods sold in OCOT were used in determining this profit.[93]

Submissions concerning export terms and the price index considered by Echeng in price negotiations with its customers .

In SEF 669, the commission proposed that Echeng's normal value be determined at Ex-Works (EXW) terms. As Echeng had not exported the goods to any country, the commission preliminarily considered it did not have any information relevant to Echeng to determine an adjustment from EXW to FOB.

InfraBuild submitted in REV 676 that it was unclear how Echeng's invoiced (FOB) export prices in the future would be adjusted back to an EXW value for comparison to the EXW floor price[94]. InfraBuild further submitted that the likelihood of error, and risk of the under collection of IDD would seriously undermine the effectiveness of the measures. InfraBuild submitted that the commission could determine an adjustment from EXW to FOB by either using:

1. Echeng's inland freight rates relevant to domestic sales
2. using the same methodology applied in CON 669 by adjusting FOB costs from the original investigation
3. using the same methodology applied in CON 675 by adjusting FOB costs obtained from an exporter in Anti-Circumvention Inquiry 643.

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[92] The cost of production for Hoa Phat was for the period 1 July 2023 to 30 June 2024 which overlapped in part with the review period in this review. Further information concerning adjustments, including timing adjustments, made are contained in Appendix C of this report.

[93] InfraBuild sought further clarification of the domestic sales included in the profit calculation in response to SEF 676. See EPR 676, no.12

[94] EPR 676, no. 12

In response to InfraBuild's submission, Echeng submitted that InfraBuild's concerns were exaggerated and that deductions for inland freight and port handling expenses were straightforward and verifiable through documentation.[95] Echeng further claimed that the FOB adjustment methodologies proposed by InfraBuild were not sufficiently specific to its exports of the goods and would introduce inaccuracies.

InfraBuild in its submission also sought further information concerning the nature of the price index used by Echeng when negotiating domestic market prices.

Commission's consideration concerning export terms and the price index used by Echeng.

The commission's *Dumping and Subsidy Manual*[96] (the manual) at page 23 states that generally the export price is at FOB terms. Accordingly, the commission has reconsidered which is the appropriate export term and information available relating to FOB costs.[97]

The commission considers that neither of the three options proposed by InfraBuild would provide a sufficiently accurate estimate of Echeng's FOB costs.

The commission sought further information from Echeng concerning its FOB export costs for other products. Echeng reconfirmed that it had not exported any products during the review period. However, Echeng provided evidence of its delivery costs to domestic customers located next to the relevant port from which they would export in the future. Using these delivery costs and the weighted average port handling costs of exporters from Investigation 658[98], the commission calculated a FOB cost to make an adjustment, in accordance with section 269TAC(9), adjusting Echeng's normal value from EXW terms to FOB terms[99].

The commission considers that how Echeng uses a price index to negotiate prices and the source of this index to be commercially sensitive. However, the commission can confirm that the market index is sourced from a widely used subscription service.

The commission's calculation of Echeng's CTMS is set out in **Confidential Attachments 11 and 12**.

The commission's calculation of Echeng's normal value is set out in **Confidential Attachment 13**.

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[95] EPR 676, no. 13

[96] The Manual, December 2021.

[97] While it is the commission's general practice to ascertain export prices and normal values at FOB terms, the commission's DCR relating to the goods contains information on how to calculate the dumping export price to other relevant terms if necessary. See page 5 of the Steel Reinforcing Bar DCR.

[98] Investigation 658 relates to the alleged dumping and subsidisation of hot rolled coil exported from China. The inquiry period in this review overlaps with the investigation period in Investigation 658 by six months.

[99] Confidential Attachment 8.

Third country sales under section 269TAC(2)(d)

For completeness, the commission has considered whether it is appropriate to determine normal values under section 269TAC(2)(d) for Echeng having regard to the evidence on the record. As Echeng did not sell like goods to a third country during the review period, the commission cannot determine a normal value under 269TAC(2)(d). Consequently, the commission has constructed normal values under section 269TAC(2)(c) for Echeng.

Dumping margin

As Echeng did not export the goods to Australia during the review period, the commission has not assessed a dumping margin for Echeng.

7.3.2 Uncooperative and all other exporters

The commission did not receive any completed REQs from exporters other than Echeng. Accordingly, the commission considers that all exporters other than Echeng are uncooperative exporters in this inquiry.

Export price

The commission has determined the export price for uncooperative exporters by adjusting the uncooperative export price from the original investigation by price movements in similarly sized imports of rebar from China.

Pursuant to section 269TACAB(1), the commission has determined the export price for uncooperative exporters under section 269TAB(3) – having regard to all relevant information.

The relevant information before the commission includes:

- uncooperative exporter export prices from the original investigation
- ABF import data covering the period from the original investigation to the inquiry period[100]
- rebar prices from third-party providers.

[100] **Confidential Attachments 7 and 18**.

Export price based on uncooperative export price from original investigation

The commission considered determining the export price based on ABF import data using the small number of low volume shipments that were imported during the inquiry period. Generally, the price paid in the market for small volume shipments is higher than for higher volume shipments due to the reduced negotiating power of the importer. The commission considered that using this small number of low volume shipments would have a distortionary effect on the calculation of the export price. Further, the number of shipments imported during the inquiry period was very small, reducing the reliability of the data in this approach. Accordingly, based on these factors, the commission considers that using contemporary ABF import data to determine the export price is not sufficiently robust.

Instead, the commission has:

- compared the price of shipments of a similar volume between the original investigation period and the inquiry period
- applied the percentage change to the uncooperative export price determined in the original investigation.

The uncooperative export price in the original investigation was determined based on the lowest of the weighted average export prices of cooperating exporters which reflects a large number of exports that included shipments of a range of volumes. Accordingly, this data is more reflective of the type of exports that are likely to occur if the measures expire.

Rebar prices from third-party providers

The commission has obtained prices during the inquiry period for rebar from China through third-party providers.[101] The commission considers that while these prices are contemporary, they are not suitable for the following reasons:

- The prices are for rebar based on Chinese standards.
- The data is limited to specific diameters for FOB prices.
- There is some data at EXW terms, requiring adjustments to FOB level.

The commission considers that using the uncooperative export price from the original investigation is reflective of rebar actually exported to Australia, including the relevant diameters and the Australian Standard.

The commission's export price calculation for uncooperative exporters is set out in **Confidential Attachment 15**.

[101] The commission obtained confidential data from MEPS International Ltd (MEPS). MEPS provided this copyright statement about its data 'This information is copyrighted, all rights reserved. *MEPS data is licensed for the exclusive use of the company's direct employees. Any unauthorised copying, forwarding, or sharing by any means will be an infringement of copyright*.' The commission also obtained confidential data from Bloomberg LP.

Normal value

The commission has determined the normal value using the normal value calculated for Echeng, adjusted to reflect FOB terms.

Pursuant to section 269TACAB(1), the commission has determined the normal value for uncooperative exporters under section 269TAC(6) – having regard to all relevant information. The relevant information before the commission includes:

- Echeng's normal value calculation
- normal values for cooperating exporters from the original investigation
- rebar prices from third-party providers.

Echeng's normal value calculation and normal values from the original investigation

The commission considers that Echeng's normal value is the most appropriate basis to determine the normal value for uncooperative exporters. This is because it is based on contemporary verified information.

The commission examined whether using the same approach as REV 563 is appropriate. In REV 563, the commission applied a timing adjustment to the uncooperative normal values from *Review 467*. That adjustment was based on movements in Latin American steel billet FOB pricing. This approach was on the basis that there was no other relevant information to determine the normal value.

The commission considers that Echeng's normal value is a more appropriate basis to determine the normal value as it reflects a contemporary normal value based on verified data in the inquiry period. Echeng's normal value was determined at EXW terms. The commission has applied an upwards adjustment to Echeng's normal value to reflect FOB terms. The EXW to FOB adjustment is based on the verified EXW to FOB costs for cooperating exporters from the original investigation. The commission has adjusted those costs by reference to movements in the Chinese consumer price index to reflect costs in the inquiry period.

Rebar prices from third-party providers

The commission considers that rebar pricing in China from third-party providers may be appropriate in circumstances where there is no other information. However, as the commission has verified information from Echeng, the commission considers it is preferable to use that information.

The commission's normal value calculation for uncooperative exporters is set out in **Confidential Attachment 16**.

Dumping margin

The dumping margin for the goods exported to Australia by uncooperative exporters during the inquiry period is **23.7%**.

The commission's dumping margin calculation for uncooperative exporters is set out in **Confidential Attachment 17**.

8 VARIABLE FACTOR – NON-INJURIOUS PRICE

8.1 Finding

Having regard to the available information, the commission has determined that the NIP has changed for Echeng and uncooperative exporters from China.

The commission calculated that the NIP is higher than the normal value established for Echeng and uncooperative exporters. Accordingly, the NIP is not operative for Echeng or uncooperative exporters.

The commission's calculation of the NIP is set out in **Confidential Attachment 19**.

8.2 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 *Customs Tariff (Anti-Dumping) Act 1975* (Dumping Duty Act).

Where the Minister is required to determine the IDD payable, section 8(5B) of the Dumping Duty Act applies. Under section 8(5B) of the Dumping Duty Act, where the NIP of the goods is less than the normal value of the goods, the Minister must have regard to the desirability of specifying a method such that the sum of the export price and the IDD payable does not exceed the NIP ('lesser duty rule'). However, under section 8(5BAA) of the Dumping Duty Act, the Minister is not required to have regard to the lesser duty rule if:

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

Where any of the above exceptions apply, the Minister's consideration of the lesser duty rule is not mandatory, but the Minister may still wish to exercise their discretion to do so.

The legislation does not prescribe a calculation method for the NIP. The commission generally derives the NIP by first establishing an USP, being a price at which the Australian industry might reasonably sell its product in a market unaffected by dumping (see below). The commission will then deduct the costs incurred in getting the goods from the export FOB point (or another point if appropriate) to the relevant level of trade in Australia from the USP. The deductions normally include overseas freight, insurance, into store costs and amounts for importer expenses and profit.

8.3 The unsuppressed selling price

The Manual provides a hierarchy of options for establishing a USP:[102]

1. The Australian industry's price or market approach in a period unaffected by dumping.
2. The constructed approach, using the Australian industry's CTMS data and a reasonable amount for profit.
3. The price or market approach for undumped imports.

8.4 Commission's approach and findings

The commission has calculated the NIP and found that it is higher than the normal value for Echeng and uncooperative exporters.

The commission calculated the NIP by deducting certain costs from the USP. The USP was calculated using the constructed method, using InfraBuild Steel's CTMS plus an amount for profit.

8.4.1 Approach in the original investigation and most recent case

In the original investigation, the Commissioner did not recommend that the Minister have regard to the lesser duty rule. This was because normal values were not ascertained under section 269TAC(1) because of the operation of section 269TAC(2)(a)(ii).

In the most recent review, REV 563, the commission determined the NIP by deducting post-exportation costs from the USP. The USP was calculated using the constructed method, as the sum of:

- the Australian industry's CTMS
- an amount for profit based on the Australian industry's rebar pricing policy.

8.4.2 Commissioner's assessment of NIP and USP

For this inquiry the commission has calculated a revised NIP for China by having regard to InfraBuild Steel's CTMS data for the inquiry period and a reasonable amount for profit.

The commission has had regard to the methods detailed in the Manual for calculating an appropriate amount for profit, which draws reference to the application of a target return on investment or profit surveys.[103] The commission considers that InfraBuild Steel's target return on investment relates broadly to its business and not distinctly to any general category of products. Furthermore, the commission is not aware of any relevant profit surveys and notes that InfraBuild Steel is the only producer of like goods in Australia.

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102 The Manual, pp 106–109.

103 The Manual, p 139.

The commission considers that the most reasonable amount of profit for the construction of the USP is InfraBuild Steel's audited consolidated group earnings before interest, taxes, depreciation and amortisation (EBITDA) profit margin for the 2024 financial year.[104] This is a similar amount of profit as that used in REV 563.

The NIP applicable to China was calculated at FOB terms by deducting from the USP a weighted average of the following:

- ocean freight and marine insurance expenses
- other importation costs (port, unpacking, container charges, etc)
- importer selling expenses.

The ocean freight and marine insurance expenses were determined using ABF import data for imports of rebar from China over the inquiry period.

Information for the remaining costs was obtained from verified importer data relied on in CON 660. The commission considers that this information is relevant for calculating the NIP as the goods are the same in both cases and it partially overlaps the inquiry period. The commission notes that importer profit was not deducted to calculate the NIP in CON 660 because the commission found either the importer not to be profitable during the period in respect of its sales of rebar or the profit was not relevant to the goods.

8.4.3 Application of the lesser duty rule

The commission has found that the NIP was higher than the normal value for Echeng and uncooperative exporters.

The commission compared the NIP to:

- Echeng's normal value and found that the NIP was higher.
- the normal value for uncooperative exporters and found that it was higher.

As the calculated NIP is higher than the normal value established for Echeng and uncooperative exporters, the NIP is not operative.

[104] Equal to EBITDA divided by sales revenue.

9 DUTY METHOD

9.1 Findings and recommendations

The Commissioner considers the IDD payable on the goods exported from China should be worked out using the:

- floor price method for Echeng
- combination method for uncooperative and all other exporters.

9.2 Legislative framework

The *Customs Tariff (Anti-Dumping) Regulation 2013* prescribes the methods available to the Minister for working out IDD payable. The methods are:

- fixed duty method ($X per tonne)
- floor price duty method
- combination duty method
- ad valorem duty method (i.e. a percentage of the export price).

The various forms of dumping duty all have the purpose of removing the injurious effects of dumping. However, in achieving this purpose, certain forms of duty will better suit particular circumstances than others. More detail on the nature and operation of the various forms of duty are contained in the *Guidelines on the Application of Forms of Dumping Duty November 2013* (the Guidelines).[105]

9.3 Recommended duty methods and effective rates of duty

Table 14 outlines the current and proposed duty methods and measures.

Country	Exporter	Duty method and IDD rate	
		Current	Proposed
China	Baowu Group Echeng Iron and Steel Co., Ltd	19.0% Combination[106]	Floor price
	Uncooperative and all other exporters	19.0% Combination	23.7% Combination

Table 14: Current and proposed duty methods and measures

[105] Anti-dumping and countervailing system key legislation, directions and policy, *Guidelines on forms of dumping duty*.

[106] Echeng is currently subject to the 'All exporters' rate of duty. However, the Commissioner has proposed recommending changing new variable factors and duty method for Echeng in the statement of essential facts for REV 676. I recommend that the Minister continue the floor price duty method after 13 April 2026 in relation to Echeng.

Echeng

The commission considers that the floor price duty method is the most appropriate method for Echeng.

The commission determined that Echeng's export price should be equal to the normal value. If Echeng's export price is above the floor price, it will not incur any IDD. Conversely if it exports below the export price, it will incur IDD.

Uncooperative and all other exporters

The commission considers that the combination duty method remains the most appropriate duty method for uncooperative and all other exporters. Under this method:

- the fixed component is an *ad valorem* amount based on the difference between the ascertained export price and normal value (23.7%)
- the variable component is a floor price set to the ascertained export price.

The commission considers that the combination duty method is appropriate as it provides a degree of stability to export prices by ensuring that they do not fall below the floor price component. In addition, the finding that there is a PMS in the rebar market in China during the inquiry period means that there is a potential for uncooperative exporters to lower export prices to avoid the intended effects of the duties. This would result in the diminishing effectiveness of the measures if an *ad valorem* only duty method was applied.

10 FINDINGS AND RECOMMENDATIONS

10.1 Findings

In accordance with section 269ZHF(2), the Commissioner is satisfied that the expiration of the anti-dumping measures applicable to the goods exported to Australia from China would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the anti-dumping measure is intended to prevent.

The Commissioner finds that the measures should apply to Echeng and uncooperative and all other exporters as if different variable factors had been ascertained.[107] The Commissioner finds that the following rates of IDD apply from 14 April 2026.

Country	Exporter	Fixed rate of IDD	Duty method
China	Baowu Group Echeng Iron and Steel Co., Ltd	N/A	Floor price
	Uncooperative and all other exporters	23.7%	Combination

Table 15: Proposed measures resulting from this inquiry

The commission notes that the Minister is provided with a schedule to this report that outlines the Minister's relevant powers with respect to making a declaration, determinations and being satisfied as to certain findings of fact, consistent with the below.

10.2 Recommendations to the Minister

The Commissioner recommends that the Minster take steps to secure the continuation of the dumping duty notice and, pursuant to section 269ZHF(1)(a)(iii), that the dumping duty notice have effect in relation to all exporters as if different variable factors had been ascertained.

The Commissioner recommends that the Minister ought to **declare**:

- under section 269ZHG(1)(b), that you have decided to secure the continuation of the anti-dumping measures currently applying to steel reinforcing bar exported to Australia from China.

The Commissioner recommends that the Minister ought to **determine**:

- pursuant to section 269ZHG(4)(a)(iii), the notice continues in force after 13 April 2026, but after this day has effect as if different specified variable factors had been fixed in relation to uncooperative and all other exporters, relevant to the determination of duty;

[107] Section 269ZHF(1)(a)(iii).

- You determine that the notice continues after 13 April 2026 in relation to Echeng with the variable factors you declared in ADN No. 2026/026[108];
- in accordance with section 269TAB(3), having regard to all relevant information, that the export price for 'uncooperative and all other' exporters is as set out in section 7.3.2 and Confidential Attachment 15 of REP 669;
- in accordance with section 269TAB(3), having regard to all relevant information, that the export price for Echeng is as set out in section 7.3.1 and Confidential Attachment 10 of REP 669;
- for the purpose of section 269TAC(2)(c)(i), and in accordance with sections 269TAC(5A), 269TAAD(4) and the Customs (International Obligations) Regulation 2015 (International Obligations Regulations), the amounts of the cost of production or manufacture of steel reinforcing bar produced by Echeng in China, with adjustments as necessary under section 269TAC(9), to be the amounts set out in Confidential Attachments 11 and 12 of REP 669 (as described in section 7.3.1 of REP 669);
- for the purposes of section 269TAC(2)(c)(ii) and in accordance with sections 269TAC(5A), 269TAAD(4) and the International Obligations Regulations, the administrative, selling and general costs associated with the sale of the steel reinforcing bar produced by Echeng in China, with adjustments as necessary under section 269TAC(9), to be the amounts set out in Confidential Attachment 13 of REP 669 (as described in section 7.3.1 of REP 669);
- for the purpose of section 269TAC(2)(c)(ii), and in accordance with section 269TAC(5B) and the International Obligations Regulations, the profit on the sale of the steel reinforcing bar produced by Echeng in China to be the amount set out in Confidential Attachment 13 of REP 669 (as described in section 7.3.1 of REP 669);
- in accordance with section 269TAC(6), having regard to all relevant information, that the normal value for 'uncooperative and all other' exporters is as set out in section 7.3.2 and Confidential Attachment 16 of Report 669;
- having applied section 269TACB(2)(a) and in accordance with sections 269TACB(1) and (4), that the steel reinforcing bar exported to Australia from China are taken to have been dumped, and the dumping margins for s.269TACB(1); s.269TACB(2)(a) 'uncooperative and all other' exporters in respect of those goods is the difference between the weighted average export prices of the steel reinforcing bar over 1 April 2024 to 31 March 2025 and the weighted average of corresponding normal values over that period as set out in section 7.3.2 and Confidential Attachment 17 of Report 669.

The Commissioner recommends that the Minister ought to **be satisfied**:

- in accordance with section 269TAB(3), sufficient information is not available to enable the export price of steel reinforcing bar exported to Australia from China by 'uncooperative and all other exporters' to be ascertained under the section 269TAB(1);

[108] On the date this report was provided to the Minister, Echeng was subject to the uncooperative and all other exporters rate of duty. The Commissioner has proposed recommending changes to the variable factors in the statement of essential facts for a separate Review No 676 in relation to Echeng.

- in accordance with section 269TAB(3), sufficient information is not available to enable the export price of steel reinforcing bar exported to Australia from China by Baowu Group Echeng Iron and Steel Co., Ltd (Echeng) to be ascertained under section 269TAB(1);
- in accordance with section 269TAC(2)(a)(ii), the normal value of steel reinforcing bar exported to Australia from China by Echeng cannot be ascertained under section 269TAC(1) because the situation in the market of China is such that sales in that market are not suitable for use in determining a price under section 269TAC(1);
- in accordance with section 269TAC(6), sufficient information is not available to enable the normal value of steel reinforcing bar exported to Australia from China by 'uncooperative and all other exporters' to be ascertained under the preceding sections of section 269TAC (other than section 269TAC(5D)).

11 APPENDICES AND ATTACHMENTS

Appendix A	Particular market situation
Appendix B	Proper comparison
Appendix C	Cost of production in China
Confidential Attachment 1	Export volume analysis
Confidential Attachment 2	Australian market
Confidential Attachment 3	InfraBuild Steel economic condition
Confidential Attachment 4	Assessment of imports
Confidential Attachment 5	InfraBuild Steel injury evidence
Confidential Attachment 6	Undercutting analysis
Confidential Attachment 7	ABF import data
Confidential Attachment 8	Assessment of Chinese pricing
Confidential Attachment 9	Assessment of likelihood of dumping
Confidential Attachment 10	Echeng export price (FOB)
Confidential Attachment 11	Echeng CTMS
Confidential Attachment 12	Echeng cost adjustment
Confidential Attachment 13	Echeng normal value (FOB)
Confidential Attachment 14	China and Vietnam labour rates
Confidential Attachment 15	Uncooperative exporters export price
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Confidential Attachment 21	Billet cost comparison

Confidential Attachment 22	Chinese billet and slab data
Confidential Attachment 23	Chinese excess capacity
Confidential Attachment 24	Chinese rebar price comparison

APPENDIX A PARTICULAR MARKET SITUATION

A.1 Findings

The Commissioner finds that the GOC's actions, policies, and practices have distorted conditions in the Chinese steel market. These distortions have led to a PMS in respect of the domestic market for rebar in China for the inquiry period.

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

The rationale and evidence that underpins this finding is based on the information currently before the commission and is explained below.

A.2 Introduction

In previous cases, including most recently in *Review 563*, the Commissioner has found that a PMS existed in respect of the domestic market for rebar in China. The Commissioner also found that market situation rendered domestic sales of rebar in China unsuitable for use in determining a normal value under section 269TAC(1).

Although not contended by InfraBuild Steel in its application, InfraBuild Steel lodged a submission on 21 November 2025 which alleged that a PMS exists in the domestic market for rebar in China.[109] The commission has examined whether a PMS continues to exist in respect of the domestic market for rebar in China during the inquiry period.

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

- the application
- Echeng's REQ
- available contemporary evidence, as referenced in this report
- questionnaire responses received in relation to other cases that involve the Chinese steel market
- the findings of previous relevant cases conducted by the commission.

After considering the available information, the Commissioner's finding is that a PMS existed in respect of the domestic market for rebar in China during the inquiry period. This appendix sets out the evidence for this finding.

In this appendix:

- the **GOC** refers to all levels of government in China, unless otherwise specified
- **SOE** refers to a Chinese state-owned or state-invested enterprise.

[109] EPR 669, no 10, Submission on assessment of Chinese rebar market.

A.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 World Trade Organisation (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.

A.3.1 Legislation

Section 269TAC(2)(a)(ii) implements, in part, Article 2.2 of the ADA. Article 2.2 of the ADA 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,[110] 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.[111] **Appendix B** 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 by 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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[110] Pursuant to section 269TAC(2)(a)(ii).

[111] In accordance with the findings of the WTO Panel in DS529, *Australia – Anti-Dumping Measures on A4 Copy Paper from Indonesia*.

A.3.2 Policy and practice

The Act does not define or prescribe what is required to reach a finding of a PMS. A PMS will arise when there is some 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.[112] 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.'

A.4 Assessing the particular market situation in this inquiry

A.4.1 Questionnaire sent to the Government of China

The commission sent a questionnaire to the GOC requesting information on the steel reinforcing bar and steel markets in China. The GOC did not provide a response to this request for information.

The commission notes that the GOC provided a response to the government questionnaire for the purposes of *Investigation 658* (RGQ 658).[113] RGQ 658 requested information regarding the hot rolled coil market in China. The commission considers that RGQ 658 also contains information on the steel market generally in China, which is relevant for this inquiry. Accordingly, the commission has had regard to the information contained in RGQ 658 where relevant.

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[112] The Manual, p 29.

[113] EPR 658, no 8.

Any further reference to the GOC's questionnaire response in this appendix is a reference to RGQ 658, unless otherwise specified.

A.4.2 Evidence and information before the commission

The commission's assessment of a PMS in the domestic Chinese rebar market concerns an assessment of whether the government involvement in the Chinese domestic market for rebar has materially altered market conditions. If government influence 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 rebar may also be lower or not substantially the same as they would otherwise be due to the influence of the PMS on the costs of inputs. The commission has assessed the effect of any such influence on market conditions and the extent to which domestic prices prevail (or not) in a competitive market, that is, a market unaffected by the PMS.

The PMS assessment for this inquiry considers the following information sources as referenced throughout this report:

1. The GOC's response to the government questionnaire.
2. Stated policies, plans, and notifications of the GOC.
3. Cooperating exporters' REQs.
4. Various WTO panel reports, such as *Australia – A4 Copy Paper* and *Australia – Certain products from China*.
5. Various Organisation for Economic Co-operation and Development (OECD) papers and reports, including the *OECD Steel Outlook 2025*.
6. Various Global Forum on Excess Steel Capacity (GFSEC) reports, including *Steel exports, trade remedy actions and sources of excess capacity*.
7. Various Centre for Research on Energy and Clean Air (CREA) reports, including *China – Steel industry decarbonisation biannual review – H2 2024*.
8. The European Commission's (EC) *Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations* (the EC 2024 Report).
9. The commission's *Analysis of steel and aluminium markets report*.
10. Findings by the commission as part of previous cases, such as *Continuation Inquiry 632*, *Continuation Inquiry* 594, and *Continuation Inquiry 400*.
11. Information relating to various pricing benchmarks from third-party providers.
12. Other desktop research, including news reports and other analysis.

As noted at section A.4.1, the commission did not receive a response to the government questionnaire from the GOC for this inquiry.

A.5 Overview of the Chinese steel industry

The Chinese steel industry is the largest in the world, with China ranked number one in crude steel production in 2024 with an output of 1,005 million tonnes. This accounted for 53% of the world's crude steel production. China also remains the top exporter of steel, with 117 million tonnes exported in 2024 (26% of steel exports in 2024).

Currently, the Chinese steel industry is characterised by excess capacity, largely caused by high capacity and decreasing demand.

Historically, the Chinese steel industry has been heavily influenced by the GOC which has led to China's position as the largest steel producer in the world. This influence remains, with SOEs playing a significant role in the Chinese steel industry, as well as numerous GOC plans involving the steel industry.

Figure 14 shows the Organisation for Economic Co-operation and Development's (OECD) estimation of Chinese steel production, demand, and exports since 2005.

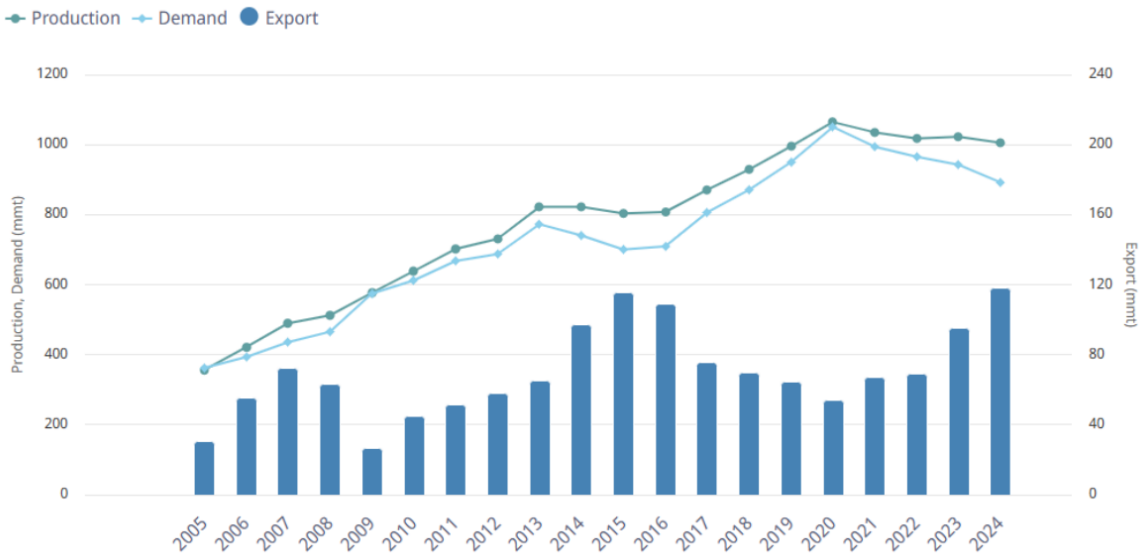

Figure 14: China's steel production, demand and exports[114]

Chinese steel production has experienced a sustained period of growth followed by a slow contraction coinciding with a decrease in demand since 2019. However, exports have conversely increased since 2020. Figure 14 indicates that exports increase when production and demand diverge.

A.6 GOC involvement and influence in the Chinese steel market

The Commission considers the GOC's involvement within, and influence across the steel industry to be a primary cause of the prevailing structural imbalances within both the broader steel industry and the rebar market.

The GOC considers that the steel industry is a pillar of the national economy.[115]

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[114] OECD (2025), *OECD Steel Outlook 2025*, OECD Publishing, Paris, https://doi.org/10.1787/28b61a5e-en.

[115] 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 website (Google translate), 22 September 2025, accessed 25 September 2025.

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 commission has examined these factors as well as other additional factors throughout this appendix.

A.6.1 GOC questionnaire response

Overall, the GOC claims that 'the prices and costs of steel production, including HRC [hot rolled coil] and other inputs used for the production of the GUC, are determined by the relevant economic factors and conditions in China, and are influenced by international prices.'[116]

The GOC referred to the *Australia – A4 Copy Paper* case, where the WTO panel held that a PMS must be '..distinct, individual, single, specific but that does not necessarily make it unusual or out of the ordinary — i.e. exceptional.'[117] The GOC went on to submit that the panel 'did not resolve whether any kind or degree of government intervention may be sufficient to render a given market situation "exceptional"'.

The GOC argued that the assessment of PMS must be based on evidential comparison on why the intervention in the market subject to investigation is different from similar kinds and/or degrees of intervention in other markets.

The GOC submitted that if the commission undertakes such a comparative approach, it would be difficult to conclude that the Chinese steel market is 'exceptional' or 'particular'. The GOC noted that Australia's steel market may also be considered as 'particular', claiming that significant subsidies and other preferential treatment are also provided by the Australian Government, and the lack of competition in Australia's steel market.

The commission has addressed the GOC's questionnaire response throughout this appendix. However, in response to the GOC's reference to *Australia – A4 Copy Paper* the commission notes that, when that reference is read in context, the WTO panel expressly rejected Indonesia's argument that a PMS must be 'exceptional', or 'unusual or out of the ordinary', as opposed to 'distinct, individual, single, specific'. The commission does not accept the suggestion in China's submission that it needs to determine whether a market situation is 'exceptional'.

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[116] The GOC's questionnaire response for *Investigation 658* concerns hot rolled coil steel (HRC), but the commission considers that the GOC's response is relevant for this inquiry.

[117] Report of the Panel (WTO), *DS529 Australia – Anti-Dumping Measures on A4 Copy Paper*, WTO website, 4 December 2019.

A.6.2 Excess capacity

The commission considers that the Chinese steel market continues to maintain excess capacity.[118] Excess capacity distorts market conditions by creating an oversupply of steel resulting in reduced prices and profitability of steelmakers.

The commission considers that the excess capacity in China is largely influenced by the GOC's involvement in the Chinese steel industry.

Based on OECD data, Chinese excess capacity represented approximately 87.2% of global excess capacity

Figure 15 shows the commission's calculation of excess steel capacity in China from 2020, based on OECD data.

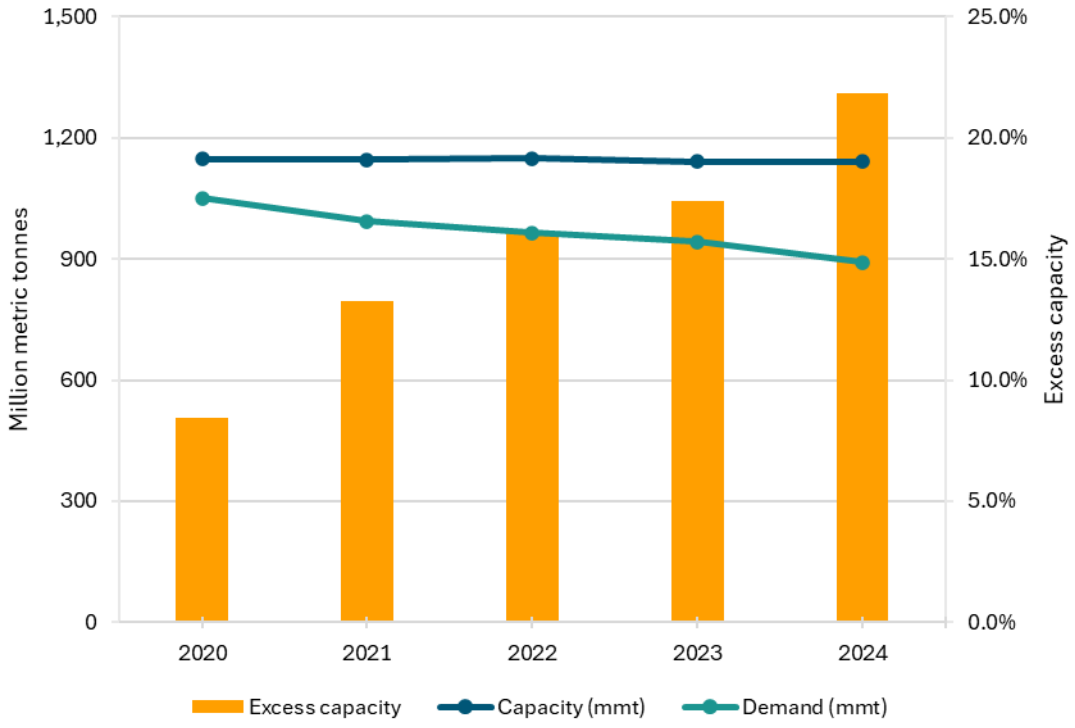

Figure 15: Chinese steel excess capacity[119]

The commission considers that the excess capacity in the Chinese steel market is influenced by historical and current involvement of the GOC, through direct and indirect means.

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[118] The Global Forum on Steel Excess Capacity (GFSEC) defines excess capacity as the 'gap between demand for steel and the capacity to produce steel.' GFSEC, 'A high-level forum for global action on steel excess capacity (Key Messages)', GFSEC website, n.d.

[119] **Confidential Attachment 23**.

Distortive effects of excess capacity

The commission considers that excess capacity results in several distortive effects to the steel market in China.

The GFSEC notes that where excess capacity exists, it results in a situation where 'steel is oversupplied and prices and profitability are lower than what normal market conditions would dictate. In other words, the excess capacity is market distorting.'[120]

This is supported by data from CREA which estimates that Chinese steel industry profitability has severely deteriorated since 2021 (Figure 16).

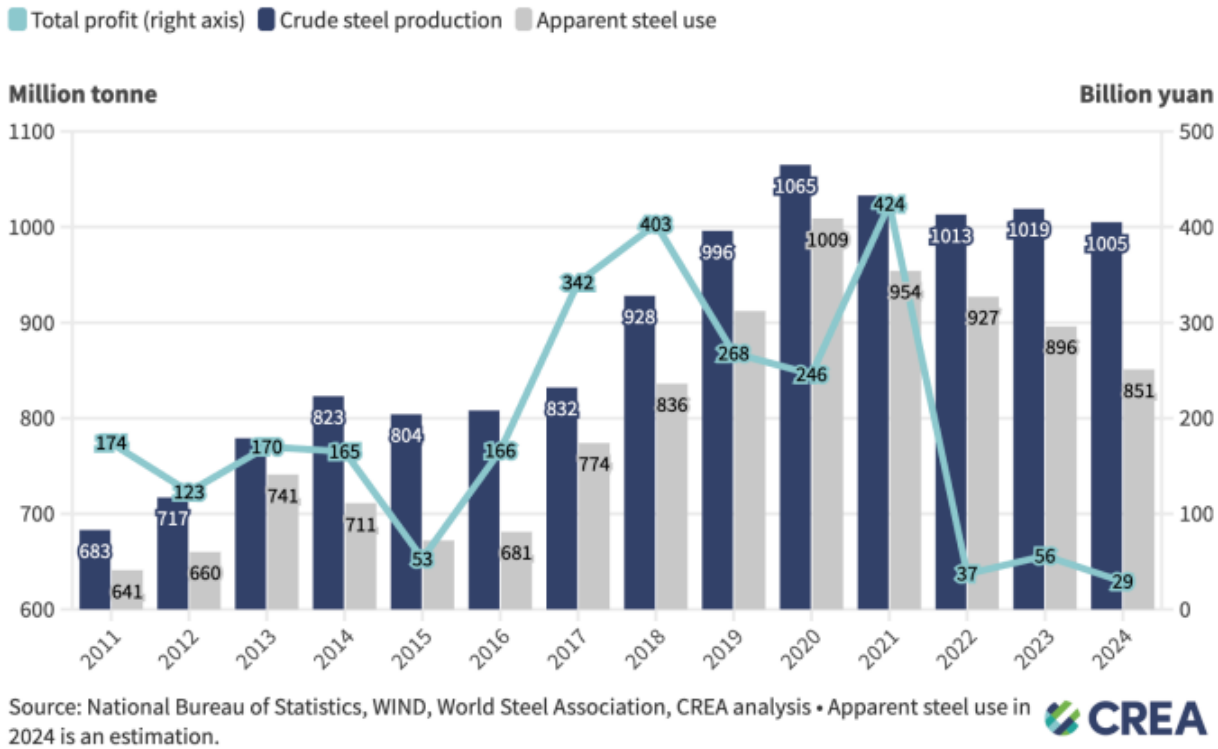

Figure 16: China's crude steel production, apparent steel use and sector profits, 2011-2024[121]

Figure 16 also demonstrates a consistent and increasing oversupply of steel in China.[122]

The commission considers that excess capacity has contributed to steel oversupply in China, resulting in depressed prices. This oversupply and depressed pricing would not be as prevalent if excess capacity was not at existing levels.

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[120] GFSEC, *Steel exports, trade remedy actions and sources of excess capacity [PDF 1,255KB]*, GFSEC website, May 2024, p 6.

[121] X Shen and B Schäpe, 'China - Steel industry decarbonisation biannual review - H2 2024', Centre for Research on Energy and Clear Air (CREA) website, 26 February 2025.

[122] The difference between crude steel production and apparent steel use.

Factors contributing to excess capacity

Excess capacity is the gap between capacity and demand. The commission has examined factors contributing to these two areas.

Factors contributing to capacity

The commission considers that the high proportion of blast furnace and basic oxygen furnace (BF-BOF) for steel production in China are a contributing factor to excess capacity. Blast furnaces need to operate continuously and have long operational lifespans, contributing to over-production and excess capacity.

BF-BOF accounts for approximately 90% of crude steel production in China.[123] Due to the nature of blast furnace operation, it is preferable to run them continuously as they are difficult to start and stop. This is highlighted by recent reporting from Shanghai Metal Market (SMM) that the blast furnace operating rate was 86.38%, with capacity utilisation of 88.52%.[124] Reductions in blast furnace operation were attributed to maintenance, which is one of the few times that operations are stopped. The high utilisation rates result in an incentive to produce steel even in circumstances where it may not be financially viable (as indicated by falling profits in Figure 16). As examined later in this report, support provided by the GOC allows steel firms to continue operating on non-commercial terms (sections A.6.3 and A.6.4).

Data from the Global Energy Monitor indicates that the average age of blast furnaces in China is about 12 years.[125] Coupled with operating lifespans of over 40 years, this suggests that China's blast furnace capacity will not reduce in the near future.[126]

The commission also considers that the GOC has directly and indirectly contributed to excess capacity in the Chinese steel market.

The OECD finds:[127]

> The rise in China's position in the global steel industry is not a purely market-driven outcome. Instead, it reflects a steel industry expansion driven by market-distorting subsidies and other non-market policies and practices.

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[123] X Shen and L Myllyvirta, 'China's steel sector invests USD 100 Billion in coal-based steel plants, despite low profitability, overcapacity and carbon commitments', CREA website, August 2023.

[124] Shanghai Metal Market (SMM), 'Increased Blast Furnace Maintenance, Hot Metal Output Growth Falls Short of Expectations', SMM website, 17 September 2025, accessed 23 September 2025.

[125] Global Energy Monitor (GEM), 'Steel has a fossil fuel problem, and it's called the blast furnace', GEM website, 2025, accessed 23 September 2025.

[126] GEM reports that the average age of blast furnaces outside of China is 42 years. GEM, 'Steel has a fossil fuel problem, and it's called the blast furnace', accessed 23 September 2025.

[127] OECD (2025), OECD Steel Outlook 2025.

This is similarly concluded by the GFSEC:[128]

> The review process of the GFSEC clearly indicated that China's excess capacity was grounded in market-distorting government interventions and other non-market factors.

The commission has further examined the GOC influence in the Chinese steel market in sections A.6.3 and A.6.4.

Decreasing domestic demand for steel

Research shows that demand for steel in China's building and construction industry has decreased since its peak in 2020.[129] Although demand has shifted to other sectors, the downturn in the building and construction industries has resulted in a net decrease in steel demand since 2020 (Figure 14). Over the same period, China's steel capacity has remained consistent.

The OECD forecasts that steel demand in China will fall by -0.6% on average per year from 2025 to 2030.[130] Any decrease in demand without a matching decrease in capacity indicates that excess capacity is likely to continue.

GOC measures aimed at reducing excess capacity

The commission recognises that the GOC has made commitments to reduce excess capacity. However, while there have been numerous initiatives to address excess capacity, it remains an ongoing issue which results in distortive effects on the Chinese steel market.

One of the major initiatives for reducing capacity is through the transition from BF-BOF steel production to the use of EAF. This transition also achieves the GOC's goal of reducing carbon emissions associated with steel making. However, the effectiveness of the transition has been limited.

CREA reporting states that EAF steelmaking has remained at 10%, below the 2025 goal of 15%.[131] The reasons behind the stagnation in EAF share includes low recycling rates and lack of economic incentives. Further, data from the CREA shows that from 2017 to 2023, blast furnaces accounted for 99% of new ironmaking capacity and BOF accounted for 70% of new steelmaking capacity.[132]

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[128] GFSEC, Steel exports, trade remedy actions and sources of excess capacity, p 6.

[129] BHP, 'Visualised: China's Steel Demand Through Time', BHP website, 18 July 2024, accessed 23 June 2025.

[130] OECD (2025), *OECD Steel Outlook 2025*, Table 4.3.

[131] X Shen and B Schäpe, *Urge for reform: blast furnace glut in China erodes profitability and hinders green steel transition*, CREA website, 2025.

[132] X Shen and L Myllyvirta, 'China's steel sector invests USD 100 Billion in coal-based steel plants, despite low profitability, overcapacity and carbon commitments', Table 1.

The replacement of BF-BOF with EAF is also hindered by limitations in steel scrap supply, and the generally higher prices for EAF-produced steel, limiting its competitiveness compared to BF-BOF.[133] This is also affected by the real estate downturn in China, a major area of demand for EAF-produced steel. If China is to meet its planned goals for EAF transition, the commission considers that further investment and other policy support will be required. This would increase the risk of market distorting effects due to increased GOC involvement in the Chinese steel industry.

In response to the slow transition in steelmaking capacity, the GOC suspended approvals for steel capacity replacement in August 2024 in order to revise its plans.[134] This move was made to address issues with the implementation and changing requirements of the steel industry in relation to steel capacity replacement.[135] Reporting by S&P Global states that 'the move seems to be too late as the current steel capacity has already exceeded demand, and more brand-new facilities, which have already received approvals, are planned to come on stream from the remainder of 2024 to 2026'.[136]

In addition to the limited effectiveness so far of the transition in steel capacity, these measures can also have the opposite effect. A report by Wiley Law identified instances that resulted in an increase in capacity through investment in EAF facilities.[137]

The commission also considers that the absence of specific targets in the GOC's plans for reducing capacity may hinder their effectiveness. Outside of a general target for yearly growth (4%), there are limited or no targets for how the reduction in capacity will be achieved – for example, the most recent *Work Plan for Stabilising Growth in the Steel Industry* only states that the GOC will implement precise control of production capacity and output and increase capacity reduction and replacement efforts.[138]

The commission considers the limited effectiveness of the GOC's measures to reduce capacity mean that the problem of excess capacity remains.

A.6.3 GOC planning system and effect on the Chinese steel industry

The planning system in China is complex and involves many levels of government, each with their own planning documents. The various plans cover almost all areas of the Chinese economy, and many have a direct or indirect effect on the Chinese steel market.

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[133] X Shen and B Schäpe, 'China - Steel industry decarbonisation biannual review - H2 2024', p 9.

[134] J Zhang, 'China's latest steel capacity swap move not enough to curb industry expansion', S&P Global website, 29 August 2024, accessed 3 October 2025.

[135] MIIT, 'Notice from the General Office of the Ministry of Industry and Information Technology on Suspending Steel Capacity Replacement Work', MIIT website (Google translate), 22 August 2024, accessed 6 October 2025.

[136] J Zhang, 'China's latest steel capacity swap move not enough to curb industry expansion', accessed 3 October 2025.

[137] A Price, R DeFrancesco, III and A Teslik, 'Shell Game: Case Studies in Chinese Steel Subsidies', Wiley Rein LLP, 2024, pp 26-27.

[138] MIIT, 'Work Plan for Stabilising Growth in the Steel Industry (2025-2026)', accessed 3 October 2025.

The commission considers that the GOC's plans are more than a high-level guide for the direction of the relevant sectors. Through the creation of the Five-Year Plans to the subsequent guiding opinions and supporting plans, the GOC exercises direct control of areas of the Chinese economy, including the steel market.

The commission notes there is difficulty in sourcing the exact planning documentation due to the fragmented nature of the planning system in China and unavailability of certain websites outside of China. As plans are managed by the various authorities, publication of planning documents may be limited to summaries, or not available at all on the relevant authority's website. The commission has used information provided by the GOC in RGQ 658 and directly from the relevant authority's websites, where available, in summarising the various plans.

The authorities which manage and implement the various plans, include, but are not limited to:

- The State Council of the People's Republic of China (State Council)
- National Development and Reform Commission (NDRC)
- State-owned Assets Supervision and Administration Commission of the State Council (SASAC)
- Ministry of Industry and Information Technology (MIIT)
- Ministry of Ecology and Environment (MOEE)
- Ministry of Natural Resources
- Ministry of Commerce
- State Administration for Market Regulation
- National Energy Administration
- other provincial or local government bodies.

Distortive effects of the GOC planning system

Through its various plans, the GOC can influence specific and broader trends in the steel industry, particularly around capacity and production. The GOC can ensure that these plans are followed through enforcement mechanisms. Accordingly, the commission considers that the GOC's plans have caused distortive effects on the Chinese steel industry. This includes:

- contributing to excess capacity through various means, including directives to increase steel capacity
- plans and directives that lead to underperforming firms continuing to operate
- destabilising effects from short timeframes given for entities to respond to certain plans
- conflicts in the plan's directives and entity's incentives leading to limited effectiveness
- effects on production levels, and by extension, pricing.

GOC questionnaire response

In relation to governmental laws and regulations, 'The GOC reiterates that there are no special laws or regulations regarding HRC or the input materials as referred to by the Commission.'[139] The GOC further states that there is a 'lack of government intervention by way of subsidies at all stages of steel production including the provision of raw materials.'

The commission has found that although there may not be any laws or regulations that relate specifically to rebar, there are many plans that affect the Chinese rebar market. Further, the commission has identified multiple plans which directly influence the Chinese steel market, as well as the raw materials used in steel production.

These plans are examined throughout this section.

The GOC also submits that:

> The GOC would like to reiterate that government policies are not legal instruments. They are not enforceable, and are aspirational in nature. No government policies are administered or carried out on behalf of GOC by any enterprises, nor are they expected to be carried out. The Law on State Owned Assets explicitly requires a strict separation of government function from the operation of business.[140]

The GOC also submits that the act of an enterprise following government policies does not mean that the enterprises are carrying out those policies on behalf of the GOC.[141] The GOC submits that enterprises might make commercial decisions which reflect or are in line with government policies as those policies include a common interest – for example, promoting further economic growth or commercial development.

Commission's consideration of enforceability of GOC's plans

The commission notes the GOC's submission that GOC plans are 'not enforceable and are aspirational in nature.' However, the commission does not agree with this statement.

Mechanisms through which the commission considers the GOC is able to enforce GOC plans include the presence and role of SOEs within the broader steel industry, the role of the NDRC, and explicit enforcement mechanisms.

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[139] EPR 658, no 8, response B-2. Investigation 658 concerns HRC, but the commission considers that the GOC's response is relevant for this inquiry.

[140] EPR 658, no 8, question D-5.13(b).

[141] EPR 658, no 8, question D-5.13(b).

The GOC, where it is also the majority owner of an SOE, can exert its influence through the appointment of board directors and chief executives.[142] As discussed in section A.6.4, SOEs' significant share of total Chinese steel production and propensity to follow government guidance and directives ensures that the GOC can influence broader trends in industry capacity and steel production. Similarly, the NDRC, through its dual role of developing planning guidelines and directives and approving large-scale investment projects, has the capacity to ensure that the broader objectives of the central government are implemented. Examples of enforcement mechanisms are reflected in the *Notice of the State Council on Further Strengthening the Elimination of Backward Production Capabilities and Guidelines*.[143] Mechanisms to address non-compliance include:

- revoking of pollutant discharge permits
- restrictions on financial institutions providing new credit support
- restrictions on examination and approval of new investment projects
- restrictions on approval of new land for use by the enterprise
- restrictions on issuing of new, and cancelling of existing, production licenses.

Overview of GOC plans relevant to the overall Chinese economy

The following is a summary of the key themes and objectives of major GOC planning guidance and directives that affect the Chinese economy generally.

The commission notes that this summary may not include every plan that may be relevant due to the complexity of the planning structure of the GOC and access to relevant sources. The commission has focused on central government plans, noting that there may be similar plans at the provincial and local government levels.

14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2035 (2021-2025)

The 14th Five-Year Plan (FYP) for national economic and social development was released on 12 March 2021. The GOC provided a copy of the 14th FYP as part of RGQ 658.[144]

This plan outlines China's goals, principles and targets for infrastructure, the environment, financial services, health and social, and economic development for the 5 years to 2025. It has a strong emphasis on the modernisation and decarbonisation of the manufacturing industry through promoting green developments and a focus on capping energy utilisation. Notably, this plan includes mention of 'transforming and upgrading traditional industries', including the iron and steel industries.

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[142] D Zhang and O Freestone, 'China's unfinished state-owned enterprise reforms', *Economic roundup issue 2, 2013*, the Treasury, Australian Government, 19 November 2013, accessed 25 March.

[143] State Council, 'Notice of the State Council on further strengthening the elimination of backward production capacities', State Council website (Google translate), 6 February 2010, accessed 25 March 2024.

[144] EPR 658, no 8.

The commission considers that the 14th FYP affects the Chinese steel market in several ways, including:

- a push to transition away from blast-furnace based steel production to EAF
- financial support for areas of focus, including in the manufacturing sector
- a focus on building supply chains which are not subject to outside interference
- continuing reform of the state-owned sector.

Various ongoing efforts in SOE reform

Since at least 1978, the GOC has pursued reform of the state-owned sector. These reforms have progressed in several stages, with the most recent stage beginning in 2012.[145]

A major milestone in SOE reform was the establishment of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) in 2008.[146] Since that time, SASAC has governed the management of SOEs.

Reforms have also resulted in the promotion and consolidation of SOEs, including the build-up of the (at the time) Baosteel Group, resulting in its eventual merger with Wuhan Iron and Steel Corporation in 2016 to form China Baowu Steel Group Corporation Ltd (Baowu Group).[147] Following the merger, Baosteel Group went from the 5th largest steel producer in the world, to the Baowu Group being the 2nd largest in the world from 2015 to 2016. Following further mergers and acquisitions, the Baowu Group is now the largest producer of crude steel in the world.[148]

The significance of SOEs to the broader Chinese economy, including the steel market, is reflected in the State Council of China's *Guiding Opinion on Promoting the Structural Adjustment and Reorganization of Central Enterprises*.[149] In introducing this guidance, the State Council notes the important role of SOEs in actively promoting structural adjustment, optimisation of structural layout and quality improvement within the Chinese economy. The guidance also indicates that the State Council will deepen reform of SOE policies and arrangements to optimise state owned capacity allocation, promote transformation and upgrading. Details concerning the promotion of central enterprises restructuring and reorganisation include the 'safeguard measures' theme, the strengthening of the organisation and leadership of SOEs, strengthening of industry guidance, increased policy support and improved support measures more generally.

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[145] Gu, T. (2024). The latest round of China's state-owned enterprise reforms: the state advances, the private sector retreats? *Cogent Social Sciences*, *10*(1). https://doi.org/10.1080/23311886.2024.2443033.

[146] State-owned Assets Supervision and Administration Commission of the State Council (SASAC), 'What We Do', SASAC website, 17 July 2018, accessed 12 December 2025.

[147] China BaoWu Steel Group Corporation Limited (BaoWu Group), *Company Profile*, BaoWu Group website, n.d., accessed 6 October 2025.

[148] Worldsteel Association (WSA), 'World steel in Figures 2025', WSA website, n.d., accessed 20 June 2025.

[149] SASAC, 'Guiding Opinions of the General Office of the State Council on Promoting the Structural Adjustment and Reorganization of Central Enterprises', SASAC website (Google translate), 29 July 2017, accessed 1 October 2025.

More recently, the *Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization* was published.[150] This resolution further reinforces the support to strengthen SOEs, stating reforms will help 'state capital and SOEs get stronger, do better, and grow bigger, with their core functions and core competitiveness enhanced.'

The commission considers that the strong focus on SOE reform in China supports that SOEs continue to be a key lever for the GOC to exert control over the Chinese economy, and by extension, the Chinese steel market.

The commission has further examined the effect of SOEs on the Chinese steel industry in section A.6.4.

15th Five-Year Plan (under development, 2026-2030)

China's 15th FYP is currently in the early stages of research and planning and is set to be published in March 2026. Continuing from the 14th FYP, it is expected that the new plan will maintain a focus on environmental sustainability including low-carbon manufacturing.[151]

The commission considers that the continued focus on low-carbon manufacturing will continue the push to transition from blast-furnace based steel production to EAF.

Overview of GOC plans relevant to the Chinese steel market

The following is a summary of the key themes and objectives of major GOC planning guidance and directives that affect the Chinese steel market more specifically. A number of these plans are focused on curbing excess capacity in the steel industry, as well as managing the transition towards a green economy.

The commission notes that this summary may not include every plan that may be relevant due to the complexity of the planning structure of the GOC and access to relevant sources. The commission has focused on central government plans, noting that there may be similar plans at the provincial and local government levels.

[150] xinhua, 'Resolution of CPC Central Committee on further deepening reform comprehensively to advance Chinese modernization', Theory China website, 21 July 2024, accessed 3 October 2025.

[151] Dr L Guo, 'China's 15th Five-Year Plan: Implications for Australia's Economic and Environmental Future', AustChina Institute (ACI) website, 4 June 2025, accessed 24 June 2025.

There are a number of plans issued by the GOC which apply to the steel industry directly. These plans include, but are not limited to:

- *Special Action Plan for Energy Conservation and Carbon Reduction in the Steel Industry (2024-2030)*[152]
- *Work Plan for Stabilising Growth in the Steel Industry (2025-2026)*[153]
- *Work Plan for Stable Growth in the Steel Industry (2023-2024)*[154]
- *Guiding Opinion on Promoting High-Quality Development of the Iron and Steel Industry (2022)*[155]
- *14th Five-Year Plan for the Development of Raw Materials Industries (2021-2025).*[156]

These plans reinforce that the steel industry is a key pillar industry for the Chinese national economy.

Although there have been changes over time to the GOC's goals, the broad areas of focus of these plans include:

- setting targets for growth (typically around 4% annually)
- improving capacity regulation and output management
- stabilising raw material supply, including restrictions on exports of some raw materials
- setting energy efficiency benchmarks
- promoting upgrades to steel production to be more efficient
- improved utilisation of surplus energy and by-products
- increasing the proportion of EAF steel production
- promoting corporate mergers and restructures
- promoting the elimination of 'backward' production capacity (production facilities that are below industry standard)
- financial support to promote implementation.

Implementation of these plans involve coordination between multiple areas of government including the NDRC, MIIT, MOEE, the State Administration for Market Regulation, and the National Energy Administration.

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[152] GOC, 'Notice from the National Development and Reform Commission and other departments on Issuing the "Special Action Plan for Energy Conservation and Carbon Reduction in the Iron and Steel Industry"', GOC website (Google translate), 27 May 2024, accessed 3 October 2025.

[153] MIIT, 'Notice from Five Departments on Issuing the "Work Plan for Stabilizing Growth in the Steel Industry (2025-2026)"', MIIT website (Google translate), 22 September 2025, accessed 3 October 2025.

[154] MIIT, 'Notice from Seven Departments on Issuing the "Work Plan for Stabilizing Growth in the Steel Industry"', MIIT website (Google translate), 25 August 2023, accessed 3 October 2025.

[155] National Development and Reform Commission (NDRC), 'China issues roadmap for high-quality development of iron and steel industry', NDRC website, 25 March 2022, accessed 3 October 2025.

[156] EPR 658, no 8.

There are also several other plans which include the steel industry among other sectors. These include, but are not limited to:

- *Circular Economy Development Plan for the 14th Five-Year Plan (2021-2025)*[157]
- *14th Five-Year Plan on Developing Scrap Steel Industry (2021-2025)*
- *14th Five-Year Plan on Promoting Clean Production (2021-2025)*
- *Action Plan for Continuous Improvement of Air Quality (2023)*[158]

These plans echo many of the GOC's goals within the steel industry specific plans. The focus areas of these plans that are relevant to the Chinese steel industry include:

- development of the green steel industry
- development of the circular economy, where waste is minimised and resource usage is maximised, including a focus on increasing steel scrap usage for steel production
- development of recycling systems in major cities
- tax incentives and other financial support to promote implementation.

The central role of the GOC in the Chinese steel industry is reflected through these planning documents and directives. Through this role, the GOC has materially contributed to the historical and current conditions in the Chinese steel industry.

Effects of the GOC's plans on the Chinese steel market

The commission considers that the GOC's plans have resulted in real effects on the Chinese steel market. This is most evident through the significant excess capacity within the Chinese steel industry. The GOC's plans have resulted in excess capacity in the Chinese steel industry in the following ways:

- A restriction of free-market forces to influence development of the Chinese steel industry.
- A contradiction between the stated aims of the plans, and the actual effect of the plans.

The commission considers that the direction of the GOC's plans restrict the ability of free-market forces to influence the development of the Chinese steel industry. The substantial level of involvement of the GOC has led to a situation in where the Chinese steel industry is dominated by SOEs (Table 16). The commission considers that SOEs are more likely to adhere to the GOC's plans, and the influence of these SOEs due to their size leaves little room for non-SOEs to provide non-state influence.

[157] NDRC, 'Notice on Issuing the 14th Five-Year Plan for Circular Economy Development', NDRC website (Google translate), 7 July 2021, accessed 6 October 2025.

[158] State Council, 'Notice from the State Council on Issuing the Action Plan for Continuous Improvement of Air Quality', State Council website (Google translate), 7 December 2023, accessed 9 October 2025.

As examined within this section, many of the GOC's recent plans are aimed at reducing capacity as well as addressing carbon emissions through reduction or closing of BF-BOF and replacing them with EAF. However, as evidenced in **Error! Reference source not found.**, there appears to be limited success in reducing capacity.

The commission considers that this apparent gap between the level of excess capacity and stated goals of the GOC is due in part to the GOC's plans. The GOC has also recognised this contradiction, with all new steelmaking production projects suspended in August 2024 to provide the GOC with time to review its policies aimed at reducing overcapacity.[159]

The commission considers that financial assistance, such as below-market borrowings and grants, allows firms to continue operating even in situations where a free-market driven firm may be forced to close or wind down operations. This is particularly the case for SOEs, which have been found to be the main recipients of below-market borrowings and grants.[160] Without this assistance, the performance of SOEs is reduced.[161] Firms have also used financial support to phase out aging infrastructure, but this has simply been replaced with the same, or in some cases greater, capacity.[162] While this new infrastructure is more environmentally friendly (more efficient and reduced emissions), the problem of excess capacity remains.

The consolidation of SOEs through SOE reform has also led to a maintenance of, or in some cases an increase in, the levels of capacity. The commission would expect that smaller, less-efficient, steel firms would be closed as part of the GOC's push to reduce capacity. However, instead, the GOC has consolidated SOEs, which has instead led to an overall increase in capacity. This is most evidenced by the creation of the Baowu Group, which is now the largest producer of crude steel in the world.

A.6.4 State ownership in the Chinese steel industry

The commission considers that 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.

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[159] J Ling, 'Pause on steel projects shows challenges of China's green transition', Dialogue Earth website, 12 November 2024, accessed 9 October 2025.

[160] 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 2.

[161] OECD (2024), 'Quantifying the role of state enterprises in industrial subsidies', Figure 8.

[162] A Price, et al., 'Shell Game: Case Studies in Chinese Steel Subsidies'.

Table 16 outlines the 10 largest steel producing companies in China as well as whether they are state-owned.

Company or group	State-owned	Crude steel production (mmt)
China Baowu Group	Yes	130.09
Ansteel Group	Yes	59.55
HBIS Group	Yes	42.28
Shagang Group	No	40.22
Jianlong Group	No	39.37
Shougang Group	Yes	31.57
Delong Steel	No	29.33
Hunan Steel Group	Yes	24.90
Jingye Group	No	22.72
Shandong Steel Group	Yes	19.45
Total SOEs in Chinese top 10		**307.84**
Total Chinese top 10		**439.48**
Total China		**1,005.10**

Table 16: Largest 10 Chinese steel firms by production in 2024[163]

The commission notes that entities within the HBIS Group and Jingye Group are currently certified by ACRS, indicating that they are producers of the goods subject of this inquiry.

The OECD has found that state enterprises can benefit from certain advantages, including:

- direct and indirect subsidies, which increase with the extent of state ownership
- non-neutral application and enforcement of competition rules
- discriminatory public procurement rules and practices
- forced technology transfers.[164]

The OECD has also found that 'despite benefitting from these advantages, data indicate that SEs [state enterprises] tend to underperform financially, as assessed by their returns on assets and equity, which often decline with the proportion of company shares held by state entities.'

The commission has examined the effect of state ownership in the Chinese steel market.

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[163] WSA, 'World steel in Figures 2025', accessed 20 June 2025. The commission has used publicly available information to determine whether entities are SOEs.

[164] OECD (2024), 'Quantifying the role of state enterprises in industrial subsidies'. The OECD uses the term 'state enterprise' over 'state-owned enterprises'.

Distortive effects of state ownership

In addition to the effects of the various GOC policies described in section A.6.3, the commission considers that SOEs can distort conditions in the Chinese steel market in the following ways:

- GOC support allows SOEs to develop production capacity.
- SOEs can operate on non-commercial terms for extended periods, contributing to excess capacity.
- SOEs are insulated from free-market price and profit signals.
- Difficulty of private enterprises to compete and 'level the playing field'

The commission does not consider that the presence of SOEs alone causes market distortions. However, the commission does consider that the presence of SOEs is likely to result in adherence with the GOC's plans and directives. The commission also considers that the support provided to SOEs by the GOC has enabled many of them to be operated on non-commercial terms for extended periods, significantly impacting supply and pricing conditions within the domestic Chinese steel market.

The effect of these various forms of support is described further below.

GOC questionnaire response

As part of the government questionnaire the commission requested information from the GOC regarding SOE involvement in the Chinese steel industry as well as the operation and governance of SOEs in general.[165]

The commission notes differences in how 'SOE' is defined. For consistency in this report, the commission has used 'SOE' to refer to a Chinese state-owned or state-invested enterprise. In RGQ 658, the GOC has used various terms, including 'SOE', 'SIE', 'state-owned enterprise', and 'state-owned company'.

In relation to SOE involvement in the steel industry, the commission requested the percentage of total production capacity in the steel industry that SOEs have accounted for over the last 5 years. The GOC states it does not have this information.

The commission also requested information on:

- the process for transferring shares in SOEs in the HRC industry and the involvement of the SASAC
- the governing activities of SOEs
- the operation of the SASAC
- the core features of SOEs in the steel market in China.

The GOC provided responses to these queries which are discussed below.

[165] EPR 658, no 8.

Process for transferring shares in SOEs[166]

In its answer, the GOC did not describe the process for transferring shares in SOEs. It did describe the role of the SASAC as that of 'a shareholder in the normal sense of the term.'

Governing activities of SOEs[167]

The GOC outlines that the legislation governing the GOC's role or involvement with respect to SOEs is the *Law of State-Owned Assets in Enterprises* (SOE Law).

The GOC advises that SOEs are 'entities which are independent of their shareholders.' The purpose of the SOE Law is to 'ensure, police and instruct the separation of government functions from those of shareholders.'

In respect of the HRC industry, the GOC states that there are no documents which provide for the existence, guidance, or administration of SOEs within the industry. Instead, the GOC provided a non-exhaustive list of documents which apply to the regulation of SOEs generally. In addition to the SOE Law, these include:

- *Company Law of the People's Republic of China* (Company Law)[168]
- *Interim Regulations on the Board of Supervisors of the State-Owned Enterprises*[169]
- *Interim Measures for Administration of Comprehensive Performance Evaluation of Central Enterprises*.[170]

The GOC provided copies of these documents.

The relevant documents are communicated to SOEs via publication to the public. The GOC notes that under the *Administrative Permission Law of the People's Republic of China* 'no legal document may be taken as the basis for specific administrative permission except for those that are publicly available.'

The GOC states that it 'does not consider that [SOEs] in the HRC sector in China enjoy any advantages compared with non-State invested enterprises from a regulatory treatment perspective.' The GOC notes that 'given that SIEs are generally speaking larger in size and scale, and have stronger reputation, SIEs may be perceived to enjoy commercial advantages generally associated with larger enterprises, such as in terms of pricing powers and credit risks.'

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[166] EPR 658, no 8, question C-21.

[167] EPR 658, no 8, questions D-5.1 to D-5.5.

[168] EPR 658, no 8, Non-Confidential Attachment – Attachment D4(d)(1) The new Company Law (current), and Non-Confidential Attachment – Attachment D5.3a Company Law (previous).

[169] EPR 658, no 8, Non-Confidential Attachment – Attachment D5.3c Interim Regulations on the Board of Supervisors of the State-owned.

[170] EPR 658, no 8, Non-Confidential Attachment – Attachment D5.3d Interim Measures for the Administration of Comprehensive Performance Evaluation of Central Enterprises.

Operation of the SASAC[171]

The GOC states that the SASAC undertakes the role of shareholder or capital contributor in relation to SOEs. The SASAC is responsible for the supervision and administration of all SOEs in China. The GOC submits that the SASAC acts as shareholder representative body and does not exercise governmental functions such as directing or regulation. Accordingly, the GOC submits that the SASAC is designed to segregate state-invested enterprises from the political control of the state.

The GOC submits that the operation of the SASAC is in a 'manner as provided by law, and not in a way which is dictated by any GOC party or instrumentality. No other parts of the GOC have any authority to intervene contrary to that legal stipulation.'

As part of its role, the SASAC appoints a representative to attend shareholder's meetings or general assemblies. The specific role of these representatives is to put forward proposals, present opinions and exercise the voting right under the instructions of the appointing body. These representatives are also required to report the performance and results to the SASAC.

The SASAC may evaluate the performance of an SOE in the same way that any shareholder would evaluate the performance of a company in which it has an interest. Evaluation is based on its commercial and financial performance in line with industry averages. The GOC submits that there is no essential difference between the methods which the SASAC adopts to inspect and evaluate enterprise performance, and those adopted by other shareholders to inspect and evaluate business performance of private enterprises. The performance of managers of SOEs is evaluated according to the SOE Law. If the enterprise makes a loss or under-performs, senior members of the management, such as the directors and senior managers of the enterprise may be held liable in terms of remuneration and promotion. The GOC notes that the SASAC will consider commercial, legal, political, and social risks in managing investments. The SASAC is also entitled to gains on assets.

Core features of SOEs in the steel market[172]

Throughout its response, the GOC submits that state-ownership does not automatically mean that SOEs perform government functions. The governance and operation of SOEs falls under the Company Law, as it does for all companies in China. The GOC submits that this applies to any SOEs that were identified as having exported HRC to Australia.

The GOC submits that outside of the Company Law, there is no government direction as to how companies are operated. The GOC submits that 'steel suppliers of the type referred to here are not told what to do by the Chinese government and do not exercise governmental authority. Any allegation to the contrary, must be substantiated with positive evidence on a company-by company basis.'

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[171] EPR 658, no 8, GOC - Response to Government Questionnaire, questions D-5.8 and D-5.9.

[172] EPR 658, no 8, GOC - Response to Government Questionnaire, questions D-5.10 to D-5.13.

In relation to representation, the GOC submits that there are no requirements in law or practice to have government representation at any level. However, the GOC notes that 'the GOC will necessarily have some kind of representation in an enterprise in which it holds a substantial number of shares.' For a wholly owned SOE (where SASAC is the only capital contributor and shareholder), the SASAC (or other wholly owned SOE) has the right to appoint some members of the board of directors. However, under legislation, there must also be some other directors that are designated by the congress of employees.

In relation to Chinese Communist Party (CCP) membership, the GOC submits that SOE company executives may or may not be CCP members. There are also no requirements for executives to have party membership. Where CCP members are also members of the board of directors or as shareholders, it is because they meet the criteria to have been appointed by the company.

The GOC submits that in respect of the powers of the SASAC in respect of SOEs, the SASAC decides and approves major matters such as:

- division
- merger
- bankruptcy
- dissolution
- increase or decrease in capital
- issue of corporate bonds.

The SASAC also reports the outcomes of these major matters to the GOC at the relevant level. The SASAC also decides the assignment of state-owned equity in SOEs. The GOC notes that where the assignment of equity would result in the GOC no longer having the controlling interest in the enterprise, it shall be reported to the GOC at the same level for approval.

The GOC submits there is no law or government policy on how SOEs should determine suppliers of raw materials, the price of raw materials, or inputs into production processes. The GOC submits that it does not participate in the setting, controlling or guiding of selling prices for SOEs (unless they are listed in the catalogues of GOC-set prices). The commission notes that certain categories that may contribute to the production and sale of steel and the goods are included in the price catalogue, such as:[173]

- electricity
- oil and gas transmission
- freight rate of bulk cargo (including transport of coal)
- port services (where sea freight is involved)

[173] EPR 658, no 8, Non-Confidential Attachment – Attachment C-9 Pricing Catalogue Initiated by the Central Government.

However, the GOC submits that electricity prices are not relevant to controlling or guiding prices of the goods and the raw material inputs. The commission notes that that local pricing is not included in the catalogue. The GOC further submits that there are no controls in place for who SOEs can sell to. The GOC submits that there are no production controls, outside of production restrictions to curb air pollution and in accordance with the carbon emission requirements.

In relation to financing, companies in China are generally financed through various means, including the commercial banking system, capital markets, equity raising, or corporate bond issuance. The GOC advises that it is not in a position to obtain information about the SOE's debts and liabilities held by banks in which it has an interest. The GOC notes that as of 2024 there were 4,425 banking institutions in China.

Involvement of the GOC in the operation of SOEs

In RGQ 658, the GOC states that 'the GOC does not intervene or involve itself in the commercial and operational activities of any SIE in which it may have an investment, such as in its production, selling and pricing of steel.'[174]

While the commission notes that GOC ownership of SOEs does not automatically translate into GOC control of these entities, it is the commission's view that these entities are more likely to be responsive to the directives of the GOC. The level of influence and broader role of SOEs within the Chinese steel industry is relevant to this assessment.

Despite the GOC's claims, the commission considers that the GOC has an influence over the operation of SOEs. Despite the provisions in the Company Law, there is a path of control from the GOC (and the CCP) to SOEs:

1. The State Council upholds the leadership of the CCP.[175]
2. The State Council administers the SASAC.
3. The SASAC administers SOEs, including:
    - appointing board members.
    - approving major matters.

This relationship between the GOC and SOEs is also outlined in the various legislation, including the Company Law and SOE Law.

[174] EPR 658, no 8, GOC - Response to Government Questionnaire, question D-5.1.

[175] C. Wei, 'NPC 2024: Annotated Translation of the Revised State Council Organic Law', NPC Observer, 11 March 2024, accessed 24 October 2025. Refer Article 3 of the 'Organic Law of the State Council of the People's Republic of China'.

Article 170 of the Company Law states:

> 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.[176]

Article 36 of the SOE Law states:

> State-invested enterprises shall make investments *in compliance with the industrial policy of the state* and carry out feasibility studies in accordance with the relevant regulations of the state.[177] [emphasis added]

The commission considers that this supports a finding that SOEs operate in accordance with GOC policy, despite the GOC's claims to the contrary.[178]

The influence of the GOC over SOEs is further supported by research.

The EC Report 2024 found that despite the language in various documents that appears to promote a 'market orientated' approach, the GOC has 'a clear intention to maintain a direct control over SOEs'.[179] The EC also identified that the GOC is involved in the operation of SOEs through managerial appointments and integration of the CCP into corporate governance.[180] This is supported by other research which found that the 'CCP has actively formalised its role in Chinese business by embedding itself into the corporate governance structure of SOEs'.[181]

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[176] EPR 658, no 8, Non-Confidential Attachment – Attachment D4(d)(1) The new Company Law.

[177] EPR 658, no 8, Non-Confidential Attachment – Attachment D5.3b Law on State-Owned Assets.

[178] See section A.6.3.

[179] 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 report 2024), EC, European Union Government, 10 April 2024, section 5.4.

[180] EC, *EC report 2024,* section 5.5.2.

[181] Beck, KI & Brødsgaard, KE 2022, 'Corporate Governance with Chinese Characteristics: Party Organization in State-owned Enterprises', *China Quarterly*, vol. 250, pp. 486-508, https://doi.org/10.1017/S0305741021001351, accessed 23 October 2025.

Other research goes further to delineate between corporate governance and political governance. A paper on political governance in SOEs found that 'State-owned enterprises … are both the economic and political bases of the Communist Party of China … and the Chinese state.'[182] The paper highlights that although SOEs are organised through corporate governance (from the Company Law as submitted by the GOC), SOEs are controlled by the CCP through political governance. This political governance is in the form of state-ownership of SOEs, appointment of managers by the CCP, and involvement of CCP organisations in SOE decision-making.

Finally, an example of the influence of the GOC over SOEs is that of the Baowu Group, which is fully owned by the SASAC. The Baowu Group accounts for around 13% of Chinese crude steel production. Fitch currently rates Baowu Group's state decision-making as 'Strong', and that the GOC 'exerts control over the company's board and senior management, and has strong influence over the group's key operations, strategies and investment decisions.'[183] Statements from Wangming Hu, secretary of the Party committee and chairman of the board at Baowu Group, reflect this control, including that 'China Baowu resolutely implements the decisions and plans of the CPC Central Committee'[184]

Support provided to SOEs

The commission has previously found that the support provided to SOEs by the GOC has enabled many of them to be operated on non-commercial terms for extended periods, significantly impacting supply and pricing conditions within the domestic Chinese steel market.[185]

The commission considers that this support is both financial and in other forms.

Financial support

A large degree of the support provided to SOEs is in the form of financial support.

The various ways the GOC financially supports SOEs acts to 'reduce the normal commercial pressures for companies to operate efficiently and for poorly performing firms to cut back or cease operations'.[186]

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[182] 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, accessed 23 October 2025.

[183] Fitch Ratings, 'Rating report - China Baowu Steel Group Corporation', Fitch Ratings website, 24 February 2025, accessed 25 September 2025.

[184] Chinese Communist Party News Agency (cpcnews) *Forging Steel-like Strength in High-Quality Belt and Road Cooperation*, cpcnews website (Google translate), 27 March 2025, accessed 20 November 2025.

[185] Department of Industry, Innovation and Science (DIIS), *Analysis of steel and aluminium markets: report to the Commissioner of the Anti-Dumping Commission*, Anti-Dumping Commission, DIIS, Australian Government, 2016, p 47, (*Commissioner's steel report*).

[186] DIIS, *Commissioner's steel report*, p 59.

Examples of the financial support mechanisms that enabled SOEs to sustain ongoing operational losses include government subsidies, support from associated enterprises (through direct subsidy, interest-free loans or provision of loan guarantees) and loans from state-owned banks.[187] A direct example of the support provided to SOEs in the Chinese steel market is that of Baowu Group. Fitch rating agency has found that Baowu Group's precedent of support was 'Very Strong', due to both the significant state-support provided during Baowu Group's creation in 2016 and continued support to boost Baowu Group's operating scale.[188]

The OECD had found that SOEs in China are larger recipients of subsidies than other China-based firms.[189] These subsidies were broadly categorised into grants, income-tax concessions, and below-market borrowings. Although this inquiry does not concern subsidisation, the commission considers that it is still relevant context for the assessment of whether a market situation exists. The effects of subsidisation are further examined in section A.6.5.

In relation to loans, the OECD has found that SOEs have better access to borrowing relative to private firms.[190] Further, a summary of evidence by the EC identified persistent deferred or reduced loans in China, including to SOEs, in spite of GOC plans to reduce such practices.[191] The lack of enforcement of bankruptcy law is also an indirect form of financial support. The EC found that many instances of defaults or near-defaults of SOEs have been handled in ways which result in restructuring or eventual recover, resulting in a maintenance of capacity.[192] These restructurings or recoveries were 'achieved without entering into any court-administered bankruptcy proceedings.' The benefits of these factors for SOEs results in an overall lower risk spread on debt for SOEs, based on implicit guarantees of support by the GOC.[193]

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[187] Liu, Haimin & Song, Ligang, 'Chapter 14: Issues and Prospects for the Restructuring of China's Steel Industry' in Ligang Song, Ross Garnaut, Cai Fang and Lauren Johnston (eds), *'China's New Sources of Economic Growth: Reform, resources and climate change:*, Vol.1, ANU Press, The ANU, Canberra, July 2016, doi:10.22459/CNSEG.07.2016.14, p 348.

[188] Fitch Ratings, 'Rating report - China Baowu Steel Group Corporation', accessed 25 September 2025.

[189] OECD (2024), 'Quantifying the role of state enterprises in industrial subsidies', Figure 5.

[190] OECD (2022), *OECD Economic Surveys: China 2022*, OECD Publishing, Paris, https://doi.org/10.1787/b0e499cf-en, p 78.

[191] EC, *EC Report 2024,* pp 178–179, 308–309.

[192] EC, *EC Report 2024*, p 178.

[193] OECD (2024), 'Quantifying the role of state enterprises in industrial subsidies', p 15, p 78, and Figure 3.

Other forms of support

As highlighted by the OECD, SOEs can receive other, non-financial, means of support. The OECD found that the application of competition rules varies between SOEs and private enterprises. A comparison found that of the 22 merger and acquisition approvals involving central SOEs, only one was not approved unconditionally.[194] This is contrasted to 3 prohibited mergers and 59 approved subject to remedies involving private enterprises.[195] In the case of the merger of various enterprises in the formation of the Baowu Group, this resulted in the creation of the largest steelmaker in the world, with the ability to have a significant influence over both the Chinese and global steel markets. This is contrasted to the proposed merger between Shougang Corporation and Hesteel Group Co., Ltd, allegedly prohibited on the basis that there was 'neither an agenda nor a directive for that in the State Council document'.[196]

A report by Wiley found that SOEs also receive support in the form of bailouts and acquisitions. A case study by Wiley found that struggling firms were brought into state-ownership through a complex restructuring process.[197] This had the effect of 'bailing out' the struggling firm though acquiring it, characterised by frequent use of revised loan terms and debt/equity exchanges.

Outcomes of support

The commission considers that the support provided to SOEs in the Chinese steel industry has, and continues to, contribute to excess capacity. GOC support allows SOEs to operate in non-commercial ways, which results in SOEs continuing when they may otherwise have been shuttered in a more competitive market. This results in the non-commercial capacity remaining, despite the GOC's plans to reduce capacity.

Examples of the outcomes of the non-commercial terms that SOEs operate under includes findings from the OECD that:

- performance with and without subsidies is poorer for SOEs compared to private enterprises[198]
- SOEs are less profitable per capacity than private enterprises and have higher levels of debt.[199]

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[194] 'Central SOE' refers to enterprises in China that are owned and administered by the SASAC at the national level.

[195] OECD (2024), 'Quantifying the role of state enterprises in industrial subsidies', pp 18-19.

[196] EC, *EC Report 2024*, p 400.

[197] A Price, et al., 'Shell Game: Case Studies in Chinese Steel Subsidies', (Chapter I: Bailouts and Acquisitions).

[198] OECD (2024), 'Quantifying the role of state enterprises in industrial subsidies', Figure 8.

[199] OECD (2024), 'Quantifying the role of state enterprises in industrial subsidies', Figures 6 and 7.

Role of the GOC in private firms

The commission found in REP 632 that, 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.'[200]

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 market. 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.

A.6.5 Subsidies

Although this inquiry does not concern subsidisation, the commission considers that it is still relevant context for the assessment of whether a market situation exists.

In general, the OECD has found that Chinese steel firms receive five times as much subsidisation as OECD partner countries.[201] The three main forms of subsidisation are below-market borrowings, income-tax concessions, and grants.

Distortive effects of subsidies

The primary effect of subsidisation of the Chinese steel industry is the continuation of excess capacity. Subsidisation allows for steelmakers to invest in capacity or to remain operational even under non-commercial terms. The OECD found that subsidisation may generate a misleading view of firm performance – for example, it can lead to profit levels which would not occur without subsidisation.[202]

GOC questionnaire response

The GOC provided information relating to subsidies for the HRC industry as part of RGQ 658. The GOC's response primarily related to claims of less than adequate remuneration (LTAR) subsidies for raw materials. As this inquiry does not concern allegations of LTAR, the commission has not examined the GOC's claims in respect of that program. However, the GOC did provide information relation to the preferential tax policy for additional deductions to value-added tax.[203]

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[200] Shagang Group, *Group Brief Introduction*, Shagang Group website, n.d., accessed 26 June 2025.

[201] OECD (2025), *OECD Steel Outlook 2025*, Figure 3.4.

[202] OECD (2024), 'Quantifying the role of state enterprises in industrial subsidies', Figure 8.

[203] EPR 658, no 8, GOC - Response to Government Questionnaire, pp 38-43.

Below-market finance

According to OECD research, below-market borrowings are the largest form of subsidisation as a percentage of revenue in China.[204]

Below-market finance can take the form of either below-market borrowings (BMB) where a government provides support through debt financing, or below-market equity (BME) where a government provides equity finance on terms that are inconsistent with market principles. BMB enables companies to obtain debt financing on terms that are more favourable than available on the market – for example, preferential interest rates or government loan guarantees. BME is the provision of equity on non-market terms – for example, government equity infusions or below-market equity returns.[205] Below-market finance has the effect of reducing companies' cost of capital.

The OECD found that movements in steelmaking capacity tracked with below-market borrowings for the steel industry in China.[206] OECD has found examples of financing on non-market terms have been provided to firms that have high debt-to-asset ratios.[207] This has the effect of 'propping up' firms that may otherwise be underperforming, leading to those firms' capacities remaining when they may otherwise have been reduced. Due to the pervasiveness of BMB throughout China, this has the observable effect of perpetuating the issue of excess capacity.

In relation to the Chinese steel industry, BMB is the more relevant factor, as steelmakers typically rely more on debt finance as opposed to equity finance. However, the OECD has found that steel firms had benefited from BME.[208]

Grants

As grants are often specific in their focus, the overall effects on firms can be limited.[209] However, the commission considers that grants are a clear indicator of the GOC's incentives to implement the GOC's plans – for example, grants may be provided to reduce emissions.

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[204] OECD (2024), 'Quantifying the role of state enterprises in industrial subsidies', Figure 5.

[205] OECD (2021), 'Measuring distortions in international markets: Below-market finance', *OECD Trade Policy Papers*, No. 247, OECD Publishing, Paris, https://doi.org/10.1787/a1a5aa8a-en, p 5.

[206] OCED (2021), Measuring distortions in international markets: Below-market finance, Figure 21.

[207] OECD (2021), Measuring distortions in international markets: Below-market finance, p 36.

[208] OCED (2021), Measuring distortions in international markets: Below-market finance, Figure 17.

[209] OECD (2025), 'The Market Implications of Industrial Subsidies', *OECD Trade Policy Papers*, No. 296, OECD Publishing, Paris, https://doi.org/10.1787/e40b793f-en, p 22.

Income-tax concessions

The OECD found that income-tax concessions appear to benefit SOEs and private firms equally.[210] Income-tax concessions are also the lowest form of subsidisation as a percentage of revenue in China, compared to below-market finance and grants.[211] Further, tax concessions are limited in respect of the Chinese steel industry due to the nature of the steel industry. The steel industry is a heavy industry, characterised by being energy-intensive and reliant upon debt financing which generally leads to receiving more BMB.[212]

However, tax concessions can still serve as incentives for investment and serve as a method for the GOC to promote action of its plans. As provided by the GOC in RGQ 658, the Weighted VAT Deduction Policy for Advanced Manufacturing Enterprises allows for a deduction of 5% of the current deductible input tax amount from the VAT payable (Weighted Deduction Policy).[213] This concession applies to firms which are classified as 'high-tech enterprises', which can be decided by the relevant local government departments. The commission considers that the discretion provided to the government means that the application of these tax concessions can be broad. The MIIT announced 45 advanced manufacturing clusters in 2022 which included 1,700 manufacturers.[214]

The commission also considers that tax concessions have an effect of creating incentives for firms to move to specific locations – for example, the commission has previously found that that preferential tax policies exist for enterprises located in certain zones.[215]

A.6.6 GOC involvement in raw material markets

Based on the information provided by Echeng, the commission considers that the main raw materials involved in the production of rebar are:

- iron ore
- coal (thermal and coking)
- steel scrap
- electricity.[216]

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[210] OECD (2024), 'Quantifying the role of state enterprises in industrial subsidies', p 6.

[211] OECD (2024), 'Quantifying the role of state enterprises in industrial subsidies', Figure 5.

[212] OECD (2025), 'How governments back the largest manufacturing firms: Insights from the OECD MAGIC Database', *OECD Trade Policy Papers*, No. 289, OECD Publishing, Paris, https://doi.org/10.1787/d93ed7db-en, p 11 and Figure 1.

[213] EPR 658, no 8, Non-Confidential Attachment – Attachment D-3.2 VAT Deduction Policy.

[214] Z Yanran, 'China's IT Ministry Publishes List of 45 Advanced Manufacturing Industry Hubs', Yicai Global, 2 December 2022, accessed 28 October 2025.

[215] EPR 322, no 55, *Anti-Dumping Commission Report no 322*, Table 1.

[216] These are the primary raw materials used in BF-BOF steel production. EAF steel production does not typically use iron ore or coal.

Distortive effects of GOC involvement in raw materials markets

The GOC's involvement in the markets for the raw materials used in steel production primarily has the effect of distorting prices for those raw materials. This has the cumulative effect of reducing the cost inputs into steel production, thereby reducing the cost of production for steel. The commission considers that the resulting raw material prices are below what would have prevailed under normal competitive market conditions.

This is supported by findings by the EC, which considers that 'overall, consistent government intervention in the steelmaking raw materials market exists for the benefit of the steel industry and it has market-distortive effects.'[217] The EC has further found 'significant State interference including in relation to the costs of raw materials as these were not the result of free market forces they are affected by substantial government intervention.'[218] The commission's analysis supports this conclusion.

Iron ore

The commission considers that the effectiveness of the GOC's involvement in the iron ore market was limited in the periods preceding the inquiry period. However, more recent developments have shown that the GOC is taking an increasingly larger role in the iron ore market in China.

Historically, mining companies have had greater influence over iron ore prices into China as they negotiated prices with steel companies directly.[219] This meant that steel companies were exposed to increases in iron ore spot pricing, particularly when demand for steel increased.[220]

Recently, the GOC has taken measures to increase its control over iron ore pricing in China. The most notable of these measures is the establishment of the China Mineral Resources Group Limited (CMRG).

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[217] EC, *EC Report 2024*, p 408.

[218] EC, *EC Report 2024*, p 407.

[219] M Y Zhang, 'Is China's reported ban on BHP a bluff, or a glimpse of the future?", *ABC,* 3 October 2025, accessed 15 October 2025.

[220] SMM, 'Iron Ore Price Evolution: A Historical Journey', *SMM*, 29 May 2024, accessed 15 October 2025.

CMRG is a SOE established in 2022 and is 'dedicated to delivering secure, sustainable raw material supply services and tailored solutions for industries like steel.'[221] The commission considers that CRMG was in part created to address China's strategic vulnerability in iron ore sourcing, particularly its reliance on imports directly from global mining giants/traders directly – for example, BHP, Rio Tinto, Vale, and Fortescue. The commission considers that the establishment of CMRG is an example of how the GOC is seeking greater control over iron ore pricing, primarily through a centralised procurement mechanism.[222]

CMRG's influence in the Chinese iron ore market was not immediate.[223] However, it is now clear that CMRG is influencing iron ore pricing in China.

Reporting from Bloomberg claims that 'CMRG is now the biggest trader of [iron ore] after elbowing out other players…It also represents more than half of China's steelmakers in talks with suppliers'.[224] Bloomberg also reports that 'One advantage is that CMRG has more tolerance for losses because it's state-run, and as its presence has grown, more established trading houses have retreated'. Bloomberg noted that none of the largest miners had entered longer term contracts with CMRG at the time of reporting (June 2025). This appears to remain the case according to more recent reporting by Bloomberg.[225] However, as noted in that same report, CMRG has now begun selling iron ore at spot prices from Brazilian miner Vale. Even more recently, CMRG has allegedly suspended shipments of iron ore from BHP on the basis of stalled negotiations about currency and long-term contracts.[226]

The commission considers that this supports a finding that although the GOC's influence on iron ore prices in the inquiry period was limited, the GOC is seeking to increase its influence over iron ore pricing in China.

Coal

The commission considers that the price of coal within China is influenced by the GOC. This influence has resulted in a situation of oversupply of coal within China leading to decreased pricing.[227]

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[221] China Minerals, www.cmr-co.com, China Minerals website (Google translate), n.d., accessed 15 October 2025.

[222] Baidu, *China Mineral Resources Group Co., Ltd*, Baidu website (Google translate), n.d., accessed 30 July 2025.

[223] T Parker, 'China iron ore buyer yet to deliver lower prices', *Australian Resources & Investment*, 29 May 2023, accessed 30 July 2025.

[224] K Gemmell, A Cang, 'Xi's giant iron ore trader is shaking up a $130 billion market', *MINING.COM*, 19 June 2025, accessed 30 July 2025.

[225] K Gemmell, A Cang, 'China's giant iron ore trader expands clout selling Vale cargoes', *MINING.COM,* 5 September 2025, accessed 15 October 2025.

[226] J Pao, 'China's cargo ban gives new meaning to BHP's 'Broken Hill' origin', *Asia Times,* 1 October 2025, accessed 15 October 2025.

[227] H Yermolenko, 'Coking coal prices in China fall amid oversupply', *GMK Centre,* 29 May 2025, accessed 16 June 2025.

Coal is used in two main forms for blast furnace steel production – as fuel for the blast furnace and as an agent to remove oxygen from iron ore. Coal is primarily used in the production of molten iron before it is turned into steel.

Coal has historically been an important industry over which the GOC desires 'absolute control'.[228]

The GOC exercises control over the Chinese coal industry in the following ways:

- Requirements for export licencing for coke and coking coal.
- Limits on the production volume of coal.
- Various forms of subsidisation.
- Significant presence of SOEs.

The commission considers that export licence requirements for coke and coking coal have the effect of limiting exports of those products. By limiting the export of coal, the GOC can ensure that more is available for domestic use, decreasing domestic prices.

The GOC has taken steps to try to reduce the oversupply of coal in the Chinese market, including production caps and closing of mines. Despite these efforts, there have been times where the GOC has reversed its policy and instead moved to increase production. This occurred following increases in coal prices in 2021, when the GOC gave permission to re-open previously closed mines in order to increase production and lower prices.[229] There are also reports that mines have been exceeding production caps, with the National Energy Administration carrying out inspections to address overmining.[230]

The GOC provides substantial subsidies to the coal sector in China. The EC found that these subsidies occur in various forms including temporary tax and fee relief, investment in fixed assets, compensation for mines shut down under phase-out plans, VAT rebates, direct subsidies to listed coal companies, methane production subsidies, R&D support, and funding for exploration.[231] The scale of these subsidies was found to have effectively reduced Chinese coal prices by 4.2% in 2020, while increasing production by 7.6%.[232]

The EC found that SOEs represent 88% of assets in the mining and washing of coal industry.[233] As detailed in section A.6.4, SOEs receive more support from the GOC, and are more likely to implement the GOC's plans and targets. The commission considers this has the effect of perpetuating the situation of overcapacity.

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[228] EC, *EC Report 2024*, p 210.

[229] EC, *EC Report 2024*, p 290.

[230] Bloomberg News, 'China launches inspections to halt excessive coal production', *MINING.COM,* 22 July 2025, accessed 1 August 2025 and DISR REQ – September 2025, section 4.3.

[231] EC, *EC Report 2024*, p 293.

[232] S Mcfarlane, 'Explainer: Global fossil fuel subsidies on the rise despite calls for phase-out', *Reuters,* 23 November 2023, accessed 10 November 2025.

[233] EC, *EC Report 2024*, p 354.

Steel scrap

The commission considers that the domestic steel scrap market has been distorted by the influence of the GOC.

The commission considers that the GOC has distorted the steel scrap market in China in the following ways:

- Plans and directives from the GOC to encourage steel scrap utilisation.
- Duties on the export of steel scrap.
- Control over which entities can process steel scrap.
- Participation of SOEs in the steel scrap industry.

Many of the plans and directives discussed in section A.6.3 serve to increase and improve steel scrap resource utilisation. As discussed in that section, as part of the move to green steel, the GOC aims to replace BF-BOF steel production with EAF. As EAF production requires steel scrap as the main raw material, this necessitates high scrap utilisation.

As part of its efforts to support the amounts of steel scrap required, the GOC has implemented a 40% export duty on steel scrap.[234] The high level of duty serves to discourage exports of steel scrap and instead serve to increase domestic supply. The GOC has also set targets for the amount of steel scrap utilised.[235]

The GOC also sets the criteria for entry into the steel scrap processing industry. Qualified enterprises can enjoy preferential policy benefits, including a 30% VAT refund.[236] This serves to reduce the operating costs of steel scrap processors.

China Resources Recycling Group Co., Ltd was created in October 2024 to build a national platform for recycling and reusing resources.[237] Baowu Group holds a 20% share in the group, with other SOEs holding the remaining shares. Although the group has only been recently established, the commission considers that this demonstrates the GOC's ability to influence the steel scrap market in China through centralising control.

Electricity

The commission considers that the Chinese electricity market was distorted during the inquiry period.

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[234] Ministry of Finance of the People's Republic of China (MOFC), *Announcement of the State Council Tariff Commission on the Tariff Adjustment Plan for 2025*, MOFC website (Google translate), 2025, accessed 25 June 2025, Attachment 3: Export Tariff Rate Table.

[235] For example, the 14th FYP for the Development of the Circular Economy sets a steel scrap utilisation target of 320 million tonnes.

[236] A Shi, 'China's MIIT announces 13th bath of qualified ferrous scrap suppliers', *Mysteel,* 5 November 2025, accessed 10 November 2025.

[237] State Council, *A new state-owned enterprise, China Resources Recycling Group Co., Ltd., was established*, State Council website (Google translate), 18 October 2024, accessed 11 November 2025.

The electricity market in China is characterised by strong involvement of SOEs in various stages of the supply chain.[238]

The commission notes that the strong state presence does not only concern the electricity market but extends to the entire energy sector. The energy market is greatly controlled by both centrally and provincially owned energy SOEs, hence both the national and provincial governments influence the energy market. Out of 96 centrally owned SOEs currently being overseen by SASAC, 18 are in the energy sector.[239] The EC has found that around 50% of power generation capacity in China is state-owned. Further, almost the entire transmission grid is owned and maintained by two SOEs: State Grid Corporation of China and China Southern Power Grid.[240]

In its questionnaire the GOC noted the various efforts at reforming the electricity sector in China. The GOC refers to the adoption of benchmarking electricity prices against the price of thermal coal.[241] However, the GOC also notes that the electricity is an 'important public utility' which is regulated under the *Pricing Law of the People's Republic of China*. The commission notes that the electricity-coal price linkage was updated in 2019 with the NDRC's *Deepening the On-grid Tariff for Coal-Fired Power Generation*.[242] As evidenced from these documents, it is clear that the GOC still maintains control over the pricing of electricity in China.

A.6.7 Export control measures

The GOC has a number of ways that it exerts control over exports, including duties or refunds for exporting products.

Distortive effects of export control measures

The commission considers that the GOC's export control measures have the dual effect of:

- limiting the export of raw materials, thus increasing domestic supply
- reducing incentives to export finished steel products, also increasing domestic supply.

The result of increased domestic supply is that prices for raw materials are decreased, and the prices of finished steel products are also decreased.

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[238] EC, *EC Report 2024*, p 265.

[239] EC, *EC Report 2024*, p 265.

[240] M Walker, 'Electricity Transmission and Distribution in China – Market Research Report (2015-2030)', *IbisWorld,* July 2025, accessed 3 November 2025.

[241] EPR 658, no 8, GOC – Response to Government questionnaire, p 22 and Non-Confidential Attachment – Attachment D4(d)(5) NDRC on Completing Price Linkage Mechanism Between Coal and Electricity.

[242] NDRC, 'Guiding Opinions of the National Development and Reform Commission on Deepening the Reform of the On-grid Tariff Formation Mechanism for Coal-fired Power Generation', NDRC website (Google translate), 21 October 2019, accessed 3 November 2025.

Summary of export control measures

Restrictions on raw material exports

The GOC maintains export duties on a number of raw materials used in steel production, including pig iron (20%) and steel scrap (40%).[243] The commission considers that the high level of these export duties serve to discourage export of these raw materials. In turn, this increases the supply of raw materials domestically, which can reduce prices. This has the overall effect of reducing production costs for steel within China.

The commission also considers that this is an example of how the GOC promotes compliance with its plans – for example, by discouraging exports of steel scrap and therefore promoting use within China, the GOC incentivises compliance with its plans to promote green steel, as described in section A.6.3.

Removal of VAT refunds for exported finished steel products

In 2025, the GOC announced it would be tightening the rules around steel exports with an aim of strengthening export management and tax compliance.[244] Key to the new regulations is the requirement for a tax registration check on customs declarations for exports and imposing the same VAT and consumption tax as if goods were sold domestically.

This update was stated to assist with combatting tax evasion and prevent Chinese exporters from exporting steel at low prices. However, the commission considers that by discouraging steel exports, domestic prices within China will decrease due to the increased supply.

A.7 The GOC role in the market for the goods

The Commissioner has found in the preceding section that the GOC exerts significant influence over the Chinese steel sector. The commission considers that many of the distortions discussed above also directly influence rebar producers as members of the Chinese steel industry. These distortions include:

- GOC plans – Influence steel production volumes and priorities.
- SOE involvement – Direct and indirect SOE participation affects decision-making and market behaviour.
- Raw material distortions – Interventions in raw material markets alter availability and pricing.

Both production costs and selling prices of rebar are influenced as a result of these distortions.

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[243] MOFC, *Announcement of the State Council Tariff Commission on the Tariff Adjustment Plan for 2025*, Attachment 3: Export Tariff Rate Table.

[244] A Pan, 'China tightens tax regulations on steel exports', *Mysteel,* 1 April 2025, accessed 23 June 2025.

To demonstrate the effect of the distortions on rebar pricing, the commission has compared the average domestic price of rebar from China to various other countries using third-party pricing data.[245] Chinese rebar has consistently been the lowest out of all countries since mid-2021. Chinese rebar prices have also been trending downwards, when recently pricing in other countries has levelled out or increased.

A further example of specific distortions to the rebar market comes from the revision of manufacturing standards for rebar in China. On 25 June 2024, new mandatory national standards for hot-rolled plain and ribbed rebar were announced.[246] Following the introduction of the new standards on 25 September 2024, producers of rebar were required to meet stricter tolerances regarding production accuracy, fatigue performance, smelting processes and testing methods. The new standards are also mandatory as opposed to the previous standards which did not mandate compliance.

The limited time between the announcement and implementation of the new standard resulted in panic sell-off of stock produced under the previous standard.[247] This period covered 3 months of the inquiry period and resulted in decreased Chinese prices for rebar.[248] The new standards have also led to an increase in costs for certain raw materials used in alloying, leading to an increase in production costs.[249]

The commission considers that the revision to the rebar standards is a demonstration that the GOC can, and has, directly affected the market for rebar. While revising standards is not unusual in and of itself, changing the standards from recommended to mandatory and providing only a 3-month period to comply created distortions in the Chinese rebar market.

A.8 Conclusion

Having considered all the information before it, the commission finds that a PMS existed in respect of the domestic market for rebar in China for the inquiry period.

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[245] **Confidential Attachment 24**. Prices compared at USD/t. The countries compared are USA, Canada, Japan, ROK, Taiwan, Poland, Czechia, Germany, France, Italy, UK, and Spain. The commission obtained confidential data from MEPS International Ltd (MEPS). MEPS provided this copyright statement about its data 'This information is copyrighted, all rights reserved. *MEPS data is licensed for the exclusive use of the company's direct employees. Any unauthorised copying, forwarding, or sharing by any means will be an infringement of copyright*.'

[246] C Chen, 'Feature: China's new rebar standards hit market sentiment', *Mysteel,* 26 July 2024, accessed 12 June 2025.

[247] Kallanish Asia, 'China's new rebar standards trigger market sell-off', *Kallanish Commodities,* 18 July 2024, accessed 12 June 2025.

[248] Shanghai Metal Market (SMM), '[SMM Hot Topic] 2024 Annual Review of Rebar Market Trends', *SMM website,* 9 January 2025, accessed 12 June 2025.

[249] J Zong, T Tong, J Long, 'China's new rebar standards may deal another blow to domestic steelmakers', *Fastmarkets,* 30 July 2024, accessed 12 June 2025.

The commission recognises the impact of these GOC influences on supply are extensive, complex, and multifarious, and their impact on the price of rebar is difficult to quantify. However, based on the commission's extensive analysis of the available information before it, the commission is satisfied that the GOC's influence on the market for like goods in this inquiry/investigation is not insignificant.

Whether the PMS in respect of the domestic market for rebar in China has resulted in Chinese domestic sales being not suitable for determining normal value under section 269TAC(1) is discussed in **APPENDIX B.**

APPENDIX B PROPER COMPARISON

B.1 Findings

The Commissioner has found that sales of rebar 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.

B.2 Introduction

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

1. there is a PMS 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 **APPENDIX A** that a PMS exists in respect of the domestic market for rebar in China for the inquiry period. In this Appendix 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).

B.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 PMS on both the domestic sales and export sales. If domestic sales and export sales are not equally affected by the PMS, such a finding may render domestic sales not suitable for the purposes of section 269TAC(1).

The relative effect of the PMS on domestic and export prices requires an assessment of the relationship between price and cost of rebar 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 inquiry, 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.

B.4 GOC questionnaire response

In RGQ 658, the GOC notes that 'the Commission is obliged under the WTO law to assess the extent to which the alleged PMS had precluded a "proper comparison" between the export and domestic prices of the GUC.'[250]

[250] EPR 658, no 8, pp 15-16.

The GOC also submitted that any effect due to a distortion in the price of raw materials must be assessed against both the export and domestic prices. The GOC further submits that a distortion to the price of raw materials would 'normally [effect] or flows through to both domestic and export sales to the same degree.'[251]

B.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 HRC, 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 PMS.

B.5.1 Market structure

The commission considers that the Australian and Chinese rebar markets have a similar structure in that rebar is:

- sold into same markets (mainly construction)
- sold to the same type of customers (mainly end users and distributors).

However, there is a stark difference in the number of rebar producers in each country, with 3 related party producers in Australia (InfraBuild Steel) and over 137 in China. Supply in China is also limited to the local or regional area of each producer, while InfraBuild Steel sells throughout Australia.

Australia

The Australian market is supplied by InfraBuild Steel and imports from a range of countries, including China. Rebar is sold to several key market segments in Australia, including:

- residential construction
- non-residential construction
- engineering construction.

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[251] EPR 658, no 8, p 16.

InfraBuild Steel is the sole producer of rebar in Australia and sells to customers throughout Australia.

Rebar is supplied through reinforcing processors, steel service centres, and independent distributors. The supply chain includes Australian producers, imports, and exporters, with reinforcing processors and service centres delivering to end users in the construction industry.

Rebar is primarily purchased for cutting, bending, and welding into various shapes for use in concrete reinforcement, such as slabs, beams, columns, cages, and precast products. It is supplied in two forms which are Deformed Bar in Lengths (DBIL) and Deformed Bar in Coil (DBIC). DBIC is preferred for automated and efficient storage while DBIL is used for larger diameters, particularly in mining.

China

Echeng noted in its REQ that the Chinese rebar market includes 'manufacturers, trading companies, distributors and end users'.[252] Echeng also noted that as a manufacturer, its customers are primarily end users and distributors.

In relation to domestic suppliers of rebar in China, Echeng claims that there are 'too many market participants to list, and each participant has a different degree of relevance in their local or regional market'.[253] Although it is difficult to determine an exact number of rebar producers in China, steel price tracking website, MySteel, surveys 137 steel mills.[254]

The commission considers that the Chinese rebar market is characterised by a large volume of producers with a local-area focus.

B.5.2 Market conditions

Although construction is the primary demand driver for rebar in Australia and China, the movements in demand differ between markets. Australian construction demand has seen consistent increases, while Chinese construction demand has instead decreased.

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.

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[252] EPR 669, no 4, section J-1.

[253] EPR 669, no 4, section J-1.

[254] Mysteel, 'WEEKLY: China's rebar output dips to 7.5-month low', *Mysteel website,* 10 October 2025, accessed 14 October 2025.

Australia

Primary demand for rebar in Australia is through the construction industry. Data from the Australian Bureau of Statistics (ABS) indicates that the value of building work has steadily increased since 2014, reflecting growth in demand. Other key factors influencing demand include government and private investment, monetary and fiscal conditions, and population growth. Market size estimates, based on InfraBuild Steel's sales and ABF import data indicates that the Australian rebar market has expanded overall between April 2016 to March 2025. InfraBuild Steel's sales are focused on the domestic Australian market, with only a small volume of export sales.

Pricing for rebar in Australia is influenced by the price of imported rebar as well as the price of scrap metal (the main raw material in EAF steel production). InfraBuild Steel is able to include a small premium in its sales price, based on local supply and customer service.

China

Demand for rebar in China is heavily linked to construction. DISR's *Resources and Energy Quarterly* (the DISR REQ) has found that there has been a 'structural downshift in demand for new residential and infrastructure-related construction.'[255] This trend has been accelerated by the four-year downturn in the Chinese property sector. However, Chinese steel mills have been able to support themselves through increasing exports. The DISR REQ notes that an increase in trade restrictions on Chinese steel exports may worsen domestic Chinese oversupply, leading to depressed prices.

In its REQ, Echeng stated that the primary influences on price are the cost to make and sell the goods (raw materials), customer relationship management, and volume of the order.[256] Echeng also stated it was not aware of the pricing activities of other participants in the Chinese market.

In **APPENDIX A**, the commission found that there was a PMS in the Chinese rebar market. This market situation has led to decreased domestic prices for rebar in China.

B.5.3 Raw materials

The commission considers that there are differences between the Australian and Chinese rebar markets in respect of the raw materials used and the prices for those materials. These differences affect the nature of competition in each market.

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[255] Department of Industry, Science and Resources (DISR), *Commonwealth of Australia Resources and Energy Quarterly March 2025*, Office of the Chief Economist, DISR, Australian Government, 31 March 2025.

[256] EPR 669, no 4, section J-3.

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

Australia

InfraBuild Steel's rebar production in Australia uses steel billets primarily sourced from EAF production. Steel scrap is the primary raw material used in EAF steel billet production. InfraBuild Steel sources steel billet from its EAF facilities, which produce steel billet from steel scrap sourced from various sources. The commission verified InfraBuild Steel's purchases of steel scrap and found that they were made in accordance with an external, market-based benchmark for scrap.[257]

Additional steel billets are supplied by BOF facilities within Australia. However, this makes up a smaller proportion of the cost of production of rebar in Australia. The commission found that InfraBuild Steel's purchase of steel billet produced via BOF were arms length.[258]

The commission's information regarding the raw materials used in the production of rebar in other countries that import into Australia is limited to information received in other cases involving rebar. The commission notes that there have been no findings in relation to the existence of a PMS in those cases.[259] Accordingly, the commission considers that international producers of rebar who export the goods to Australia do not obtain raw materials at the same distorted prices as Chinese producers.

China

The majority of steel production in China is from BF-BOF. The major raw materials used in BF-BOF steel production are iron ore, coal, and steel scrap.

As discussed in section APPENDIX A, 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 prices may affect domestic Chinese rebar producers relatively equally (notwithstanding other benefits such as state-ownership), the commission considers that they have an uneven effect on the export of rebar to Australia. Chinese exporters of the goods to Australia can take advantage of the lower raw material costs to compete with both the Australian industry and exporters from other countries which do not benefit from lower priced raw materials.

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[257] EPR 655, no 42, section 7.2.

[258] EPR 669, no 7, section 7.2.

[259] Refer to *Anti-Dumping Continuation Report no 601 (EPR 601)*, *Anti-Dumping Commission Report no 660 (EPR 660)*, and *Statement of Essential Facts no 655*. Note that *Statement of Essential Facts no 655 (EPR 655)* is in relation to straight rebar only.

B.5.4 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 rebar market is low compared to the Australian rebar market. Accordingly, the commission is satisfied that the conditions of competition in respect of imports is different between China and Australia.

Australia

The commission considers that import penetration of rebar into Australia is high.

The commission has found that imports of rebar into Australia are supplied by several countries. Imports make up a significant proportion of the Australian market and have done so for the last 5 years (Figure 5). Over the past 5 years, major sources of rebar imports include Türkiye, Singapore, Indonesia, and more recently Vietnam.

Imports from China have remained at relatively low levels following the imposition of the original measures in 2016. As discussed in section X (continuation of imports/dumping chapter), the commission considers that imports of rebar from China into Australia are affected by the duties.

China

The commission considers that, based on the available information, import penetration in the Chinese rebar market was low during the inquiry period.

In its exporter questionnaire response, Echeng notes that it is not aware of:

- any competition between domestic produced goods and imported goods
- the details of any importers of rebar
- any market entry restrictions for importers of goods into China.[260]

As the commission did not receive a response to the government questionnaire for this inquiry, the commission does not have access to specific GOC information to determine the level of import penetration in the Chinese rebar market.

[260] EPR 669, no 4, questions J-1.1, J-1.4, and J-1.6.

The commission has used other information sources to estimate the degree of import penetration in the Chinese rebar market. Data from CEIC estimates that the monthly average volume of rebar imports into China is 4,120 tonnes, with a yearly average of 49,440 tonnes.[261] SEAISI estimates that demand for rebar in 2025 to be 199 million tonnes.[262] Based on this data, the commission estimates import penetration for the Chinese rebar market of approximately 0.025%. This highlights China's high degree of self-sufficiency and the marginal role imports play in its steel market.

B.5.5 Relationship between price and cost

The commission considers that there is a difference in the relationship between price and cost between exporters' sales of rebar to Australia and their domestic sales in China.

The conditions of competition in Australia are influenced more so by the price of other imports than costs. Export behaviour of Chinese exporters of rebar indicate that they have increased exports in order to maintain profitable sales.

Conversely, the conditions of competition in China are influenced more so by the cost of production. This has resulted in domestic unprofitable sales for domestic rebar producers as prices have not been able to increase prices due to the decrease in demand.

Australia

As detailed in section B.5.4, import competition within Australia is high. The commission considers that rebar pricing in Australia is influenced by relative import pricing, more so than the price of raw materials.

In the absence of verified information relating to Chinese exporter's exports to Australia, the commission has examined other information relating to Chinese exports of rebar and steel products generally.

Research indicates that Chinese exports of rebar have increased substantially, with an increase of 112% from Q1 2024 to Q1 2025.[263] This increase is in part due to the challenges facing the domestic Chinese market in the form of high supply and low demand. As discussed in APPENDIX A, the commission considers that the influence of the GOC in the Chinese steel and rebar markets have resulted in the current situation of domestic oversupply and decreased prices. Chinese exporters appear to have increased exports as a solution to the domestic market situation. Further, Chinese exports of rebar are priced lower than other competitive markets, including Türkiye. The low price of Chinese exports fosters stronger demand, leading to the ability to further increase profits. The research indicates that Chinese exporters still have a large margin to be able to increase prices while still undercutting other sources.

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[261] CEIC, 'China Steel: Import: Bar: Hot Rolled: Rebar' *CEIC website*, n.d., accessed 20 October 2025.

[262] South East Asia Iron and Steel Institute (SEAISI), 'China's rebar output, demand to decline further in '25', *SEAISI website,* 8 January 2025, accessed 20 October 2025.

[263] J Zadeh, 'China's Long Steel Exports Surge to Record Levels in Q1 2025', *Discovery Alert website,* 4 May 2025, accessed 7 November 2025.

The commission further considers that the export behaviour by Chinese exporters of rebar indicates that exports are more profitable than domestic sales. This is supported by reporting that strong export demand is supporting domestic prices.[264]

The commission considers that Chinese exporters are able to achieve a higher level of profit on export sales compared to domestic sales. This is due to the competitiveness afforded to Chinese exporters of rebar due to the situation in the domestic Chinese rebar market.

China

The commission considers that domestic pricing for rebar in China is influenced by cost. This is based on the information provided by Echeng and the commission's assessment of the situation in the domestic rebar market in China.

In its REQ, Echeng stated that pricing is determined by raw materials and cost to make.[265] The commission's assessment of Echeng's domestic sales over the inquiry period indicated that its sales were not profitable overall. However, the commission notes that sales within the ordinary course of trade were profitable. A comparison of Echeng's cost and price also indicated that domestic prices tracked with domestic costs over the inquiry period, although not to the same rate.

The commission's comparison of Echeng's cost and price is at **Confidential Attachment 20.**

As discussed in section B.5.2, the commission considers that demand for rebar in China has decreased. From the assessment of Echeng's domestic sales, the commission considers that Chinese rebar producers have not been able to increase domestic prices to remain profitable in the face of decreasing demand.

B.6 The market structure affects the comparability of domestic and export prices

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

[264] J Zong, 'China's long steel exports surge in Q1, boosting prices', *Fastmarkets website,* 2 May 2025, accessed 7 November 2025.

[265] EPR 669, no 4, section J-3.

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

- Rebar is sold to similar types of customers in China and Australia.
- The market structure differs primarily in the number of domestic producers in China (over 137) and Australia (3).
- The market conditions differ as demand in Australia is increasing, compared to reduced demand within China.
- The raw materials used in the production of rebar are different between China (iron ore, coal, and steel scrap) and Australia (steel scrap).
- The raw materials used in the production of rebar in China have been affected by the market situation.
- Import penetration into China is very low, compared to the high import penetration into Australia.
- Chinese domestic prices are influenced by costs, as opposed to export sales which are more strongly influenced by import prices.

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. 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.

APPENDIX C COST OF PRODUCTION IN CHINA

C.1 Findings

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

The benchmark is based on the Hoa Phat's verified cost of production for steel billet in Vietnam, adjusted to reflect a cost of production in China.

C.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.

Cost of production

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 determining the cost of production in the country of origin are set out in Article 2.2.1.1.

The commission notes that the Minister's determination of the 'cost of production in the country of export' under section 269TAC(2)(c)(i) 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 PMS.

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.

C.3 Does the exporter keep records relating to the like goods in accordance with GAAP?

The commission conducted a verification of the information provided by Echeng in its REQ. As part of the verification process, the commission verified that Echeng kept records relating to the cost of production of like goods and that those records were in accordance with Chinese GAAP.[266] The commission also verified that Echeng's cost to make and sell data was complete, relevant, and accurate.[267]

Accordingly, the commission is satisfied that Echeng 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.

C.4 Do the 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 **APPENDIX A**, the commission considers that the significant influence of the GOC has materially altered prices in the steel industry and rebar 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 of the steel billets. The commission considers that direct and indirect influences of the GOC affect Chinese manufacturers' costs to produce steel billet and therefore that Chinese exporters' recorded costs do not reflect competitive market costs. Echeng's records indicate that steel billet costs comprise over 90% of Echeng's cost to make for rebar.

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[266] EPR 669, no 8, section 3.3.3.

[267] EPR 669, no 8, Chapter 2.

C.5 Should the information in the exporter's records be used?

Where the criteria in section 43(2)(b)(ii) 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.[268]

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 Echeng's records are kept in accordance with GAAP of China and reasonably reflect the costs associated with the production of rebar. 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 on the basis of the exporter's records.

The commission's consideration of the domestic market for rebar in China, including the factual findings set out in **APPENDIX A**, suggest the commission 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 Echeng's recorded steel billet costs to assess whether the circumstances in which those 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).

C.6 Are circumstances 'normal and ordinary'?

The commission considers there are compelling reasons for determining that circumstances in which Echeng's costs were formed are not 'normal and ordinary' such that using Echeng's cost records to construct a normal value is not appropriate. This is despite the commission's finding that Echeng's 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 steel billet has been formed are not normal and ordinary, resulting in Echeng's recorded production costs of steel billet reflecting an unreliable cost of production. This unreliability means that it is not appropriate to use Echeng's recorded cost of production of steel billet.

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[268] 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].

The commission's assessment of the circumstances in which steel billet raw material input costs were formed and the impact this had on Echeng's 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 billet (the primary input for rebar) the effects on raw material pricing have also flowed through to Echeng's recorded cost of production.[269]

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

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

C.6.1 Circumstances are not normal and ordinary

The commission considers that the circumstances involving the cost of production for steel billet in Echeng's records are not normal and ordinary. This has subsequently affected Echeng's cost of production records for rebar.

The commission's assessment of the circumstances involving the cost of production for steel billet is informed by the following factual findings set out in section C.5 and **APPENDIX A**.

The evidence before the commission shows that steel billet is a key cost component in producing rebar, representing over 90% of Echeng's cost to make for rebar. 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 rebar.

[269] Refer section A.1A.7.

For the reasons summarised in section A.6.6 of **APPENDIX A**, the commission considers that the GOC has significant involvement in the raw material markets specific to the production of steel. A summary of these findings is repeated here:

- The GOC established the CMRG 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.

C.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 Echeng's cost of production of rebar.

The commission examined Echeng's cost of production for steel billet to assess the materiality of the effect of the circumstances on Echeng's cost of production for rebar.

Comparison at the steel billet level

The commission considers that the most appropriate level to undertake its assessment of the effect of the circumstances on Echeng's records is at the steel billet level, treating the 'raw material input' as steel billet entered into production at the hot rolling mill. Steel billet represents on average more than 90% of Echeng's cost to make the finished goods.

As Echeng is an integrated producer, its cost of production for rebar ultimately includes a variety of raw materials used in the production of steel billet, including but not limited to:

- iron ore
- coke and/or coal
- steel scrap
- electricity
- natural gas
- other gasses (e.g. oxygen and nitrogen)
- alloying elements.

Echeng's reported cost to make information does not include a breakdown of these materials and is instead reported at the steel billet level. Further, each of these raw materials are used in different quantities and at different stages in the production of steel billet. Based on Echeng's data, the commission identified over 40 sub-types of iron ore and steel scrap, comprising the largest of the 'raw material' subtotals. The commission considers that each of these sub-types may have their own costs which cannot always be compared directly to other sub-types – for example, iron ore may be sold in fines, lumps, or pellets, with further complexity found in varieties of each sub-type because of differing size and chemical composition. Echeng provided information relating to its purchases of some major raw materials, including iron ore, coal, and steel scrap. However, the commission could not link the actual percentage of these materials to the final cost of production for steel billet and, by extension, rebar.

The commission was able to obtain external information relating to some components – for example, Chinese and third-country data for iron ore fines. However, this did not extend to every sub-type. The commission considers that comparing the cost for one sub-type to a different sub-type – for example, iron ore fines to iron ore pellets, would introduce inaccuracies and would not reflect the actual effect of the circumstances on Echeng's records. The commission also considers that the overall effect of these inaccuracies increases the more individual input costs the commission adds to its comparison. For rebar produced by integrated steelmakers, the total cost to make is relatively diffused across several different cost inputs. The costs are diffused to the extent it is impracticable to accurately compare the bulk of Echeng's cost to make at the original raw material stage, even putting aside the commission did not find suitable information for all major raw material subtypes.

The commission considers that using Echeng's steel billet cost is the most reasonable and meaningful approach to assess the effect of the circumstances on Echeng's records. The assessment of steel billet cost also comprehensively captures any effect of the circumstances on the raw material inputs that may not otherwise be accounted for if assessing each raw material individually.

To assess the effect of the circumstances on Echeng's records, the commission has compared Echeng's recorded cost to make for steel billet to a benchmark.

Selection of appropriate benchmark

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

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 cooperating exporters' recorded costs. The purpose of the benchmark is to be able to compare the cooperating exporters' recorded costs to a cost that is free from the effects of the circumstances. 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 cooperating exporters' 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 Echeng's recorded steel billet cost, the commission has considered:

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

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

- third-party financial data obtained from Bloomberg LP and MEPS International Ltd
- information InfraBuild Steel provided in its application and during verification
- third-country production cost information verified by the commission in other cases involving rebar.

The commission considers the most appropriate information to use is to compare Echeng's cost of production for steel billet to the verified cost of production for steel billet from Hoa Phat. Hoa Phat is an exporter of rebar (in straight form only) from Vietnam and was verified as part of *Investigation 655*.

The commission's assessment is outlined in this appendix.

Private domestic prices or costs in China

The commission considers that it does not have sufficient information to be able to determine an reliable cost of production in China based solely on private domestic prices or costs for steel billet in China. The commission considers that any private domestic prices or costs for steel billet within China would not be reliable. This is because the effects of the circumstances on the raw material markets, which alter the availability and pricing of raw materials and the conversion costs of those materials into intermediary, semi-finished products (as identified in **APPENDIX A**), would also affect private domestic prices or costs for steel billet in China.

In the government questionnaire, the commission sought information from the GOC relating to imports of steel billet. As noted in section 2.4.2, the commission did not receive a response to the government questionnaire.

As Echeng is an integrated producer, the majority of the cost to make of rebar comes from self-produced steel billet. Echeng confirmed that it had purchased a small amount of steel billet during the inquiry period, but this was not material to the overall cost to make. Accordingly, Echeng did not provide a purchase listing of this external steel billet. The commission considers that the volume of steel billet purchased by Echeng would not be a representative sample for the purposes of establishing a benchmark price. Further, Echeng did not confirm whether the steel billet was purchased from SOEs or private entities.

InfraBuild Steel provided a proprietary cost benchmarking index for private Chinese producers of hot rolled reinforcing long products as part of its application.[270] The commission examined this information and found that it included costs for steel billet. However, as noted above, the commission considers that the effect of the circumstances on the raw materials markets in China would affect private domestic costs for steel billet.

Import prices into China

In the government questionnaire, the commission sought information from the GOC relating to imports of steel billet. As noted in section 2.4.2, the commission did not receive a response to the government questionnaire. Although the GOC provided a response for the purposes of *Investigation 658*, that information relates only to imports of steel slab and not steel billet.

The commission attempted to source information relating to imports of steel billet into China. The information available to the commission related to imports of steel billets into China for both volume (tonnes) and value (USD).[271] However, the level of information available did not provide the delivery terms (FOB, CIF, etc) or any details about the grade or specification of the billet.

As Echeng is an integrated producer, it does not incur additional costs in its cost of production of steel billet such as SG&A, profit or delivery expenses. The information before the commission does not provide a suitable basis for the commission to be able to adjust it to reflect an appropriate cost of production of steel billet for Echeng.

Prices and costs from countries other than China

The commission has prices and costs from countries other than China from two sources:

- third-party financial data obtained from Bloomberg LP and MEPS International Ltd
- verified cost of production information from other cases involving rebar.

[270] EPR 669, no 1, Confidential Attachment 1.2.1.

[271] **Confidential Attachment 22**.

Third-party financial data

The commission first considered whether third-party financial data could be used as the basis for a benchmark. Third-party financial data included steel billet prices for China and third countries, meaning the commission could account for differences between the steel billet consumed by Echeng and the range of steel billet recorded in the market index.

Of the available information sources, the commission considers that, in the absence of other information, using the third-party financial data could be an appropriate basis for a benchmark. However, for the reasons outlined below, the commission considers that using verified cost information for steel billet from other cases involving rebar is preferable.

Verified costs for steel billet from other rebar cases

The commission considers that verified costs for steel billet from other rebar cases is the most appropriate basis for a benchmark. This is because these costs relate to steel billet produced:

- through an integrated production process
- for the purpose of manufacturing rebar
- over a similar time period to the inquiry period.

The commission examined relevant data from existing cases involving rebar in assessing whether there is an appropriate steel billet benchmark from another country.

Table 17 outlines sources of verified data for the cost of production for steel billet before the commission.

Case number	Country	Exporter	Steel billet production
Investigation 655	Indonesia	Pt Putra Baja Deli	Purchased billet
	Malaysia	Ann Joo Steel Berhad	EAF
		Southern Steel Berhad	EAF and purchased billet
	Thailand	Tata Steel Manufacturing (Thailand) Public Company Limited	EAF
	Türkiye	Çolakoğlu Metalurji A.S.	EAF
		Kaptan Demir Celik Endustrisi ve Ticaret A.S.	EAF
	Vietnam	Vina Kyoei Steel Company Ltd	Purchased billet
		Hoa Phat Hai Duong Steel Joint Stock Company	BF-BOF
Continuation 660	ROK	Daehan Steel Co., Ltd	EAF
		Dongkuk Steel Mill Co., Ltd	EAF
	Spain	Compañía Española de Laminación, S.L.	EAF

Table 17: Alternative costs of production of steel billet

Of the available information sources, the commission considers that Hoa Phat from Vietnam is the most appropriate basis to establish a benchmark for steel billet input costs. This is because:

- the data relates to a period which overlaps the inquiry period
- Hoa Phat produces its own steel billet through an integrated process
- Hoa Phat produces steel billet using the same process as Echeng (BF-BOF)
- Hoa Phat's production records reasonably reflect competitive market costs.

The commission verified the information provided by Hoa Phat as part of *Investigation 655*.[272]

[272] EPR 655, no 53.

Exporters using EAF for steel billet production

The commission considers that exporters that produce steel billet using EAF are not appropriate as EAF predominantly uses only steel scrap only as the raw material input for steel production. As outlined earlier in this section, BF-BOF steel production uses a combination of iron ore, coal, and steel scrap.

Exporters purchasing steel billet

The commission considers that other exporters' purchases of steel billet are not appropriate. This is because purchased steel billet includes components of profit and selling expenses, which are not incurred by integrated producers such as Echeng and Hoa Phat.

Adjustments to benchmark

While Hoa Phat's steel billet prices represent a suitable basis for a benchmark, the commission considers that further adjustments are necessary for this to reflect a cost of production for steel billet in China.

The purpose of these adjustments is to ensure that the resulting benchmark is reflective of a cost of production in the country of export. However, the commission may not make adjustments where the adjustment is related to the factors that have caused this examination in the first place – that is, adjustments related to raw material costs affected by the circumstances. The commission will also consider whether the adjustments materially affect the cost of production.

The commission has considered the following items which may need to be adjusted to reflect a cost of production in China:

- material inputs, including iron ore, coal, and steel scrap
- labour costs
- overhead costs
- economies of scale
- differences in timing.

Table 18 outlines the commission's consideration of the various items relating to the cost of production for steel billet and the rationale for making or not making an adjustment to Hoa Phat's cost of production for steel billet.

Adjustment item	Adjustment required?	Rationale
Material inputs	No	The commission considers that China's input costs are affected by the situation in the Chinese market. In addition, the commission could not identify a method to compare Echeng's costs or purchase prices to Chinese market indices. The commission could not find market index information on some types of material inputs and noted some general input types, like iron ore, have many subtypes.
Labour cost	Yes	Labour rates differ between China and Vietnam.
Overhead cost	No	Contains electricity costs which the commission considers are affected by the situation in the Chinese market. Contains depreciation expenses which are similar between China and Vietnam (Table 19: Depreciation comparison).
Economies of scale	No	Vietnam has a similar manufacturing index compared to China. Echeng does not appear to have a production efficiency for steel billet compared to Hoa Phat.
Timing	Yes	The relevant data overlaps by a period of one quarter. An adjustment is warranted to ensure the data covers the inquiry period.

Table 18: Adjustments to out of country benchmark

The commission's assessment of each cost item, excluding material inputs, is outlined below.

Adjustment for labour

The commission has found that labour rates in Vietnam are lower than those in China. The commission has used information to determine an equivalent amount for wages per month (in AUD) for Vietnam and China.

The commission has only adjusted Hoa Phat's cost of labour for the production of steel billet. The commission compared the equivalent labour cost in Vietnam and China and has adjusted Hoa Phat's labour costs for steel billet by the difference. Following the adjustments, labour costs made up a larger proportion of the cost of production for steel billet of the benchmark.

The commission's calculation of Chinese and Vietnam labour rates are set out in **Confidential Attachment 14**.

Adjustment for depreciation (overheads)

Table 19 outlines the respective depreciation useful life for Echeng and Hoa Phat, based on the financial reports of each company. The commission considers that there is no meaningful difference in the useful life between the respective assets. Although Hoa Phat's depreciation has a lower bound than Echeng, the commission considers that the useful life of the similar assets used in steel billet production (e.g. blast furnace) would be comparable.

Fixed asset	Echeng	Hoa Phat
Buildings	20-40	5-50
Machinery and equipment	5-20	1-25
Vehicles	5-12	1-30
Office equipment	5-15	2-12

Table 19: Depreciation comparison

Adjustment for economies of scale

The commission considers that an adjustment for economies of scale is not required. The *2025 Asia Manufacturing Index* published by Dezan Shira & Associates, has found that Vietnam ranks #2 overall, compared to China at #1.[273] The commission considers that the similarity in rankings for Vietnam and China indicates that, overall, the manufacturing capabilities are similar. The commission considers that in respect of the production of steel billet, any differences in economies of scale would not be material.

The commission also assessed the 'production efficiency' for steel billet for Echeng and Hoa Phat. This was performed by comparing the quarterly unit cost of production for steel billet to the production quantity. The commission did not observe that Echeng was more efficient at producing steel billet when compared to Hoa Phat – that is, Echeng's unit costs did not substantially decrease with increasing production when compared to Hoa Phat.

The commission's assessment of production efficiency is set out in **Confidential Attachment 21**.

Adjustment for timing

The available data from *Investigation 655* covers only one quarter of the inquiry period (Jun-24). To have the data cover the full inquiry period, the commission has applied a timing adjustment to Hoa Phat's cost of production data for steel billet. To ensure that the data reflects the cost of production in China, the commission has adjusted Hoa Phat's data by the movements in Echeng's cost to make for steel billet.

[273] Dezan Shira & Associates, *Asia Manufacturing Index*, Dezan Shira & Associates, 2025, accessed 17 November 2025.

Effect of the circumstances on Echeng's cost of production for steel billet

The commission has calculated that adjusted Hoa Phat benchmark for steel billet was on average 15% higher than Echeng's cost of production for steel billet in the inquiry period. The commission considers that the effect of the circumstances is significant given steel billet represents the largest portion of the cost of production for rebar.

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

- the GOC's influence has resulted in material alterations specific to the steel market in China, including specifically the raw materials used in steel production (including steel billet)
- the adjusted Hoa Phat benchmark represents a cost of production for steel billet 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 billet. Accordingly, the commission considers that the difference between the adjusted Hoa Phat benchmark and Echeng's cost of production for steel billet 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 billet cost of production, applies to Echeng's recorded steel billet costs. This means that those costs are not a reliable indication of the cost of production of rebar in China.

The Commissioner considers that relying on Echeng's recorded cost of production for steel billet 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 Echeng's recorded steel billet costs would reintroduce the very factors that warranted, in the first instance, recourse to constructing the normal value.

C.7 How to determine the cost of production in China

The commission considers that the most appropriate method to determine the cost of production for steel billet in China is to use Echeng's recorded cost of production for steel billet, adjusted to remove the effects of the circumstances.

In section C.6, the commission has explained why it considers there are compelling reasons for determining that circumstances in which Echeng's costs were formed are not 'normal and ordinary' such that using Echeng's cost records to construct a normal value is not appropriate. More specifically, the commission considers that Echeng's production records of steel billet costs are not suitable for use to establish the cost of production of rebar in China. The commission considers that the specific facts and evidence in this case, in respect of Echeng's records, provide compelling reasons to deviate from using its recorded cost of production for steel billet.

To make an adjustment to Echeng's records, the commission has used the same method as was used to estimate the effect of the circumstances on Echeng's cost of production for steel billet. That is, the commission has relied on the proportional difference between the adjusted Hoa Phat benchmark and Echeng's cost to produce steel billet. The commission considers the adjusted Hoa Phat benchmark accounts for differences in the Vietnamese and Chinese steel industries, as set out in section C.6.2, Adjustments to benchmark.

The commission's calculation of the cost of production for steel billet in China is set out in **Confidential Attachment 12**.

The commission is satisfied that this methodology is a reliable means of determining the cost of production in China.

The GOC's influence on the Chinese market involves a wide variety of measures that interact with each other, which makes precise quantification of the combined effect of that influence on a particular exporter challenging. The commission is satisfied that the method it has used is a sufficiently reliable means of approximating the combined effect of the GOC's influence. The commission recognises the possibility that there may be other differences between Echeng and Hoa Phat that have not been captured in its assessment but is satisfied that these would not be material to its overall assessment.