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Australian Government
**Department of Industry,
Science and Resources**

**Anti-Dumping
Commission**

CUSTOMS ACT 1901 – PART XVB

TERMINATION REPORT NO 658

**ALLEGED SUBSIDISATION OF HOT ROLLED COIL STEEL
EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA**

2 April 2026

TER 658 – Hot rolled coil steel – China

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ABBREVIATIONS

\$	Australian dollars
the Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
AIS	BlueScope Steel (AIS) Pty Ltd
Baoshan ¹	Baoshan Iron & Steel Co Ltd
Baosteel	Baoshan Iron & Steel Co Ltd (Baoshan) and its subsidiaries that participated in this investigation, including representatives for these companies.
Baosteel group	The group of companies operating under the name 'Baosteel' or owned by companies operating under the name 'Baosteel'. Companies in the Baosteel group appear to all be predominantly state-owned enterprises via ownership by the China Baowu Steel Group Corp Ltd and other state-owned companies.
BlueScope or the applicant	Collectively refers to the 2 BlueScope manufacturers of HRC: <ul style="list-style-type: none"> • BlueScope Steel Ltd (BSL) based in Port Kembla, NSW • BlueScope Steel (AIS) Pty Ltd (AIS) based in Western Port, Victoria. BSL is the parent company of AIS.
BSL	BlueScope Steel Ltd
CFR	Cost and freight
China	the People's Republic of China
CNY or RMB	Chinese Yuan or Renminbi
COGS	Cost of goods sold
Commission	Anti-Dumping Commission
CON 658	<i>Consideration Report No 658</i>
CTM	Cost to make
the Commissioner	the Anti-Dumping Commissioner
CTMS	Cost to make and sell
CTS	Cost to sell
DDP	Delivered duty paid
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FOB	Free on board
the 4 selected exporters or the selected exporters	<ul style="list-style-type: none"> • Baoshan Iron and Steel Co Ltd (Baoshan) • Baosteel Zhanjiang Iron & Steel Co Ltd (Zhanjiang) • Shanghai Meishan Iron & Steel (Meishan) • Hunan Valin Lianyuan Iron & Steel Co Ltd (LY Steel).
GAAP	Generally accepted accounting principles

¹The commission notes that Baoshan Iron & Steel Co Ltd is known as 'Baosteel' in some commercial contexts. The commission refers to Baoshan Iron & Steel Co Ltd as 'Baoshan' in this report to avoid confusion when this report discusses the other Baosteel group companies.

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the goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
this investigation	Investigation No 658
LTAR	Less than adequate remuneration
LY Steel	Hunan Valin Lianyuan Iron & Steel Co Ltd
Meishan	Shanghai Meishan Iron & Steel
the Minister	the Minister for Industry and Innovation and Minister for Science
NIP	Non-injurious price
PAD	Preliminary Affirmative Determination
Program 178	Raw materials and utilities provided at less than adequate remuneration (LTAR)
Program 179	Hot rolled steel provided at less than adequate remuneration (LTAR)
REP 658	<i>Anti-Dumping Commission Report No 658</i> (to be published)
REQ	Response to the exporter questionnaire
this report	<i>Termination Report No 658</i>
RGQ	Response to the government questionnaire
RIQ	Response to the importer questionnaire
SEF	Statement of essential facts
SEF 658	<i>Statement of Essential Facts No 658</i>
SIE	State-invested enterprise
SOE	State-owned enterprise
TER 658	This report, <i>Termination Report No 658</i>
USP	Unsuppressed selling price
WTO	World Trade Organization
Zhanjiang	Baosteel Zhanjiang Iron & Steel Co Ltd

1 SUMMARY

1.1 Introduction and key findings

This termination report follows Investigation 658 (this investigation) by the Commissioner of the Anti-Dumping Commission (the Commissioner) into the alleged dumping and subsidisation of hot rolled coil steel (HRC or the goods) exported to Australia from the People's Republic of China (China).

The Commissioner initiated the investigation on 15 November 2024 following an application from BlueScope Steel Limited (BlueScope or the applicant). BlueScope is the sole Australian manufacturer of HRC and represents the Australian industry for like goods. The Statement of Essential Facts No 658 (SEF 658) for this investigation and the preliminary affirmative determination (PAD) were published on 23 December 2025.²

The Commissioner has partially terminated the subsidy investigation by terminating in relation to the 4 selected exporters, listed below. This report sets out the reasons that the Commissioner has terminated the subsidy investigation in relation to:

- Baoshan Iron and Steel Co Ltd (Baoshan)
- Baosteel Zhanjiang Iron & Steel Co Ltd (Zhanjiang)
- Shanghai Meishan Iron & Steel (Meishan)
- Hunan Valin Lianyuan Iron & Steel Co Ltd (LY Steel).

The Commissioner has not terminated the subsidy investigation in respect of all other exporters from China, being all exporters other than the 4 selected exporters. *Anti-Dumping Commission Report No 658* (REP 658) will address the subsidy investigation into all other exporters.

The Commissioner has not terminated any part of the dumping investigation. REP 658 will address the dumping investigation in full.

1.1.1 Changes since SEF 658

The Commissioner has made findings in this report that differ from the preliminary findings in SEF 658, listed below:

- For the 4 selected exporters the Commissioner has found that there is insufficient evidence available to determine a benefit under the program 'raw materials and utilities at less than adequate remuneration (LTAR)' (Program 178) and therefore there is insufficient evidence to find the program is a subsidy under section 269T(1). The Commissioner has found this after considering several submissions. Further details are in Appendix A, chapter A.8.4.
- For the 4 selected exporters, the Commissioner has assessed that the program 'hot rolled steel provided at LTAR' (Program 179) is not a subsidy under section 269T(1). This program was not assessed in SEF 658 as it would have double

² EPR 658, document number 27.

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counted the subsidisation already attributed to Program 178 in that report. Further details are in Appendix A, chapter A.8.9.

- For the 3 Baosteel manufacturers, the Commissioner considered submissions to the SEF and used line-by-line sales information to calculate exporter-specific amounts for importer profit, trader mark-up, ocean freight, and marine insurance, resulting in changes to the export price for each exporter. Further details are contained in chapter 3.6.2.4.
- For the 3 Baosteel manufacturers, the Commissioner has made a minor change to the approach to calculating long term borrowings (relevant to Program 177 – Preferential loans), in response to a submission. Further details are contained in chapter 3.6.2.3 and Appendix A, chapter A.7.

Accordingly, the commission has found that the amount of subsidisation received by the 4 selected Chinese exporters during the investigation period was less than 2%, as set out in Table 1 below, and therefore negligible in accordance with section 269TDA(2) of the Act. The Commissioner has terminated the subsidy investigation in relation to the 4 selected exporters on the basis that, while countervailable subsidies were received, they never exceeded the negligible level of countervailable subsidisation during the investigation period.

The Commissioner notes that even if either Program 178 or Program 179 were found to be a countervailable subsidy program, the amount of subsidy margin attributable to Program 178 or Program 179 would be removed from the combined duty rate to avoid the impact of the ‘double count’ as explained in chapter 12 of SEF 658.

1.1.2 This report and the report to the Minister

This termination report sets out the facts and findings upon which the Commissioner based the decision to terminate the subsidy investigation in relation to Baoshan, Zhanjiang, Meishan and LY Steel. A public notice of the Commissioner’s termination decision has been published on the Anti-Dumping Commission’s (commission) website with this report: Anti-Dumping Notice (ADN) No 2026/041 refers.

Remaining aspects of the investigation, including the dumping investigation for all exporters and the subsidy investigation for ‘all other exporters’, will be addressed in the Commissioner’s report (REP 658) to the Minister for Industry and Innovation and the Minister for Science (the Minister), due on 10 April 2026. It was provided to the Minister on 2 April 2026.

1.2 Legislative framework

Division 2 of Part XVB of the Act describes, among other things, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application under section 269TB(1).

Section 269TDA sets out the circumstances in which the Commissioner must terminate an investigation. Section 269TDA(2) sets out that the Commissioner must terminate an investigation relating to an application for a countervailing duty notice if satisfied that:

- no countervailable subsidy has been received in respect of any of the goods the subject of the application for a countervailing duty notice; or

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- a countervailable subsidy has been received in respect of some or all of those goods but it never, at any time during the investigation period, exceeded the negligible level of countervailable subsidy (in this case, the negligible level of countervailable subsidy is 2%).

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

Further information on the conduct of this investigation is included in chapter 2 of this report. In formulating this report, the commission has considered information and submissions received after the publication of SEF 658.

1.3 Summary of findings

1.3.1 Subsidy investigation (Chapter 3)

The Commissioner is satisfied that during the investigation period:

- countervailable subsidies were received in respect of the goods exported to Australia from China, and
- for Baoshan, Zhanjiang, Meishan and LY Steel, the level of subsidisation in respect of those goods was negligible.

The commission has calculated subsidy margins in respect of those goods exported to Australia from China during the investigation period for each exporter, at the rates set out in Table 1.

Exporter	Subsidy margins
Baoshan	1.7%
Zhanjiang	0.3%
Meishan	1.4%
LY Steel	1.4%

Table 1: Summary of subsidy margins

1.3.2 Partial termination of the subsidy investigation (Chapter 4)

The Commissioner has found that the amount of subsidisation received by the 4 selected Chinese exporters during the investigation period was less than 2% and therefore negligible in accordance with section 269TDA(2) of the Act. Therefore, the Commissioner has terminated the subsidy investigation in relation to the 4 selected exporters on the basis that, while countervailable subsidies were received, they never at any time exceeded the negligible level of countervailable subsidisation during the investigation period.

1.3.3 Amendment to securities (Chapter 5)

Due to the termination of the subsidy investigation in relation to Baoshan, Zhanjiang, Meishan and LY Steel, it is no longer necessary for the Commonwealth to require and take securities in relation to interim countervailing duty that may become payable on the goods exported by Baoshan, Zhanjiang, Meishan and LY Steel.

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The revised securities are detailed in Table 2 below. The security rates as determined in the PAD published on 23 December 2025 are in Table 5 in chapter 2.4 below.

Exporter	Duty method	Effective rate of IDD (%)		
Baoshan	Combination	104.1%		
Zhanjiang		36.0%		
Meishan		64.6%		
LY Steel	<i>Ad valorem</i>	38.9%		
Exporter	Duty method	Effective rate of ICD (%)	Effective rate of IDD (%)	Combined ICD & IDD (%)
All other exporters	<i>Ad valorem</i>	4.1%	112.8%	116.9%

Table 2: Revised securities following TER 658

1.4 Remaining aspects of the investigation

1.4.1 Subsidy investigation – all other exporters

The Commissioner has not terminated the subsidy investigation in respect of all other exporters from China, being all exporters other than the 4 selected exporters. REP 658 will address the subsidy investigation into all other exporters.

1.4.2 Dumping investigation

The Commissioner has not terminated any part of the dumping investigation. REP 658 will address the dumping investigation in full.

2 BACKGROUND

2.1 Legislative framework

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

Under section 269TEA(1), in the report to the Minister, the Commissioner must recommend whether the Minister ought to be satisfied as to the grounds for publishing a dumping duty notice and/or countervailing duty notice under sections 269TG, 269TJ or 269TJA.³

Under sections 269TG, 269TJ and 269TJA, to publish a dumping duty and/or countervailing duty notice, the Minister must be satisfied that, because of dumping and/or subsidisation, the Australian industry has experienced material injury.

The legislative framework for assessing countervailable subsidies is further detailed in chapter 3.2 of this report. The legislative framework for termination of the subsidy investigations is further detailed in chapter 4.1 of this report.

2.2 Application and initiation

On 23 September 2024, BlueScope lodged an application with the Commissioner under section 269TB(1), with further information lodged in support of the application on 2, 8, 9, 10 and 14 October 2024, alleging that the Australian industry for the goods has experienced material injury caused by the goods being exported to Australia from China at dumped and subsidised prices. A non-confidential version of the application is available on the EPR.⁴

Having considered the application, the Commissioner decided not to reject the application and initiated the investigation on 15 November 2024. ADN 2024/093 (initiation notice) and *Consideration Report 658* (CON 658) provide further details on Commissioner's consideration of the application and the initiation of the investigation.⁵

³ Section 269TJA relates to concurrent dumping and countervailable subsidisation. The provision provides that, where goods are both dumped and subsidised, and because of the combined effects of the dumping and the amount of countervailable subsidy received in respect of the goods, material injury to an Australian industry producing like goods has been or is being caused, the Minister may publish a notice under either sections 269TG(1), 269TG(2), 269TJ(1) or 269TJ(2) or notices under such sections at the same time. Section 269TJA is relevant in this investigation due to the combined dumping and subsidisation in relation to goods exported to Australia from China by certain exporters.

⁴ EPR 658, document number 1.

⁵ EPR 658, document numbers 2 and 3.

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2.2.1 The goods the subject of the application

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

Hot rolled coil steel (including in sheet form), with or without patterns in relief (known as checker plate), whether or not containing alloys, not clad, plated or coated (other than oil coated).

The whole application informs the scope of goods described above. Table 3 contains some key extracts from the application relevant to the goods description.

Further information:

HRC is supplied in a range of thicknesses, all of which are covered by the application.

Several relevant standards cover the range of HRC products. These relevant standards are noted in the following table:

Commercial HRC grades	
Standard No.	Description
AS/NZS 1594	Hot rolled steel flat products
ASTM A1011	Steel, sheet and strip, hot rolled, carbon, structural, high strength low alloy, with improved formability and ultra-high strength
ASTM A1018	Steel, sheet and strip, heavy thickness coils, hot rolled, carbon, commercial, drawing, structural, high strength low alloy, high strength low alloy with improved formability, and ultra-high strength
ISO 3573	Hot rolled carbon steel sheet of commercial and drawing qualities
JIS G 3131	Hot rolled mild steel plates sheet and strip
SAE J403	Chemical composition of SAE carbon steels
Forming, pressing & drawing HRC grades	
AS/NZS 1594	Hot rolled flat steel products
ISO 3573	Hot rolled carbon steel sheet of commercial and drawing qualities
JIS G 3132	Hot rolled carbon steel strip for pipes and tubes
EN 10111	Continuously hot rolled low carbon steel sheet and strip for cold forming
Structural HRC grades	
AS/NZS 1594	Hot rolled steel flat products
API specification 5L	Specification for line pipe
ASTM A1011	Steel, sheet and strip, hot rolled, carbon, structural, high strength low alloy, with improved formability and ultra high strength

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ASTM A1018	Steel, sheet and strip, heavy thickness coils, hot rolled, carbon, commercial, drawing, structural, high strength low alloy, high strength low alloy with improved formability, and ultra-high strength
JIS G 3113	Hot rolled steel plate, sheet and strip for automobile structural uses
JIS G 3116	Steel sheets, plates and strip for gas cylinders
EN 10025	Hot rolled products of structural steels

Table 3: HRC standards referenced in the application

Exclusions:

Goods excluded from the application are plate steel products and flat merchant bars.

2.2.2 Additional detail on ‘plate steel’ exclusion – file note from the commission

On 6 June 2025, the commission published a file note clarifying that sheet-form HRC with a base metal thickness at or above 4.75 mm (thick sheet-form HRC) is excluded from the goods description, as part of the application’s exclusion of ‘plate steel products’.⁶ The commission defines ‘plate steel products’ based on BlueScope’s intended meaning in its application. This definition of ‘plate steel products’ is not based on a common definition of ‘plate steel’.

The commission’s view is that there is no strict commercial or technical distinction between the terms ‘plate steel’ and ‘sheet-form HRC’ when referring to steel produced from coil. ‘Plate steel’ can include flat steel products made directly from steel slab, not cut from coil. The commission notes 4.75 mm thickness is a distinction between some tariff codes (see chapter 2.2.3) but this thickness is not generally agreed as the threshold between ‘plate steel’ and ‘sheet steel.’

2.2.3 Tariff classification

The goods are classified to the following tariff subheadings in schedule 3 to the *Customs Tariff Act 1995* in Table 4. Note when reading this table that understanding the scope of products described as ‘Other’ may require reading tariff or statistical codes not included in this table. For more information, see schedule 3 of the *Customs Tariff Act 1995*, also available on the Australian Border Force website.⁷

Tariff classification			
Tariff code	Statistical code	Unit	Description
7208	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated:		
7208.10.00	31	T	- In coils, not further worked than hot-rolled, with patterns in relief

⁶ EPR 658, document number 15, File note about goods subject to the application.

⁷ Australian Border Force (2024) [Current tariff classification](#), ABF website, n.d., accessed 16 December 2025.

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Tariff classification			
<i>Tariff code</i>	<i>Statistical code</i>	<i>Unit</i>	<i>Description</i>
7208.2	- Other, in coils, not further worked than hot-rolled, pickled:		
7208.25.00	32	T	-- Of a thickness of 4.75 mm or more
7208.26.00	33	T	-- Of a thickness of 3 mm or more but less than 4.75 mm
7208.27.00	34	T	-- Of a thickness of less than 3 mm
7208.3	- Other, in coils, not further worked than hot-rolled:		
7208.36.00	35	T	-- Of a thickness exceeding 10 mm
7208.37.00	36	T	-- Of a thickness of 4.75 mm or more but not exceeding 10 mm
7208.38.00	37	T	-- Of a thickness of 3 mm or more but less than 4.75 mm
7208.39.00	38	T	-- Of a thickness of less than 3 mm
7208.40.00	39	T	- Not in coils, not further worked than hot-rolled, with patterns in relief
7208.5	- Other, not in coils, not further worked than hot-rolled:		
7208.53.00	42	T	-- Of a thickness of 3 mm or more but less than 4.75 mm
7208.54.00	43	T	-- Of a thickness of less than 3 mm
7208.90.00	30	T	- Other
7211	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated:		
7211.1	- Not further worked than hot-rolled:		
7211.14.00	40	T	-- Other, of a thickness of 4.75 mm or more
7211.19.00	41	T	-- Other
7225	Flat-rolled products of other alloy steel, of a width of 600 mm or more:		
7225.30.00	17	T	- Other, not further worked than hot-rolled, in coils
7225.40.00	- Other, not further worked than hot-rolled, not in coils		
	22	T	<i>High alloy: Other</i>
	24	T	<i>Other: Other</i>
7226	Flat-rolled products of other alloy steel, of a width of less than 600 mm:		
7226.9	Other		
7226.91.00	67	T	-- Not further worked than hot-rolled

Table 4: General tariff classification for the goods

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

2.3 Statement of Essential Facts (SEF)

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

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The SEF was originally due to be published on or before 5 March 2025. The Commissioner granted extensions of time for the due date for the SEF and final report.⁸ The Commissioner published SEF 658 on 23 December 2025.⁹

In SEF 658, the Commissioner found that countervailable subsidies had been received from all exporters in respect of the goods exported to Australia from China, and that the volume of those subsidised goods exported to Australia from China was not negligible.

In SEF 658, the Commissioner found the alleged subsidy program 'Raw materials and utilities provided at less than adequate remuneration' (Program 178) to be a countervailable subsidy and the amount of countervailable subsidy found under Program 178 was included in the calculation of the preliminary subsidy margins of all exporters. The Commissioner removed the amount relating to Program 178 when determining the effective rate of interim countervailing duties (ICD) for securities to avoid double counting because the amount of benefit under Program 178 was derived using the same benchmark cost adjustments applied in constructing the normal value in the dumping investigation. In circumstances where there is both an adjustment to the input costs of production as part of constructing a normal value and a countervailable LTAR subsidy (such as Program 178), the commission will generally remove the amount of benefit calculated as received by the exporters in relation to the subsidy from the combined margin in order to avoid any double counting.

2.4 Preliminary affirmative determination (PAD)

In SEF 658, the Commissioner set out preliminary findings indicating that there appeared to be sufficient grounds for the publication of a dumping duty notice and a countervailing duty notice in relation to goods exported to Australia from China. On the basis of these findings, the Commissioner made a PAD on 23 December 2025.

The security that was determined was an amount worked out in accordance with the findings in SEF 658, at the rates specified in Table 5.

Exporter	Duty method	Effective rate of ICD (%)	Effective rate of IDD (%)	Combined ICD & IDD (%)
Baoshan	Combination duty method	2.4%	104.1%	106.5%
Zhanjiang		0.5%	36.0%	36.5%
Meishan		1.6%	64.6%	66.2%
LY Steel	<i>Ad valorem</i> duty method	1.4%	38.9%	40.3%
All other exporters		4.1%	112.8%	116.9%

Table 5: Effective rates of ICD and IDD in SEF 658

Following the PAD, to prevent material injury to the Australian industry occurring while the investigation continued, securities were taken in respect of any IDD and ICD that became

⁸ EPR 658, document numbers 6, 16, 24 and 40.

⁹ EPR 658, document number 27.

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or may become payable on goods exported from China and entered for home consumption on or after 24 December 2025.¹⁰

2.4.1 Amendment to securities

Due to the termination of the subsidy investigation in relation to Baoshan, Zhanjiang, Meishan and LY Steel, it is no longer necessary for the Commonwealth to require and take securities in relation to interim countervailing duty that may become payable on the goods exported by Baoshan, Zhanjiang, Meishan and LY Steel.

The revised securities are detailed in Table 6 below.

Exporter	Duty method	Effective rate of IDD (%)		
Baoshan	Combination	104.1%		
Zhanjiang		36.0%		
Meishan		64.6%		
LY Steel	<i>Ad valorem</i>	38.9%		
Exporter	Duty method	Effective rate of ICD (%)	Effective rate of IDD (%)	Combined ICD & IDD (%)
All other exporters	<i>Ad valorem</i>	4.1%	112.8%	116.9%

Table 6: Revised securities following TER 658

2.5 Submissions considered after the SEF

Submissions in response to the SEF were due on 16 January 2026. The commission received 10 submissions after the SEF (and one submission shortly before the publication of the SEF on 17 December 2025). Of these submissions, 3 related to the subsidy investigation and are relevant to this termination report. A summary of these 3 submissions has been provided at chapter 2.8.7 of this report.

2.6 Final report and Minister's decision

Section 269TEA(1) requires the Commissioner, after conducting an investigation, to give the Minister a report recommending whether any notice should be published and the extent of any duties that are, or should be, payable under the *Customs Tariff (Anti-Dumping) Act 1975*. Under section 269TLA, the Minister must then decide whether or not to publish any notice within 30 days of receiving the Commissioner's report, or longer if the Minister considers there are special circumstances that prevent the decision being made within 30 days.

This termination report only concerns the subsidy investigation into the 4 selected exporters. The Minister will review the Commissioner's final report relating to the dumping and subsidy investigations, except for the terminated subsidy investigation into the 4 selected exporters. The Commissioner will then publish the Minister's decision and the relevant documents relating to the final report.

¹⁰ EPR 658, document number 28.

2.7 Previous cases

There have been no prior investigations relating to HRC from China. The commission has conducted cases in relation to HRC exported to Australia from Japan, the Republic of Korea (Korea), Malaysia and Taiwan. Refer to the commission website for a comprehensive list of cases and related documentation and Table 7 below.

Aside from the preliminary measures stemming from the current investigation, anti-dumping measures currently only apply to certain HRC from Taiwan.¹¹ The goods subject to measures have a similar goods description to the description proposed by BlueScope in its application for this investigation. This investigation includes steel in patterns of relief (also known as checker plate or pattern plate) and alloy steel but the goods description for Taiwanese HRC subject to measures excludes these products.

Table 7 summarises the previous major cases that concerned the examination of HRC from Japan, the Republic of Korea (Korea), Malaysia and Taiwan.

Case and ADN number	Country or export market	Outcome	Duty method
Investigation 188 (Inv 188) ADN 2012/66	Japan, Korea, Malaysia and Taiwan	Dumping measures imposed on cooperative and non-cooperating exporters from Japan, Korea, Malaysia and Taiwan, except for pickled and oiled HRC from Japan.	Combination duty method
Reinvestigation 209 (of Inv 188) ADN 2013/49	Japan, Korea, Malaysia and Taiwan	Upheld the findings of Inv 188 with only minor changes to the outcome.	Combination duty method
Continuation 400 ADN 2017/166	Japan, Korea, Malaysia and Taiwan	The dumping measures were continued for goods exported from Taiwan and allowed to expire for exporters from Japan, Korea and Malaysia.	Floor price duty method
Review 454 ADN 2018/126	Taiwan	The variable factors were changed for all exporters from Taiwan.	Floor price duty method
Review 528 ADN 2020/92	Taiwan	The variable factors were changed for all exporters from Taiwan.	Floor price duty method
Continuation 594 ADN 2022/109	Taiwan	Measures continued on cooperative and all other exporters from Taiwan	<i>Ad Valorem</i> duty method

Table 7: Summary of previous major cases

2.8 Conduct of the investigation

2.8.1 Investigation period and injury period

As specified in the initiation notice, the Commissioner set an investigation period of 1 October 2023 to 30 September 2024. The Commissioner also set an injury analysis

¹¹ See the dumping commodity register for further details of current measures relating hot rolled coil steel exported from Taiwan: Anti-Dumping Commission, [Current measures in the dumping commodity register \(DCR\)](#), Department of Industry, Science and Resources website, n.d., accessed 2 April 2026.

period from 1 October 2020 to assess the economic condition of the Australian industry and assess potential injury factors.

2.8.2 Australian Industry

The Commissioner used information provided by BlueScope in its application to assess the Australian industry for like goods. The commission performed a verification visit to BlueScope's steel mill in Port Kembla in New South Wales, verifying both BlueScope manufacturers, BlueScope Steel Ltd (BSL) and BlueScope Steel (AIS) Pty Ltd (AIS), during the visit. Chapter 4 of SEF 658 discusses the composition of the Australian industry further.

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

- more than 50% of the total production of like goods by that proportion of the Australian industry that has expressed either support for, or opposition to, the application, and
- not less than 25% of the total production of like goods in Australia.¹²

The commission conducted a verification visit at BlueScope's premises in March 2025. The resulting verification report is available on the EPR.¹³

2.8.3 Exporters

2.8.3.1 Selected exporters

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

The commission received responses to exporter questionnaires (REQ) from the 4 selected exporters: Baoshan, Zhanjiang, Meishan (all part of the Baosteel group of companies) and LY Steel. The commission did not receive a REQ from any other entity.

The commission conducted verification of the information and data provided by LY Steel¹⁴ and the 3 Baosteel manufacturers (Baoshan, Zhanjiang and Meishan)¹⁵ in their REQs. Records of the findings of the verifications are available on the EPR.

2.8.3.2 Corporate structure of selected exporters – Baosteel

Of the 3 Baosteel manufacturers, Baoshan is the parent company and Zhanjiang and Meishan are its subsidiaries. Baoshan is also the parent company of the sole Japanese

¹² Section 269TB(6).

¹³ EPR 658, document number 20.

¹⁴ EPR 658, document number 22.

¹⁵ EPR 658, document number 25.

trader (Howa Trading Co Ltd) and Australian importer (Bao Australia Pty Ltd) involved in exporting the goods to Australia.

Baoshan and, by extension, all 3 Baosteel manufacturers are majority owned by China Baowu Steel Group Corp Ltd (China Baowu Group), both directly and indirectly (through subsidiaries of China Baowu Group with shareholdings in Baoshan). The China Baowu Group is ultimately owned by the GOC's State-Owned Assets Supervision and Administration Commission of the State Council (SASAC of the State Council). The 3 Baosteel manufacturers and other companies in the Baosteel group are therefore state-owned enterprises (SOEs).¹⁶

2.8.3.3 Corporate structure of selected exporter – LY Steel

LY Steel is ultimately majority owned by the State-Owned Assets Supervision and Administration Commission of Hunan Provincial People's Government (SASAC of the state council of Hunan). The SASAC of the state council of Hunan owns LY Steel indirectly through LY Steel's parent companies. LY Steel is therefore an SOE.

2.8.3.4 Uncooperative exporters and non-cooperative entities

Where an exporter or entity did not give the Commissioner information the Commissioner considered to be relevant to this investigation within a period the Commissioner considered to be reasonable, or the Commissioner is satisfied that the exporter or entity significantly impeded the case section 269TAACA(1) provides that, in determining whether a countervailable subsidy has been received in respect of particular goods, the Commissioner may act on the basis of all the facts available and may make such assumptions as they find reasonable. Such an entity is a 'non-cooperative entity.'

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

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

2.8.4 Foreign governments

2.8.4.1 GOC consultation

On 15 October 2024, the commission invited the Government of China (GOC) for consultation during the Commissioner's consideration of the application. Prior to the initiation of the investigation, the GOC did not request consultation, but on 1 November 2024, it provided a written submission in response to the application.¹⁷

¹⁶ For consistency in this report, the commission has used 'SOE' to refer to a Chinese state-owned or state-invested enterprise.

¹⁷ EPR 658, document number 4.

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GOC's consultation comments raised the following key points regarding the subsidy allegations:

- The subsidy claims in the application are simple assertions without basic evidence regarding the existence, amount and nature of subsidies.
- There are no so-called provision of steel making raw materials at less than adequate remuneration (LTAR) in China.
- There is no subsidy for the provision of electricity or land at LTAR in China.
- In China, the production and sale of hot-rolled coil steel and its raw materials or inputs are determined by market forces and not by state intervention.
- The subsidy allegations based on the United States (US) Department of Commerce determinations are unwarranted and unsubstantiated.
- Some alleged subsidy programs refer to specific years prior to the investigation period or specific regions. The application lacked positive evidence to demonstrate the existence of these subsidies or benefits to being received by the relevant producers.

2.8.4.2 GOC questionnaire response

At initiation of the investigation, the commission also invited the GOC to complete a government questionnaire. GOC provided a response to the government questionnaire (RGQ) which was published on the EPR on 7 February 2025.¹⁸

The GOC's questionnaire response stated information was collected from the 4 selected exporters. In response to the questions in 'Section D: Subsidies', to the extent the questionnaire requested information about 'any other program' not identified in BlueScope's application, the GOC objected to the 'open question style'. The response also commented on programs 7,¹⁹ 8²⁰ and 25²¹ as listed in BlueScope's application, that none of the input suppliers are 'public bodies' within the meaning of the World Trade Organization's (WTO's) *Agreement on Subsidies and Countervailing Measures* (ASCM).

2.8.5 Importers

The commission received three responses to the importer questionnaire. One response was only a partial response to the questionnaire. The other two responses, provided by Bao Australia Pty Ltd (Bao Australia) and DITH Australia Pty Ltd (DITH) were considered complete. The commission conducted onsite verifications of the data provided by Bao Australia²² and DITH.²³ A copy of each importer verification report is available on the EPR.

¹⁸ EPR 658, document number 8.

¹⁹ EPR 658, document number 8, page 31: Program 7 is 'Coke provided by government at LTAR'.

²⁰ EPR 658, document number 8, page 31: Program 8 is 'Coking coal provided by government at LTAR'.

²¹ EPR 658, document number 8, page 31: Program 25 is 'Hot rolled steel provided by government at less than fair market value'.

²² EPR 658, document number 19.

²³ EPR 658, document number 18.

2.8.6 End Users

To understand the dynamics of the Australian market and factors that may be impacting the economic condition of the Australian industry producing HRC, the commission also issued an Australian market questionnaire to end users of HRC.

2.8.7 Submissions from interested parties

The commission received 17 submissions during the course of the investigation which the Commissioner considered in preparing this report, including 10 received in response to SEF 658. Table 8 in chapter 2.6 of SEF 658 details submissions received by the commission prior to the publication of SEF 658.

The commission has detailed its consideration of all submissions received in response to SEF 658, and the one submission received shortly before the publication of SEF 658, in REP 658. Those parts of the post-SEF submissions relevant to this termination report are discussed below.

2.8.7.1 Post-SEF submissions from the GOC and LY Steel

In response to SEF 658, the GOC and LY Steel raised several concerns about the commission's preliminary subsidy findings and its broader assessment of financial contributions and benefits.²⁴ This report summarises the submissions from both parties together because the submissions were similar.

The GOC and LY Steel submitted that the commission's assessment of Program 178 was not supported by exporter specific evidence and relied too heavily on broad assumptions about government influence in China's steel sector. It submitted that suppliers, whether SOEs, state-invested enterprises or private firms, were incorrectly treated as public bodies or as being entrusted or directed by the GOC, despite verification showing arm's length and commercially negotiated pricing. The GOC and LY Steel further contended that the commission's methodology conflated general policy settings with evidence of actual governmental authority or direction, contrary to WTO jurisprudence such as DS379 and DS296. The submissions emphasised that neither majority government ownership nor general policy statements are sufficient to establish a public body or entrustment or direction without proof of specific governmental authority being exercised in the transactions under consideration. In addition, the GOC and LY Steel challenged the commission's use of Brazilian slab benchmarks to assess adequate remuneration, submitting that these benchmarks do not reflect Chinese market conditions and result in overstated subsidy benefits.

This report details the Commissioner's consideration of the GOC and LY Steel's submissions in relation to the subsidy investigation in Appendix A, chapter A.8.4.

2.8.7.2 Post-SEF submission from the Baosteel companies

In response to SEF 658, the Baosteel companies (Baoshan, Zhanjiang and Meishan) lodged a submission raising similar concerns to those raised by the GOC and LY Steel regarding the commission's preliminary subsidy findings in relation to SEF 658's public

²⁴ EPR 658, document numbers 33 (GOC) and 34 (LY Steel).

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body finding, use of the Brazilian benchmark to calculate benefit and the findings of WTO case DS379.

In addition to raising similar issues to the GOC and LY Steel, Baosteel also raised findings of WTO Appellate Body decision DS437. Baosteel also submitted that key inputs, such as iron ore, are imported from Australia at internationally benchmarked prices and cannot be considered to be provided at LTAR.

Baosteel also raised concern regarding to the use of MEPS data in the calculation of benefit in Program 178, requesting full access to the MEPS data and challenging the commission's use of MEPS data, questioning its reliability and accuracy.

3 SUBSIDY INVESTIGATION

3.1 Findings

As discussed in Appendix A, chapter A.8, the Commissioner considers there was insufficient evidence to find that Program 178 is a subsidy and the subsidy margin for the 3 Baosteel manufacturers was lower than the subsidy margins determine in SEF 658 due to minor changes to the calculation of export price and long term borrowings. Therefore, the Commissioner is satisfied that, during the investigation period, countervailable subsidies were received in respect of the goods exported to Australia from China by Baoshan, Zhanjiang, Meishan and LY Steel, however the level of countervailable subsidisation in respect of those goods never exceeded the negligible level.

The commission has calculated subsidy margins in respect of those goods exported to Australia from China during the investigation for each exporter, at the rates set out in Table 6.

Exporter	Subsidy margins
Baoshan	1.7%
Zhanjiang	0.3%
Meishan	1.4%
LY Steel	1.4%

Table 8: Subsidy margins

On this basis, the subsidy margins for Baoshan, Zhanjiang, Meishan and LY Steel as shown in Table 8 did not exceed the 2% negligible level at any time during the investigation period for the purposes of section 269TDA(2).

3.2 Legislative framework

Under section 269TJ, one of the matters that the Minister must be satisfied of in order to publish a countervailing duty notice is that subsidisation has taken place (to an extent that is not negligible).

Subsidisation occurs when a financial contribution or income or price support by a government or public body confers a benefit (whether directly or indirectly) in relation to goods exported to Australia.²⁵ According to section 269TAAC, a subsidy is a countervailable subsidy if it is specific, meaning that access to the subsidy is limited to particular enterprises or within a particular industries or geographical locations, or contingent on export performance or the use of domestically produced goods.

The amount of a countervailable subsidy and the attribution of that amount are determined in accordance with section 269TACD.

²⁵ Section 269T(1).

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

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

3.3 Information considered by the commission

3.3.1 Information submitted in BlueScope’s application

In part C-1.D of its application, BlueScope claimed certain countervailable subsidies applied to HRC based on countervailable subsidies found in Australian countervailable subsidisation cases relating to Chinese products, and LTAR subsidies found in United States (US) countervailable subsidisation cases.²⁶ The application specifically referred to Australian continuation inquiries 590 into hollow structural sections and 611 into zinc coated (galvanised) steel, various LTAR programs from US case C-570-571 into tin mill products, and one LTAR program from US case C-570-571 into glass wine bottles.

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

3.3.2 Information provided by the exporters

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

3.3.3 Information provided by the Government of China

In accordance with section 269TB(2C), the commission invited the GOC for consultations after the application was received but before the Commissioner made a decision to initiate the investigation. The consultations related to the claims made by the applicant in relation to countervailable subsidies and are summarised in chapter 2.5.4.2 of SEF 658.

On 15 November 2024, the commission also sent a questionnaire to the GOC, which included questions relating to each of the alleged subsidy programs identified in the application. The GOC provided a response to the questionnaire on 7 February 2025. A summary of the key points raised in the RGQ is in chapter 2.5.4.2 of SEF 658. In accordance with section 269TDAA(2)(b), the commission has taken into account the GOC’s consultation comments and questionnaire response when considering the subsidy assessments.

3.3.4 Other information considered as part of this assessment

The commission also considered as part of this assessment:

²⁶ EPR 658, document number 1, pages 64–70.

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- a submission from BlueScope received before SEF 658²⁷
- submissions received in relation to subsidies provided in response SEF 658 (summarised in this report at chapter 2.8.7)
- information provided to the WTO by the GOC in August 2025 in its notifications in the New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement)²⁸
- previous investigations by the commission into subsidies provided to Chinese exporters
- research conducted by commission staff on certain subsidy programs.

3.4 Determination of countervailable subsidy if non-cooperation by relevant entities

Because the information provided by the Government of China (GOC) and the exporters in their questionnaire responses was limited, the commission relied on all available facts and made reasonable assumptions, as permitted under section 269TAACA(1), to determine whether a countervailable subsidy was received for the goods.

3.4.1 Determination of amount of benefit attributable to the goods

The selected exporters provided their proposed attributions of the amounts of countervailable subsidy as part of the grant's listings in their REQs as well as revised listings provided during verification. The exporters explained that the attributions were assumptions considering the information contained in the accounting system transaction descriptions and the accounting team's business knowledge. For most programs identified, neither the exporters nor the GOC provided evidence to support the exporters' proposed subsidy attributions.

In the absence of evidence or relevant information to support the selected exporters' proposed attributions, the Commissioner has acted on all the facts available and made reasonable assumptions, in some cases this included determining to attribute the amount received by the exporters to a different level than what was proposed by the exporters (for example, the exporter may have proposed that the payment be attributed to the whole company, but the commission has determined that it should be attributed to steel production).²⁹

3.5 Investigated programs

In its application, BlueScope identified the subsidy programs from several sources, including:

- the commission's previous reviews and continuations for related steel products, specifically cases 521 and 611 into zinc coated galvanised steel and case 590 into hollow structural sections.

²⁷ EPR 658, document number 17.

²⁸ See World Trade Organization, [Subsidies and countervailing measures](#), WTO website, n.d., accessed 2 April 2026.

²⁹ Section 269TAACA(1).

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- programs found to be countervailable by the US Department of Commerce
- programs identified in China’s WTO notifications.³⁰

The Commissioner has considered all the programs alleged in the application and examined all amounts that the exporters and GOC stated were countervailable subsidies received during the investigation period. The Commissioner has also considered the 2 types of LTAR programs alleged in the application.

The Commissioner could not to assess whether the exporters received any of the grants alleged in BlueScope’s application because the Commissioner did not identify these grants in the information provided by the exporters. The Commissioner considers that it has examined all the grant amounts received by the selected exporters from public bodies.

The Commissioner has assessed the programs, with reference to the category of the financial contribution considered (grants, tax, loans, and less than adequate remuneration), with consideration also given to the information provided about the programs and the level of evidence available. This assessment is detailed in **Appendix A – Assessment of subsidy programs**. Table 9 outlines the categories and sub-categories used by the commission in assessing the subsidy programs.

Type	Category	Chapter reference in this report	Sub-category description
Grants	A	A.5.2.1	Grant programs alleged in the application
		A.5.2.2 and A.5.2.3	Grants identified by the exporters A1: Payment types including an official reference A2: Payment types with a descriptive name A3: Payments with non-descript names
Tax	B	A.6.2.1	Tax programs alleged in the application
		A.6.2.2	B1: Tax program identified by the GOC and exporters – Preferential tax policies for value-added tax (VAT) additional deductions for advanced manufacturing enterprises B2: Other value added tax deduction programs B3: Other tax programs identified by the exporters
Loans	C	A.7	Preferential loan programs identified by the exporters
LTAR	D	A.8.4 to A.8.8	Raw materials and utilities provided at LTAR
		A.8.9	Hot rolled steel provided at LTAR

Table 9: Categories used for the subsidy assessment

Appendix B – All subsidy programs assessed contains a list of all subsidy programs assessed in this investigation and whether they were found to be countervailable subsidy programs that conferred a benefit in relation to the goods exported to Australia.

³⁰ EPR 658, document number 2, table 10, Row D.

3.6 Countervailable subsidy assessment

In relation to goods exported from China (a developing country), countervailable subsidisation is negligible if, when expressed as a percentage of the export price of the goods, that subsidisation is not more than 2% or where the volume is less than 4% of the total Australian import volume.

Subsection 269TDA(2) requires that the Commissioner must terminate a countervailing investigation in relation to an exporter if countervailable subsidisation for that exporter is determined to be negligible.

3.6.1 LY Steel

3.6.1.1 Subsidy margin finding

The commission assessed 22 types of benefits received by LY Steel and assessed whether they are countervailable subsidies. The commission found all the benefits received by LY Steel during the period to be countervailable subsidies, except for:

- Program 178 – Raw materials and utilities provided at LTAR that lacked sufficient evidence to determine benefit and therefore there was also insufficient evidence to find it to be a subsidy under section 269T(1)
- Program 179) – ‘Hot rolled steel provided at LTAR’ which was assessed to not be a subsidy under section 269T(1).

The Commissioner noted that even if Program 178 or Program 179 were found to be a countervailable subsidy, the amount of subsidy margin attributable to Program 178 or Program 179 would be removed from the combined duty rate to avoid the impact of the ‘double count’ as explained in chapter 12 of SEF 658.

The Commissioner did not make any changes to LY Steel’s export price calculated in SEF 658. The Commissioner determined a subsidy margin of LY Steel to be **1.4%**. The commission’s countervailable subsidy margin calculations for LY Steel are at **Confidential Attachment 1: LY Steel – Subsidy margin**.

3.6.1.2 Background

The commission conducted a verification of LY Steel in April 2025. The commission found that LY Steel received benefits in relation to various subsidy programs, based on the facts available. The commission listed the subsidy programs, attributed and allocated the received benefit to the Australian export goods. The resulting verification report was published on the EPR on 30 October 2025.³¹ The commission used this information to calculate the subsidy margin for the goods LY Steel exported to Australia.

3.6.1.3 Commission’s assessment of amount of benefit received

In accordance with section 269TAACA, the Commissioner has relied upon all facts available and having regard to reasonable assumptions in assessing whether LY Steel

³¹ EPR 658, document number 22.

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received countervailable subsidies during the investigation period and the amount of countervailing subsidies' benefit received.

The commission assessed all the benefits received and examined all payments, alleged programs and other potential countervailable subsidy programs identified as relevant in the investigation period. Most of these benefits were disclosed by LY Steel in its response to the exporter questionnaire, others such as preferential loans and LTAR programs were examined by the commission during the verification visit, based on information provided by LY Steel in the REQ.

In total, the commission examined 22 types of subsidy programs, which included 15 grants, 4 tax programs, 1 preferential loan programs and 2 LTAR programs. The commission found that 20 of the 22 programs, with the exception of Program 178 and Program 179 LTAR, were countervailable subsidies in accordance with section 269TAAC.

Having relied on facts available and having made reasonable assumptions, the commission has calculated a subsidy margin for LY Steel. A detailed assessment of programs is provided in **Appendix A – Assessment of subsidy programs**.

Based on the information available, the commission has calculated a subsidy margin for LY Steel of **1.4%**.

The commission's countervailable subsidy margin calculations for LY Steel are at **Confidential Attachment 1: LY Steel – Subsidy margin**.

3.6.2 The 3 Baosteel manufacturers

3.6.2.1 Subsidy margin finding

The commission assessed 162 types of benefits received by the 3 Baosteel manufacturers (73 for Baoshan, 50 for Meishan and 49 for Zhanjiang) and assessed whether they are countervailable subsidies. The commission found all the benefits received by the 3 Baosteel manufacturers during the period to be countervailable subsidies, except:

- 17 grant payments (14 to Baoshan, 1 to Meishan and 2 to Zhanjiang) that were found to be received by the exporters from government bodies but were found to not be related to the goods exported to Australia.
- Program 178 – Raw materials and utilities provided at LTAR that lacked sufficient evidence to determine benefit and therefore there was also insufficient evidence to find it to be a subsidy under section 269T(1); and
- Program 179 – 'Hot rolled steel provided at LTAR' which was assessed to not be a subsidy under section 269T(1).

The Commissioner noted that even if Program 178 or Program 179 were found to be a countervailable subsidy, the amount of subsidy margin attributable to Program 178 or Program 179 would be removed from the combined duty rate to avoid the impact of the 'double count' as explained in chapter 12 of SEF 658.

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The Commissioner also recalculated preferential loans and export price in response to submissions received from Baosteel in response to SEF 658, as explained in chapters 3.6.2.3 and 3.6.2.4 below.

The Commissioner determined the subsidy margins of **1.7%** for Baoshan, **0.3%** for Zhanjiang, and **1.4%** for Meishan.

3.6.2.2 Background

The commission conducted a verification of the 3 Baosteel manufacturers in April to June 2025. The commission found that they received benefits in relation to various subsidy programs, based on the facts available. The commission listed the subsidy programs, attributed and allocated the received benefit to the Australian export goods. The resulting verification report was published on the EPR on 15 December 2025.³² The commission used this information to calculate the subsidy margin for Baoshan, Meishan and Zhanjiang for the goods exported to Australia.

3.6.2.3 Revisions relating to preferential loans

Baosteel claimed that SEF 658 double counted Baoshan's borrowings when calculating subsidy margins for the 3 Baosteel manufacturers, as described in chapter A.7.2.1 of Appendix A. The Commissioner reviewed its calculations in SEF 658 and considers Baosteel's claim was correct.

The Commissioner reviewed Baosteel's proposed methodology to revise the long-term borrowing calculations, which Baosteel provided confidentially. The Commissioner suggested revisions to Baosteel's proposed methodology to more accurately calculate interest accruals based on remaining loan balances during the investigation period. The commission sent calculations for Baosteel to review and Baosteel did not identify any errors with the revised calculations. The Commissioner has relied on the revised borrowing calculations in the subsidy margin calculations.

3.6.2.4 Revisions relating to export price

The Commissioner has revised the export price calculations for the 3 Baosteel manufacturers in response to a submission received from Baosteel post-SEF 658.

Regarding importer profit, Baosteel claimed the commission used an unrepresentative sample to calculate Bao Australia's profit margin. Baosteel claimed the commission relied on purchase orders that reflect a small proportion of the relevant volume and that this sample cannot represent the true purchase prices.

The exporters' Australian sales listings recorded all sales from Howa to Bao Australia on a transaction-by-transaction basis. Baosteel proposed that this is the proper dataset for constructing CTIS because it captures the full purchase price history. Using the larger database, Baosteel calculated an alternative profit margin and submitted this was the more accurate figure.

³² EPR 658, document number 22.

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Regarding ocean freight, Baosteel claimed that the commission used an unrepresentative sample of 25 shipments to calculate ocean freight, even though these figures are only estimates from Bao Australia and include premiums added by Howa. The exporters' B-2 sales listings contained the actual freight and insurance costs paid by Howa, supported by invoices, payment records, and accounting entries verified on-site. Baosteel claimed this B-2 data should replace the sample figures and has provided a recalculation based on it.

After considering Baosteel's submission, the commission assessed that Baosteel's proposal to calculate importer profit and ocean freight using the information provided in the full sales listings provided by the 3 Baosteel manufacturers is reasonable with minor adjustments.

Further, after considering the proposed approach, the commission considered the following adjustments to Baosteel's proposal would more accurately calculate the deductive export prices for each of the 3 Baosteel manufacturers:

- **Importer profit:** Calculate separate importer profitability rates for each of the 3 Baosteel manufacturers. Baosteel supplied sufficient information to calculate separate delivery duty paid (DDP) import prices and importer's sales prices for goods supplied by each of the 3 Baosteel manufacturers.
- **Trader mark-up:** Calculate separate trader mark-up rates for each of the 3 Baosteel manufacturers. The manufacturers sold to a related export trader, Howa Trading, who then sold to the importer, Bao Australia. 'Trader mark-up' refers to the difference between the price purchased and sold by the export trader. The commission notes it calculated importer profit (described above) using the DDP import price from the export trader to the importer, meaning this profit amount did not include an amount for the difference in price between the 3 Baosteel manufacturers and the export trader.
- **Ocean freight:** Calculate separate ocean freight rates for each of the 3 Baosteel manufacturers. Baosteel supplied sufficient information to calculate separate amounts for goods supplied by each manufacturer.
- **Marine insurance:** Include estimated marine insurance expenses for products Howa Trading sold to Bao Australia at CFR terms, based on the sample marine insurance documentation Bao Australia provided during verification. This is necessary to accurately calculate a DDP import price to compare with Bao Australia's sales prices. This was calculated separately for each manufacturer.

3.6.2.5 Commission's assessment of amount of benefit received

In accordance with section 269TAACA, the Commissioner has relied upon all facts available and having regard to reasonable assumptions in assessing whether the 3 Baosteel manufacturers received countervailable subsidies during the investigation period and the amount of countervailing subsidies received.

The commission assessed all the benefits received and examined all payments, alleged programs and other potential countervailable subsidy programs identified as relevant in the investigation period. Most of these benefits were disclosed by the 3 Baosteel manufacturers in their response to the exporter questionnaire, while others such as preferential loans and LTAR programs were examined by the commission during the verification visit and based on information provided in the REQs.

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In total, the commission examined 162 types of benefits, which included 154 grants, 5 tax programs, 1 preferential loan program and 2 LTAR programs. The commission found that all the programs (except for the LTAR programs, Program 178 and Program 179, and 17 grants that the commission considered were not attributable to the production of the goods) were subsidies in accordance with section 269T and countervailable subsidies in accordance with section 269TAAC.

Based on the limited facts available and reasonable assumptions, the Commission has calculated a subsidy margin for the 3 Baosteel manufacturers. A detailed assessment of programs is provided in **Appendix A – Assessment of subsidy programs**.

3.6.2.6 The 3 Baosteel manufacturers' subsidy margins

Based on the information available, the commission has calculated subsidy margins for the 3 Baosteel manufacturers of 1.7% for Baoshan, 0.3% for Zhanjiang, and 1.4% for Meishan. The commission's countervailable subsidy margin calculations for the 3 Baosteel manufacturers are at:

- **Confidential Attachment 2: Baoshan – Subsidy margin**
- **Confidential Attachment 3: Zhanjiang – Subsidy margin**
- **Confidential Attachment 4: Meishan – Subsidy margin.**

4 PARTIAL TERMINATION OF SUBSIDY INVESTIGATION

4.1 Legislative reference

Section 269TDA sets out the circumstances in which the Commissioner must terminate a dumping or subsidy investigation in its entirety, or solely in respect of a specific exporter.

Section 269TDA(2) provides that in a subsidy investigation, the Commissioner must terminate the investigation in so far as it relates to an exporter, if the Commissioner is satisfied that:

- an exporter has not received a countervailable subsidy in respect of goods, or
- if a countervailable subsidy was received in respect of the goods by an exporter, but it never at any time during the investigation period exceeded the negligible level.³³

4.2 Partial termination of subsidy investigation

As discussed in **Appendix A – Assessment of subsidy programs** at chapter A.8 of this report, the Commissioner considers there was insufficient evidence to find that Program 178 is a subsidy and the subsidy margin for the 3 Baosteel manufacturers was lower than the subsidy margins determine in SEF 658 due to minor changes to the calculation of export price and long term borrowings. Therefore, the Commissioner terminated the subsidy investigation in relation to Baoshan, Zhanjiang, Meishan and LY Steel, on the basis that the countervailable subsidy received by these exporters in relation to the goods, never at any time during the investigation period, exceeded the negligible level, in accordance with section 269TDA(2)(b)(ii).

The decision to terminate the subsidy investigation in relation to Baoshan, Zhanjiang, Meishan and LY Steel does not affect the ongoing subsidy investigation in relation to all other exporters, nor does it affect the ongoing dumping investigation. The Commissioner is due to report his findings on dumping, and on subsidy matters for all other exporters, to the Minister in REP 658 on 10 April 2026. REP 658 was provided to the Minister on 2 April 2026.

³³ Pursuant to section 269TDA(16)(a), a countervailable subsidy received in respect of the goods exported to Australia from China is negligible if, when expressed as a percentage of the export price of the goods, the level of subsidy margin is not more than 2%.

5 AMENDMENT TO SECURITIES

5.1 Finding

On 23 December 2025, the Commissioner made a PAD and decided to require and take securities on goods entered for home consumption in Australia on and from 24 December 2025. Based on the findings of this termination report in relation to Baoshan, Zhanjiang, Meishan and LY Steel, it is no longer necessary for the Commonwealth to require and take securities in relation to interim countervailing duty that may become payable on the goods exported by Baoshan, Zhanjiang, Meishan and LY Steel.

The revised securities are detailed in Table 10 below.

Exporter	Duty method	Effective rate of IDD (%)		
Baoshan	Combination	104.1%		
Zhanjiang		36.0%		
Meishan		64.6%		
LY Steel	<i>Ad valorem</i>	38.9%		
Exporter	Duty method	Effective rate of ICD (%)	Effective rate of IDD (%)	Combined ICD & IDD (%)
All other exporters	<i>Ad valorem</i>	4.1%	112.8%	116.9%

Table 10: Revised securities following TER 658

5.2 Background

On 23 December 2025, the Commissioner was satisfied that there appeared to be sufficient grounds for the publication of a dumping and countervailing duty notice in relation to the goods exported to Australia from China and made a PAD to that effect. The security that was determined was an amount worked out in accordance with the findings in the SEF, at the rates specified in Table 11 below.

Exporter	Duty method	Effective rate of ICD (%)	Effective rate of IDD (%)	Combined ICD & IDD (%)
Baoshan	Combination duty method	2.4%	104.1%	106.5%
Zhanjiang		0.5%	36.0%	36.5%
Meishan		1.6%	64.6%	66.2%
LY Steel	<i>Ad valorem</i> duty method	1.4%	38.9%	40.3%
All other exporters		4.1%	112.8%	116.9%

Table 11: Effective rates of ICD and IDD in SEF 658

Following the making of the PAD, and to prevent material injury to the Australian industry occurring while the investigation continued, securities were taken in respect of any IDD and ICD that may become payable in respect of the goods exported from China and entered for home consumption in Australia on or after 24 December 2025.

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As outlined in SEF 658, the Commissioner was satisfied that it was necessary to require and take securities to prevent material injury to the Australian industry occurring while the investigation continued.

5.3 Revised securities

As outlined in Chapter 3, under section 269TDA(2)(b)(ii), the Commissioner has terminated the investigation relating to the application for publication of a countervailing duty notice as it relates to the 4 selected exporters: Baoshan, Zhanjiang, Meishan and LY Steel. Therefore, it is no longer necessary for the Commonwealth to require and take securities in relation to interim countervailing duty that may become payable on the goods exported by Baoshan, Zhanjiang, Meishan and LY Steel.

The Commissioner proposes to revise the securities required and taken under section 42 of the Act in respect of ICD that may become payable in relation to the goods exported from China and entered for home consumption into Australia on and from 3 April 2026. The revised security rates reflect that no ICD is payable for the 4 selected exporters, as outlined in Chapter 3.

The revised securities have been determined using the combination method for the 3 Baosteel manufacturers and the ad valorem method for LY Steel and all other exporters.

The revised securities are detailed in Table 10 above.

The Commissioner makes no changes to the PAD of 23 December 2026 regarding the level of securities under section 42 of the Act in respect of interim dumping duty for all exporters, or in respect of interim countervailing duty for uncooperative and all other exporters.

6 APPENDICES AND ATTACHMENTS

Non-Confidential Appendix A	Assessment of subsidy programs
Non-Confidential Appendix B	All subsidy programs assessed
Confidential Attachment 1	LY Steel – Subsidy margin
Confidential Attachment 2	Baoshan – Subsidy margin
Confidential Attachment 3	Zhanjiang – Subsidy margin
Confidential Attachment 4	Meishan – Subsidy margin

APPENDIX A ASSESSMENT OF SUBSIDY PROGRAMS

A.1. Finding

As discussed in chapter A.8, the Commissioner considers there was insufficient evidence to find that Program 178 is a subsidy. Therefore, the Commissioner is satisfied that, during the investigation period, countervailable subsidies were received in respect of the goods exported to Australia from China by Baoshan, Zhanjiang, Meishan and LY Steel, however the level of countervailable subsidisation in respect of those goods never exceeded the negligible level.

The commission has calculated subsidy margins in respect of those goods exported to Australia from China during the investigation for each selected exporter, at the rates set out in Table 12.

Exporter	Subsidy margin
Baoshan	1.7%
Zhanjiang	0.3%
Meishan	1.4%
LY Steel	1.4%

Table 12: Subsidy margins for the selected exporters

A.2. Background

In its application, BlueScope alleged that:

... HRC producers located in China benefit from substantial subsidies conferred by federal and sub-federal levels of government.

At the time of initiation of investigation 658, the Commissioner considered that it was reasonable to accept BlueScope’s claim that HRC producers from China had received benefits in the form of subsidies based on the programs alleged in the application.

In its application, BlueScope identified the subsidy programs from sources, including:

- the commission’s previous reviews and continuations for related steel products:
 - Review 521 and Continuation 611 into zinc coated galvanised steel.
 - Continuation 590 into hollow structural sections.
- programs found to be countervailable by the US Department of Commerce
- programs identified in China’s WTO notifications³⁴

The commission has considered all the programs alleged in the application and examined all amounts that the selected exporters and GOC stated were countervailable subsidies received during the investigation period. The commission has also considered the two types of less than adequate remuneration (LTAR) programs alleged in the application.

³⁴ EPR 658, document number 2, Table 10, Row D.

A.3. Legislative Framework

A.3.1. Definition of ‘subsidy’ and ‘countervailable subsidy’

Under section 269TJ, one of the matters that the Minister must be satisfied of in order to publish a countervailing duty notice is that subsidisation has taken place (to an extent that is not negligible).

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

- a **financial contribution** that confers a benefit (in accordance with section 269TACC),
- by a **government, public body or private body** entrusted or directed to carry out a government function.

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

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

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

A.3.2. Definition of government, public body or private body carrying out a government function

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

- **Government:** As described in section 16.2 of the Manual, the commission considers that the term ‘government’ is taken to include government at all different levels, including at a national and sub-national level.
- **Public body:** Not defined in the Act, determining whether an entity is a ‘public body’ requires evaluation of the entity’s features and its relationship with government, including the following:
 - **Public policy objectives and functions** performed by the body with reference to legislation and other legal instruments, the degree of separation and independence of the entity from a government, and the contribution an entity makes to government policies or interests.

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- **Ownership and management structure** including whether the body is wholly- or partially state owned with reference to the government's ability to make appointments, determine the body's objectives, and direct investment and business decisions.³⁵
- **Private body carrying out a government function: Pursuant to section 16.3 of the Manual, the commission will consider whether a private body:**
 - has been 'entrusted' to carry out a government function, which occurs when a government gives responsibility to a private body; or
 - has been 'directed' to carry out a government function where the government exercises its authority over a private body.

A.3.3. Types of financial contributions

According to section 269TACC(3), to determine if a financial contribution confers a benefit, the Minister must have regard to whether:

- (a) equity capital provided is inconsistent with normal practice of private investors,
- (b) loans with preferential repayment terms to a comparable commercial loan,
- (c) loan guarantees with preferential terms to a comparable commercial loan,
- (d) the provision of goods or services at less than adequate remuneration, and
- (e) the purchase of goods or services for more than adequate remuneration.

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

A financial contribution or income or price support may confer a benefit in relation to goods exported to Australia if that contribution or support is made in relation to goods or services used in relation to the production, manufacture or export of the goods exported to Australia (per section 269T).

A.3.4. Non-cooperation by relevant entities

Section 269TAACA provides that where an importer, exporter or the government of the country of export has not provided information the Commissioner considers to be relevant within a period the Commissioner considers reasonable, or has significantly impeded the investigation, the Commissioner may:

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

³⁵This approach is consistent with *DS379 United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China*. In that case, the Appellate body referred to three indicia for assessing whether an entity was a public body vested with, or exercising, government authority: 1) Where a statute or other legal instrument expressly vests government authority in the entity concerned; 2) Where there is evidence that an entity is, in fact, exercising governmental functions; and 3) Where there is evidence that a government exercises meaningful control over an entity and exercises governmental authority in the performance of government functions.

A.4. Summary of investigated programs

The commission has considered all the programs alleged in the application and examined all amounts that the selected exporters and GOC stated were countervailable subsidies received during the investigation period. The commission has also considered the two types of less than adequate remuneration (LTAR) programs alleged in the application.

The assessment of the programs has been conducted with reference to the category of the financial contribution considered (grants, tax programs, preferential loans, and less than adequate remuneration), with consideration also given to the source of the information provided about the programs and the level of evidence available. Table 13 outlines the categories and sub-categories used by the commission in assessing the subsidy programs.

Type	Category	Chapter reference	Sub-category description
Grants	A	A.5.2.1	Grant programs alleged in the application
		A.5.2.2 and A.5.2.3	Grants identified by the selected exporters A1: Payment types including an official reference A2: Payment types with a descriptive name A3: Payments with non-descript names
Tax	B	A.6.2.1	Tax programs alleged in the application
		A.6.2.2	B1: Tax program identified by the GOC and selected exporters – Preferential tax policies for value-added tax (VAT) additional deductions for advanced manufacturing enterprises B2: Other value added tax deduction programs B3: Other tax programs identified by the selected exporters
Loans	C	A.7	Preferential loan programs identified by the selected exporters
LTAR	D	A.8.4 to A.8.8	Raw materials and utilities provided at LTAR
		A.8.9	Hot rolled steel provided at LTAR

Table 13: Categories used for the subsidy assessment

A.5. Category A – Grant programs

A.5.1. Finding

The Commissioner has found that all the amounts declared by the selected exporters to be countervailable subsidies during the investigation period to be countervailable subsidies. This finding was made in accordance with section 269TAACA based on a consideration of all the facts available and reasonable assumptions. The Commissioner found that of the 179 grants declared, 17 were not attributable to the production of the goods. Those amounts found not to be attributable to the production of the goods have not been included in the calculation of the total benefit received in relation to the goods exported to Australia.

A.5.2. Grant programs identified

A.5.2.1. Grant programs alleged in the application

In the application, BlueScope claimed that producers of HRC received subsidies in the form of grants. BlueScope identified the grants using a range of sources, including:

- the commission's previous reviews and continuations for related steel products:
 - Review 521 and Continuation 611 into zinc coated galvanised steel.
 - Continuation 590 into hollow structural sections.
- programs identified in China's WTO notifications.³⁶

In the REQs, all selected exporters provided information regarding grants received from governments and other public bodies during the investigation period. During verification, the commission was satisfied that the grant lists provided by the selected exporters contained all the grants received during the investigation period and the amounts received were accurate. Details of the assessment of these grants and whether they are countervailable subsidies is contained in chapter A.5.3 below. However, as explained in chapter A.5.2.3 below, there was a significant amount of information that was not provided in relation to the grants received. For almost all grants declared, it was not possible to identify the name or any details about the grant program under which the grants were provided. As a result, it was not possible for the commission to determine whether any of the grants received by the selected exporters during the investigation period were received under the subsidy programs alleged in the application. Therefore, the commission has not attempted to link the grants declared to the programs alleged and the Commissioner finds that there was insufficient information provided to make a finding in relation to the grant programs alleged.

A.5.2.2. Information provided by the GOC

The commission sought information in relation to subsidy programs in Part D of the government questionnaire. In its response to section D-3,³⁷ the GOC requested that the commission refer to exporter specific the responses provided by the selected exporters in their REQs in relation to grants.

The commission notes that GOC did not provide a full response to Part D-3 of the government questionnaire. Specifically, the commission requested information and documentation in relation to both the subsidy programs identified by the applicant and any other new program relevant to manufacturers of HRC. The GOC did not provide the requested information and requested the commission refer to the selected exporters' REQs.

A.5.2.3. Information provided by selected exporters

In their REQs, all selected exporters provided information regarding grants received from governments and other public bodies that were extracted from their company income

³⁶ EPR 658, document number 2, Table 10, Row D.

³⁷ EPR 658, document number 8.

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ledgers. The lists reflected all the individual payment transactions that the companies had received from government bodies.

Table 14 summarises the number of transactions declared by each exporter to be subsidies in the form of grants. During verification, the commission verified that the transaction listings were complete and represented all amounts received from government bodies in the form of direct payments in the respective companies' financial systems during the period.

Exporter	Number of grant payments records provided
LY Steel	41
Baoshan	679
Meishan	276
Zhanjiang	1006

Table 14: Number of grant payment receipts declared in REQ by each exporter

Upon reviewing the list of payments received by Baoshan, Meishan, and Zhanjiang, the commission grouped together payments that appeared to be identical under a single name and summed the amounts received so that a total amount received was reflected. The commission has named each payment type as a 'program' for ease of reference, while acknowledging that the names of the payments provided by the selected exporters were not the names of government programs, but the names given to the payments in the accounting systems, which usually reflected the purpose the payments were used for, rather than a program name.

The commission also noted that some of the payments were received by more than one company. These payments have been listed as one program in the list of programs in Appendix B, with the benefit received calculated in accordance with the amount received by each exporter.

The commission assessed all the payments received and identified a small number of payments for which the names seemed to include the name of the government program that the payments were received under. These payments have been listed separately from those with unclear program names.

A.5.3. Grant payments assessment

The commission examined the grant payments received (that had already been consolidated in payments with identical descriptions) into three sub-categories of grants based on the description provided in relation to each payment. In applying section 269TAACA, the Commissioner considered all facts available (which differed slightly for each sub-category of grants) and then made reasonable assumptions to assess whether the payments were countervailable subsidies. The sub-categories and the assessment of each type of program based on the assumptions that were made for each are set out in the following sections.

It is important to note, that for all payments listed in the REQ listings as 'grants', neither the selected exporters nor the GOC provided information regarding:

- whether the grants had been declared as part of China's WTO notifications

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- the legal basis upon which the grants had been provided
- the eligibility criteria upon which the grants are awarded.

The selected exporters did, however, state during verification that they consider the grants to be subsidies received from government bodies (the selected exporters specified name or level of granting authority). During and after verification, the commission provided the selected exporters with multiple opportunities to provide further information about the grant payments to enable the commission to assess whether the subsidies are specific and therefore countervailable, but the selected exporters declined to provide further information. The commission explained that in the absence of relevant information, the Commissioner may make reasonable assumptions.

A.5.3.1. Sub-category A1 – Payments including an official reference

The commission identified 6 payment types (Programs 1 to 6 in **Appendix B – All subsidy programs assessed**) for which the payment description included an official reference, for example, a grant reference number: 4 for LY Steel, 2 for Meishan. For each of these payment types, the commission assessed the following:

- The payments were subsidies because they conferred a financial benefit and were provided by government bodies (local and central government agencies), as declared by the selected exporters.
- The information available did not enable the commission to assess the criteria for determining which companies are eligible to receive these payments, but based on the information available, it is reasonable to assume that the payments were only available to enterprises in specific industries.
- The payments could be attributed to the production of the goods. For the 4 LY Steel payment types, the payments were attributed to the whole company and the 2 Meishan payment types, the payments were attributed to the goods.

A.5.3.2. Sub-category A2 – Payment types with a descriptive name

The commission identified 51 payment types (Programs 7 to 57 in Appendix B) for which the name of the payment had a descriptive name that provided the commission with some information about the nature of the payment. For each of these payments, the commission assessed the following:

- The payments were subsidies because they conferred a financial benefit and were provided by government bodies, as declared by the selected exporters.
- The commission was unable to assess the full criteria for determining which companies are eligible to receive these payments but based on the information available (the descriptive name of the payment) and reasonable assumptions, the commission has assessed that these subsidies were countervailable because it appears that they were likely only available to particular enterprises operating in specific industries.
- Of the 51 payment types considered, 34 payment types were attributed to the goods at varying levels (whole company, carbon steel production, HRC production and export production). There were also 17 payment types for which the commission assessed that the payments should not be attributed to the goods (e.g. where the payment description specified that the payment related to 'cold rolling' which is not a part of the process of manufacturing HRC).

A.5.3.3. Sub-category A3 – Payments with non-descript names

The commission noted that the remaining 110 payment types (Programs 58 and 169 in Appendix B) included descriptions which contained very limited information that the commission could use to make an assessment. For each of these payments, the commission assessed the following:

- The payments were subsidies because they conferred a financial benefit and were provided by government bodies, as declared by the selected exporters.
- The commission was unable to assess the full criteria for determining which companies are eligible to receive these payments but based on the information available (the name of each payment) and reasonable assumptions, the commission has assessed that these subsidies were countervailable because it appears that they were likely only available to particular enterprises operating in specific industries.
- These payments were attributed to the goods at varying levels (whole company, carbon steel production, HRC production and export production) based on the name of the payment. However, where the purpose of the payment was not clear, the commission assumed that the payments should be attributed to the production of steel/the goods.

A.5.3.4. Determination of amount of benefit attributable to the goods

As mentioned in chapter 3.4.1 of this report, the selected exporters provided their proposed attributions of the amounts of countervailable subsidy as part of the grant's listings in their REQs as well as revised listings provided during verification. The selected exporters explained that the attributions were assumptions considering the information contained in the accounting system transaction descriptions and the accounting team's business knowledge. For most programs identified, neither the selected exporters nor the Government of China provided evidence to support the selected exporters' proposed subsidy attributions.

In the absence of evidence or relevant information to support the selected exporters' proposed attributions, the Commissioner has acted on all the facts available and made reasonable assumptions, in some cases this included determining to attribute the amount received by the selected exporters to a different level than what was proposed by the selected exporters (for example, the exporter may have proposed that the payment be attributed to the whole company, but the commission has determined that it should be attributed to steel production).³⁸ The Commissioner may further consider the attribution of the countervailable subsidies received before making a final determination in this investigation's final report.

A.6. Category B – Tax Programs

A.6.1. Finding

The Commissioner has found that all the amounts declared by the selected exporters to be countervailable tax subsidies during the investigation period to be countervailable

³⁸ Section 269TAACA(1).

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subsidies. This finding was made in accordance with section 269TAACA based on a consideration of all the facts available and reasonable assumptions.

A.6.2. Tax programs identified

A.6.2.1. Tax programs alleged in the application

In the application, BlueScope claimed that producers of HRC received subsidies in the form of tax programs. BlueScope identified the tax programs using a range of sources, including:

- the commission's previous reviews and continuations for related steel products:
 - Review 521 and Continuation 611 into zinc coated galvanised steel.
 - Continuation 590 into hollow structural sections.
- programs identified in China's WTO notifications.³⁹

A.6.2.2. Information provided by the GOC and exporters

In their REQs, all selected exporters provided information regarding the tax benefits received from governments and other public bodies during the investigation period. During verification, the commission was satisfied that the lists provided contained all the tax benefits received by the selected exporters during the investigation period. However, for the tax benefits declared by the selected exporters alone, the only information that was provided about the nature of the tax benefit was the transaction details as recorded in the company accounting system. There was no information provided by the selected exporters or the GOC regarding:

- whether the grants had been declared as part of China's WTO notifications,
- the legal basis upon which the grants had been provided, or
- the eligibility criteria upon which the grants are awarded.

As a result, it was not possible for the commission to determine whether any of the grants received by the selected exporters during the investigation period were received under the subsidy programs alleged in the application. Therefore, the commission has not attempted to link the grants declared to the programs alleged and the Commissioner finds that there was insufficient information provided to make a finding in relation to the grant programs alleged.

Details of the assessment of these tax incentives and whether they are countervailable subsidies is contained in chapter A.6.3 below.

A.6.3. Assessment of tax programs

A.6.3.1. Tax program identified by the GOC and selected exporters – Preferential tax policies for value-added tax (VAT) additional deductions for advanced manufacturing enterprises

'Preferential tax policies for value-added tax (VAT) additional deductions for advanced manufacturing enterprises' refers to Programs 170 in Appendix B. The Government of

³⁹ EPR 658, document number 2, Table 10, Row D.

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China identified this program in section D-3.1 of the RGQ.⁴⁰ The program is established according to Announcement on the Policy of Value-Added Tax Additional Deduction for Advanced Manufacturing Enterprises (Announcement No 43 of 2023 by the Ministry of Finance and the State Administration of Taxation).

The commission noted that Baoshan, Meishan and LY Steel stated that they received a benefit under this program and provided an amount for the benefit received. All three companies stated that the benefit received should be attributed to the whole company. The commission assessed the following:

- The tax deductions were subsidies because they conferred a financial benefit and were provided by the government, as declared by the GOC and the selected exporters.
- The tax deductions are only available to particular enterprises that are operating in the advanced manufacturing sector as identified by the governing law.
- The payments could be attributed to the production of the goods at the whole company level, as claimed by the selected exporters.

In relation to specificity, the GOC claims that:

according to Article 2.1(b) of the WTO SCM Agreement, where the granting authority, or the legislation pursuant to which the granting authority operates, establishes objective criteria or conditions governing the eligibility for, and the amount of, a subsidy, specificity shall not exist.

The commission considers that this exception to specificity is similar to the exception noted in section 269TAAC(3). The commission has considered the applicability of the section 269TAAC(3) exception and determined that insufficient evidence was provided to demonstrate that the eligibility criteria are neutral, do not favour particular enterprises, are economic in nature and horizontal in application, or that the criteria are strictly adhered to in the administration of the subsidy. The commission considers that it therefore does not satisfy the exception to specificity in section 269TAAC(3). Further, section 269TAAC(3) is subject to section 269TAAC(4) which provides that the Minister may have regard to the fact that the subsidy predominantly benefits particular enterprises (under section 269TAAC(4)(b)) to determine that the subsidy is specific. In this case, as the criteria providing access to the subsidy favours particular enterprises over other enterprises (i.e. advanced manufacturing enterprises over other enterprises), this program is assessed as specific. This subsidy program is therefore countervailable.

The amount of benefit conferred via this program has been determined with reference to the specific amounts declared by each exporter and attributed at the whole company level.

A.6.3.2. Other value added tax deductions

There were two other types of value added tax deductions (Programs 171 and 172 in Appendix B) identified by all selected exporters in their REQ. As described in chapter

⁴⁰EPR 658, document number 8, '[Foreign Government - Government of China - Response to - Government questionnaire](#)'.

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A.6.2, the selected exporters only provided limited information about these other tax programs that included:

- a transaction description for the payments listed in the company accounting systems,
- a statement that the benefits were conferred by a government body,
- an amount for the benefit conferred, and
- a proposed attribution at the company level.

There was no information provided by the selected exporters or the GOC regarding:

- whether the grants had been declared as part of China's WTO notifications,
- the legal basis upon which the grants had been provided, or
- the eligibility criteria upon which the grants are awarded.

The Commissioner has, in accordance with section 269TAACA, considered all facts available and made reasonable assumptions to assess whether these tax related payments were countervailable subsidies. For each of these tax related benefits, the commission assessed the following:

- The payments were subsidies because they conferred a financial benefit and were provided by government bodies, as declared by the selected exporters.
- The commission was unable to assess the full criteria for determining which companies are eligible to receive these payments but based on the information available (the name of tax benefit) and reasonable assumptions, the commission has assessed that these subsidies were countervailable because it appears that they were likely only available to enterprises in some industries.
- These payments were attributed to the goods at the company level based on the assumptions made considering the name of the payment in the accounting systems of the selected exporters.

A.6.3.3. Other tax programs identified by the selected exporters

There were 4 other tax programs (Programs 173 to 176 in Appendix B) identified by the selected exporters (Baoshan, Zhanjiang and LY Steel) in their REQ. As described in chapter A.6.2, the selected exporters only provided limited information about these other tax programs that included:

- a transaction description for the payments listed in the company accounting systems
- a statement that the benefits were conferred by a government body,
- an amount for the benefit conferred
- a proposed attributions at the company level.

There was no information provided by the selected exporters or the GOC regarding any of:

- whether the grants had been declared as part of China's WTO notifications,
- the legal basis upon which the grants had been provided
- the eligibility criteria upon which the grants are awarded.

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The Commissioner has considered all facts available and made reasonable assumptions to assess whether these tax related payments were countervailable subsidies, in accordance with section 269TAACA. For each of these tax related benefits, the commission assessed the following:

- The payments were subsidies because they conferred a financial benefit and were provided by government bodies, as declared by the selected exporters.
- The commission was unable to assess the full criteria for determining which companies are eligible to receive these payments but based on the information available (the name of tax benefit) and reasonable assumptions, the commission has assessed that these subsidies were countervailable because it appears that they were likely only available to enterprises in some industries.
- These payments were attributed to the goods at the company level based on the assumptions made considering the name of the payment in the accounting systems of the selected exporters.

A.7. Category C – Preferential loans

A.7.1. Finding

The Commissioner has found that all the amounts determined to be provided to the selected exporters as preferential loans during the investigation period are countervailable subsidies. This finding was made in accordance with section 269TAACA based on a consideration of all the facts available and reasonable assumptions.

A.7.2. Assessment of preferential loans

During verification, the selected exporters provided accounting system extracts for loan sub-accounts with added details for the loan provider and loan interest rates. Baoshan and LY Steel's loans were analysed.

For the 3 Baosteel manufacturers, Baoshan was the only company with short-term or long-term borrowings recorded in its trial balance during the period of investigation. Baoshan was the majority owner of Zhanjiang and Meishan over the investigation period. The commission's assessed that Baoshan appeared to take on loans on behalf of itself and its subsidiaries and, therefore, Baoshan's borrowings should be allocated across all 3 of the Baosteel manufacturers, calculating:

- the value of the goods under consideration as the total value exported to Australia in the investigation period by the 3 Baosteel manufacturers, and
- the value of the subsidy attribution as the total company turnover for the 3 Baosteel manufacturers for the period of the investigation.

LY Steel also received preferential interest rates relating to loans obtained from state-owned enterprises during the investigation period.

Preferential loan programs have been found to be countervailable in previous commission investigations, including REP 469 (Program 45 in that report). In accordance with section 16.3 of the Dumping and Subsidy Manual, the commission considers a loan is a direct transfer of funds and therefore a financial contribution, in this case it is from state-owned banks.

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The Dumping and Subsidy Manual provides that:

In the case of a loan from the government (where repayment does take place), the subsidy is the difference between the amount of interest paid on the government loan and the interest normally payable on a comparable commercial loan during the investigation period.⁴¹

Both Baoshan and LY steel considered all the banks that provided the loans to be SOEs. The commission is satisfied, based on the information examined during verification, that the loans examined were on terms more favourable than the recipient could obtain on the market, with the benefit being the difference between the interest rates paid by the selected exporters and the interest rate that would be payable on the market. Accordingly, the commission is satisfied that a loan provided under this program meets the definition of a subsidy under section 269T.

According to section 269TAAC, a subsidy is a countervailable subsidy if it is specific by being limited to particular enterprises. Neither the GOC nor the selected exporters provided information relevant to the determination of whether the preferential loans were provided to the selected exporters as particular enterprises even though the commission requested this information. The Commissioner may therefore make reasonable assumptions under section 269TAACA. The Commissioner considers that it is reasonable to assume that if the loans are offered at below market rates, then these rates are not available to all enterprises. Further, the commission has previously found similar preferential loan programs to be countervailable. Therefore, the Commissioner finds that the preferential loans are countervailable subsidies.

As the loan has been provided in connection with the production, manufacture, or export of all products, the commission has attributed this amount to each unit of the goods based on the value of relevant company turnover, as outlined above for LY Steel and the 3 Baosteel manufacturers, during the investigation period, in accordance with section 269TACD(2).

A.7.2.1. Post-SEF revision on long-term borrowing double-count

The Commissioner considers that Baosteel correctly identified that the calculation of long-term borrowings in SEF 658 double counted Baoshan's borrowings when calculating subsidy margins for the 3 Baosteel manufacturers, as described in chapter 3.6.2.3 of this report.

The commission reviewed Baosteel's proposed methodology to revise the long-term borrowing calculations, which Baosteel provided confidentially. The commission suggested revisions to Baosteel's proposed methodology to more accurately calculate interest accruals based on remaining loan balances during the investigation period. The commission sent calculations for Baosteel to review and Baosteel did not identify any errors with the revised calculations. The Commissioner has relied on the revised long-term borrowing calculations in the subsidy margin calculations for the 3 Baosteel manufacturers.

⁴¹ Anti-Dumping Commission, [Dumping and subsidy manual](#), Department of Industry, Science, Energy and Resources, December 2021, page 73.

A.8. Category D – LTAR programs

A.8.1. BlueScope's LTAR allegation

In its application, BlueScope alleged that the GOC provided the goods and raw materials and utilities for LTAR. In section B-3.1 of the application, BlueScope alleged that the raw materials of iron ore, coke, coking coal, limestone and electricity were provided at LTAR. In section C-1 of BlueScope's application, BlueScope also noted the commission 'has previously concluded that goods manufactured from HRC attract a broad range of subsidies' and that 'it is reasonable to conclude that the identified programs' in those cases also benefit 'Chinese producers and exporters of HRC'. Included in the list of programs BlueScope claimed to be relevant to the production of HRC was the program 'Hot rolled steel provided at less than fair market value'. Therefore, the commission considers that BlueScope has alleged two types of LTAR programs:

- Raw materials and utilities provided at LTAR (Program 178)
- Hot rolled steel (the goods) provided at LTAR (Program 179).

A.8.2. Finding

The Commissioner has found that certain raw materials and utilities were provided to the selected exporters by public bodies, but the Commissioner does not have sufficient information to support a conclusion that there was a benefit because they were provided at LTAR (Program 178). As such, the Commissioner has not found there to be countervailable subsidies in relation to Program 178. The Commissioner has made this revised finding after further consideration of the methodology applied in SEF 658 with specific regard to the nature of the information provided by the selected exporters and in light of submissions received in response to SEF 658.

The Commissioner has also found that Program 179 does not meet the definition of a 'subsidy' under s 269T(1).

A.8.3. Legislative background – Is there a subsidy?

Section 269T(1) defines a subsidy, in relation to goods exported to Australia, as:

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

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

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

A.8.4. Program 178 – Introduction – Raw materials and utilities provided at LTAR

This chapter refers to Program 178 in Appendix B. In its application, BlueScope alleged that iron ore, coke, coking coal, limestone and electricity were provided at LTAR. As noted in Appendix A chapter A.6.6 of the SEF, the commission considers that main raw materials involved in the production of HRC include iron ore, coal (thermal and coking) and steel scrap.⁴² There are also other raw materials and utilities used in the production of HRC but these account for a smaller proportion of the total cost of production of the goods. These include, for example, electricity, natural gas, oxygen, nitrogen and alloying elements. The 3 Baosteel manufacturers and LY Steel are integrated producers of HRC. This means that they purchase raw materials and utilities, and complete all of the production processes, including the extraction of iron from iron ore, the creation of liquid steel, the production of slab, the conversion of slab to HRC and any additional processes applied to the HRC (for example, pickling).

A.8.5. Program 178 – The ‘public body’ test

In SEF 658, the Commissioner made a preliminary finding that companies which supplied major raw materials (that is, materials constituting at least 10% of the total cost to make — iron ore, coal, and coke for the Baosteel manufacturers, and iron ore, coking coal, and scrap for LY Steel) to the exporters were public bodies to the extent that the selected exporters in their REQs identified the suppliers as SOEs.

In SEF 658, the Commissioner also made certain assumptions, relying on facts available, that:

- where the exporters’ immediate supplier was a non-SOE Chinese company, the supply chain was likely to include SOEs
- that raw materials and utilities for which the commission did not have complete purchase information had similar supply chains involving SOEs as direct or indirect suppliers.

A.8.5.1. Submissions in response to SEF regarding the ‘public body’ test

The GOC and LY Steel submitted that SEF 658 introduced a ‘systemic influence’ criterion not supported by the text of the ASCM or WTO case law. They referred to the Appellate Body’s decisions in *DS379 US — Anti-Dumping and Countervailing Duties (China)*⁴³ and *DS296 US — Countervailing Duty Investigation on DRAMs*.⁴⁴

The GOC and LY Steel state that in DS379, the Appellate Body interpreted the term ‘public body’ in article 1.1(a)(1) of the ASCM as referring to any entity that ‘possesses, exercises, or is vested with governmental authority’. They state that the Appellate Body ‘rejected the U.S. Department of Commerce’s (USDOC) approach of classifying certain Chinese SOEs as public bodies primarily on majority government ownership, finding that

⁴² These are the primary raw materials used in BF-BOF steel production. EAF steel production does not use iron ore or coal and instead uses a larger amount of steel scrap.

⁴³ *United States — Definitive Anti-Dumping and Countervailing Duties on Certain Products from China*, WT/DS379/AB/R (11 March 2011).

⁴⁴ *United States — Countervailing Duty Investigation on Dynamic Access Memory Semiconductors (DRAMs) from Korea*, WT/DS296/AB/R (27 June 2005).

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ownership or control alone is insufficient without evidence that the entity is empowered to perform government functions'. They submit that public body determinations require case-specific evidence, that, 'without evidence of suppliers exercising power to enforce LTAR, [the commission's] approach is inconsistent with DS379', and that the commission appeared to favour generalisations over specific facts. They also submitted that reliance on prior cases and external sources like USDOC findings introduced potential biases without fresh, case-specific verification.

The GOC and LY Steel state that DS296 clarified the interpretation of 'entrusts or directs' under article 1.1(a)(1)(iv) of the ASCM and submitted that the inference of 'direction' in SEF 658 lacked the affirmative and specific acts required.

Baosteel made similar submissions and additionally referred to the Appellate Body's decision DS437 *US — Countervailing Measures (China)*⁴⁵ as reinforcing the Appellate Body's interpretation of 'public body' in DS379. Baosteel also submitted that its iron ore purchased from unrelated suppliers in Australia should be isolated from any assessment of LTAR as they could not plausibly be deemed subject to LTAR or any form of subsidisation.

A.8.5.2. Commission's assessment

As a preliminary matter, the commission clarifies that in SEF 658, the Commissioner did not make a preliminary finding that private bodies were entrusted or directed by government within the meaning of article 1.1(a)(1)(iv) of the ASCM. The Commissioner's preliminary finding was that the bodies providing raw materials to the selected exporters were public bodies. This rested on an assumption that, even where the exporters' immediate supplier was a non-SOE Chinese company, an SOE was likely involved in the supply chain.

The commission agrees with the GOC, LY Steel and Baosteel that the Appellate Body decision in DS379 established an interpretation of the term 'public body' as an entity that possesses, exercises or is vested with government authority. The commission notes the following conclusions from DS379:⁴⁶

We see the concept of 'public body' as sharing certain attributes with the concept of 'government'. A public body within the meaning of Article 1.1.(a)(1) of the SCM Agreement must be an entity that possesses, exercises or is vested with governmental authority. Yet, just as no two governments are exactly alike, the precise contours and characteristics of a public body are bound to differ from entity to entity, State to State, and case to case. Panels or investigating authorities confronted with the question of whether conduct falling within the scope of Article 1.1.(a)(1) is that of a public body will be in a position to answer that question only by conducting a proper evaluation of the core features of the entity concerned, and its relationship with government in the narrow sense.

⁴⁵ *United States — Countervailing Duty Measures on Certain Products from China*, WT/DS437/AB/R (18 December 2014).

⁴⁶ *United States — Definitive Anti-Dumping and Countervailing Duties on Certain Products from China*, WT/DS379/AB/R (11 March 2011) [317]–[318].

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In some cases, such as when a statute or other legal instrument expressly vests authority in the entity concerned, determining that such entity is a public body may be a straightforward exercise. In others, the picture may be more mixed, and the challenge more complex. The same entity may possess certain features suggesting it is a public body, and others that suggest that it is a private body. We do not, for example consider that the absence of an express statutory delegation of authority necessarily preclude a determination that a particular entity is a public body. What matters is whether an entity is vested with authority to exercise governmental functions, rather than how that is achieved. There are many different ways in which government in the narrow sense could provide entities with authority. Accordingly, different types of evidence may be relevant to showing that such authority has been bestowed on a particular entity. Evidence that an entity is, in fact, exercising governmental functions may serve as evidence that it possesses or has been vested with governmental authority, particularly where such evidence points to a sustained and systematic practice. It follows, in our view, that evidence that a government exercises meaningful control over an entity and its conduct may serve, in certain circumstances, as evidence that the relevant entity possesses governmental authority and exercises such authority in the performance of governmental functions. We stress, however, that apart from an express delegation of authority in a legal instrument, the existence of mere formal links between an entity and government in the narrow sense is unlikely to suffice to establish the necessary possession of governmental authority. Thus, for example, the mere fact that a government is the majority shareholder of an entity does not demonstrate that the government exercises meaningful control over the conduct of that entity, much less that the government has bestowed it with governmental authority. In some instances, however, where the evidence shows that the formal indicia of government control are manifold, and there is also evidence that such control has been exercised in a meaningful way, then such evidence may permit an inference that the entity concerned is exercising governmental authority.

A.8.5.3. Raw material and utility suppliers identified in REQs as SOEs

The Commissioner accepts that the suppliers of major raw materials identified by the selected exporters as SOEs in the REQ raw material purchase listings are SOEs. The Commission also accepts that the utility suppliers identified as SOEs in the production systems of the selected exporters are SOEs.⁴⁷

Specifically, the commission notes that Baosteel submitted that it sourced iron ore 'entirely from unrelated parties in Australia'. In the context of the 'public body' test, the commission notes that the raw material purchase listings provided by the 3 Baosteel manufacturers in the REQs and verified by the commission show that, although some iron ore purchased by the 3 Baosteel manufacturers originates from Australia, the direct suppliers to the 3 Baosteel manufacturers are entirely SOEs (including some SOEs related to the 3 Baosteel manufacturers). The commission has considered this information further in chapter A.8.6.3.2.1 below.

⁴⁷ Based on findings from the verification reports relating to LY Steel and the 3 Baosteel manufacturers, described further in the confidential work programs: EPR 658, document numbers 22 and 25.

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The Commissioner's preliminary finding that these SOE suppliers of major raw materials and utilities are public bodies was not based merely on the fact of government ownership. As described in Appendix A of SEF 658, particularly in chapters A.6.4 and A.6.6.5, there is extensive evidence that SOEs in the Chinese steel market, and more generally, are subject to GOC control beyond the role of GOC as a shareholder, and possess, exercise, or are vested with government authority. The commission notes in particular the following evidence from SEF 658 Appendix A:

- A.6.4.3: There is a path of control from the GOC and the CPC to SOEs. Firstly, the State Council upholds the leadership of the CPC.⁴⁸ Secondly, the State Council administers the SASAC of the State Council. Thirdly, the SASAC of the state council administers SOEs, including appointing board members and approving major matters.⁴⁹
- A.6.4.3: Article 170 of the *Company Law* provides that the 'organization of the Communist Party of China in a state-invested company shall play a leading role in accordance with the Constitution of the Communist Party of China, study and discuss the significant matters concerning the operation and management of the company and support the organization of the company in exercising its functions and powers in accordance with the law.'⁵⁰
- A.6.4.3: Article 36 of the *SOE Law* provides that SOEs 'shall make investments in compliance with the industrial policy of the state'.⁵¹
- A.6.4.3: The EC Report 2024 finding that the GOC was involved in managerial appointments of SIEs and integrated the CPC into corporate governance.⁵²
- A.6.4.3: The paper by Jin et al. illustrating that SOEs are controlled by the CPC through political governance, via state ownership of SOEs, appointment of managers by the CPC, and involvement of CPC organisations in SOE decision-making.⁵³
- A.6.4.4.3: OECD research finding SIEs are larger recipients of subsidies than other China-based firms.⁵⁴

⁴⁸ 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 «中华人民共和国国务院组织法» [Organic Law of the State Council of the People's Republic of China] (People's Republic of China) National People's Congress, 10 December 1982, revised 11 March 2024.

⁴⁹ EPR 658, document number 8, 'GOC – Response to Government Questionnaire', question D-5.1.

⁵⁰ EPR 658, document number 8, 'Non-Confidential Attachment – Attachment D4(d)(1) The new Company Law'.

⁵¹ EPR 658, document number 8, 'Non-Confidential Attachment – Attachment D5.3b Law on State-Owned Assets'.

⁵² European Commission (EC), '[Commission staff working document: on significant distortions in the economy of the People's Republic of China for the purposes of trade defence investigations](#)', document no SWD(2024)91 final, EC, European Union Government, 10 April 2024, accessed 3 June 2024, pp 178–179, 308–309 (EC Report 2024), section 5.5.2.

⁵³ X Jin, L Xu, Y Xin, A Adhikari, 'Political governance in China's state-owned enterprises', *China Journal of Accounting Research*, 2022, 15(2), doi:10.1016/j.cjar.2022.100236.

⁵⁴ OECD, '[Quantifying the role of state enterprises in industrial subsidies](#)', OECD Trade Policy Papers, 2024, Figure 5 (OECD report 2024).

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- A.6.6.5: In the RGQ, the GOC recognises that electricity is an important public utility and is subject to government price setting and guiding under the law.⁵⁵ SOEs have a strong presence in electricity and the entire energy sector, with EC research finding 18 centrally owned SOEs operating in the energy sector.⁵⁶ Further research shows that almost the entire transmission grid and more than 50% of power generation capacity is state-owned.⁵⁷ This indicates that SOEs in the electricity sector provide a public utility and thereby perform a governmental function.

The Commissioner considers this evidence that raw material and utility suppliers identified by the selected exporters as SOEs are entities possessing, vested with or exercising governmental authority. The Commissioner therefore finds that the raw material and utility suppliers identified by the selected exporters as SOEs are public bodies.

A.8.5.4. Raw material and utility suppliers not identified as SOEs in the REQs

The commission notes the GOC and LY Steel submission that, in SEF 658, the commission introduced a 'systemic influence' criterion into its assessment of public bodies. The commission does not accept that it introduced such a criterion into its assessment of whether particular entities are public bodies. The submission has, however, led the Commissioner to reconsider the preliminary assumptions made in the SEF in regard to public bodies.

The Commissioner notes that the information provided by the selected exporters in the REQs demonstrated that their major raw materials were predominantly, though not entirely, supplied directly by SOEs, as shown in Table 15.

Combined SIE supplier % for raw material purchases reported in questionnaire response listings	Baoshan	Zhanjiang	Meishan	LY Steel
Allocated by value in CNY (excluding VAT)	92%	89%	71%	43%

Table 15: Proportion of the certain raw materials supplied by SIEs to exporters according to REQs

The Commissioner also notes it found that for LY Steel, 79% by value of its major raw materials were supplied by companies based in China, including SOEs and non-SOEs, meaning 21% of its major raw materials were supplied by companies based outside of China.

The Commissioner maintains that the major raw materials and utilities, about which it received information from the selected exporters, were predominantly supplied by SOEs. In relation to raw materials, the commission received detailed information from the selected exporters for those accounting for 10% or more of the total cost to make, based

⁵⁵ EPR 658, document number 8, section D-5.10(w) 'Energy costs'.

⁵⁶ EC Report 2024, page 265.

⁵⁷ M Walker, [Electricity Transmission and Distribution in China – Market Research Report \(2015-2030\)](#), IBISWorld website, July 2025, accessed 3 November 2025.

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on the purchase price of those raw materials,⁵⁸ and the commission accepted this information at verification. The commission also requested less detailed information relating to a broader range of raw material purchases in the exporter questionnaire⁵⁹ but, when the selected exporters responded to this request by referring back to the detailed listings that were limited to raw materials accounting for 10% or more of the total cost to make, the commission did not raise this response as deficient.⁶⁰

The Commissioner therefore considers that it is not open to proceed on the basis of facts available and the assumption that:

- where the selected exporters' immediate supplier was a non-SOE Chinese company, the supply chain was likely to include SOEs, and
- that raw materials and utilities for which the commission did not have complete purchase information had similar supply chains involving SOEs as direct or indirect suppliers.

A.8.6. Program 178 – Determination of benefit

Under s 269T(1) (definition of 'subsidy'), a financial contribution by a government, public body, or private body entrusted or directed by a government or public body must confer a 'benefit' to be a subsidy. Under section 269TACC(3)(d), provision of goods or services by a government, public body, or entity entrusted or directed by a government, public body, or private body entrusted or directed by a government or public body unless the goods or services are provided for LTAR. Under section 269TACC(4), the adequacy of remuneration in relation to goods or services is determined having regard to prevailing market conditions for like goods or services in the country where those goods or services are provided or purchased.

A.8.6.1. Change to the approach to benefit from SEF 658

In SEF 658, the commission determined that raw materials and utilities were provided for LTAR through the use of a steel slab benchmark, which was compared to the selected exporters' recorded cost of self-producing steel slab, to determine if a benefit was conferred. Steel slab is the semi-finished good produced prior to being rolled into coils and the selected exporters' records indicate that steel slab costs comprise on average over 90% of the selected exporters' cost to make for HRC. The steel slab benchmark was intended as a proxy for comparison with the cost of all raw materials and utilities which were preliminarily found to be supplied by public bodies in SEF 658.

However, given that the Commissioner has considered the submissions in relation to public bodies and is not proceeding on that basis that almost all raw materials (including

⁵⁸ Worksheet 'G-7.4 Raw material purchases' in the exporter questionnaires: EPR 658, document numbers 10–13.

⁵⁹ Worksheet 'I-2 Provision of goods' and corresponding question I-2.2 in the exporter questionnaire: EPR 658, document numbers 10–13.

⁶⁰ The commission received some information about the origin of supply for raw materials accounting for less than 10% of total cost to make within production cost information extracted from the selected exporters' accounting system (where, for example, the cost input description includes a supplier name) but this information is not comprehensive.

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raw materials other than major raw materials) and utilities are provided by public bodies, the commission has assessed that the steel slab benchmark is no longer a suitable method to assess whether the cost inputs which have been found to be provided by public bodies were provided for LTAR. This is because the use of the steel slab benchmark relies on certain assumptions that all raw material and utility cost inputs were provided by SIEs at some point in the supply chain.

A.8.6.2. Submissions in response to SEF regarding determination of benefit and commission's assessment

The GOC, LY Steel, and Baosteel made submissions expressing concern that the slab benchmark used by the commission in SEF 658 did not adequately reflect prevailing market conditions for the raw materials and utilities in China. They suggested alternative benchmarks, such as the exporters' recorded costs, Platts market index iron ore or coke prices adjusted for China, or Korean manufacturer POSCO's steel slab production costs provided in the commission's ongoing investigation 688 into alleged dumping and subsidisation of certain flat rolled steel products from China and Korea. The commission notes that the submissions did not object in principle to comparing the selected exporters' steel slab production costs with a steel slab benchmark as a proxy for determining whether raw materials and utilities were provided at LTAR. However, as explained above, because, in this report, the commission has not relied on facts available or the assumptions made in the SEF, as outlined in chapter A.8.5, the commission considers that determining benefit at the steel slab level is no longer a suitable approach with the information available in this case. In this report, the consideration of 'benefit' is limited to the raw materials and utilities supplied by SOEs (which have been found to be public bodies). Because this report has departed from the SEF in the public body findings, the commission considers that it is necessary to reconsider the benefit analysis and findings afresh.

A.8.6.3. Benefit assessment

To determine whether the selected exporters received raw materials at less than adequate remuneration, the commission considered a benchmark price for the raw materials. The commission considers that the potential benchmarks for comparison include:

- selected exporter direct purchase prices from domestic non-SOE suppliers
- selected exporter direct purchase prices from international suppliers
- data from other commission cases
- commercially available data.

A.8.6.3.1. Selected exporter purchase prices from domestic non-SOE suppliers

The commission considered whether it was appropriate to use the selected exporters purchases from domestic non-SOE suppliers of raw materials as a benchmark to determine adequate remuneration.

The commission found that selected exporters' direct purchases of raw materials from domestic non-SOE suppliers of raw materials could not be used for the reasons below:

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- While the direct supplier of the raw materials was stated to be a non-SOE, the commission does not have information to confirm whether there were SOEs involved in the supply chain from the ultimate producer of the raw material and whether that producer is an SOE.
- There is a high level of variance in price between subtypes of raw materials, particularly subtypes of iron ore and coal. The price variance appears largely due to underlying physical differences between those subtypes, including level of processing, product size and chemical composition. The commission did not identify sufficient information to account for these differences when comparing prices, specifically:
 - LY Steel did not provide information to identify the subtypes in its raw material purchases, meaning the data is insufficient to accurately establish a difference between LY Steel's purchase prices of equivalent materials from SOEs and non-SOEs.
 - For the 3 Baosteel manufacturers, the commission found only a small minority of raw materials subtypes were supplied by both SOEs and non-SOEs in the same month or quarter, meaning only very limited data is available for reliable comparison. Because of physical differences between raw material subtypes, the limited comparison does not reliably extend beyond the few subtypes with comparable purchase data for SOEs and non-SOEs.
- Across the selected exporters only a very small proportion of total raw materials were purchased directly from domestic non-SOE suppliers. For the 3 Baosteel manufacturers, there was only a very small proportion of total raw materials supplied by domestic non-SOE suppliers (only coal and coke). For LY Steel, the overall proportion of raw materials supplied by domestic non-SOEs was moderate, but this was largely dominated by iron ore which was a very small volume compared to total iron ore purchased by all selected exporters. The commission considers the small proportion of total raw materials purchases from non-SOE suppliers indicates those purchases are less likely to accurately reflect the full range of materials purchased from SOE suppliers and, further, may have higher prices due to relatively low volumes.
- The commission did not receive detailed information about the price negotiation process between the selected exporters and their non-SOE suppliers nor company information about the ultimate suppliers, including corporate structure and the presence or absence of GOC investment into the ultimate suppliers.

The commission did not receive any information from any of the selected exporters about utility purchases from non-SOEs.

A.8.6.3.2. Selected exporter purchases from international suppliers

The commission considered whether it was appropriate to use the selected exporters purchases from international suppliers of raw materials and utilities as a benchmark to determine adequate remuneration.

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The commission found that selected exporter direct purchase data for raw materials from international suppliers could not be used for the reasons below:

- According to the purchase lists provided, of the selected exporters, only LY Steel buys any raw materials directly from international suppliers and the only raw material that LY Steel buys directly from overseas is iron ore. Therefore, iron ore is the only raw material for which the commission could consider using exporter data for purchases from international suppliers, with LY Steel's internationally purchased iron ore accounting for a very small portion of the total iron ore purchased by the selected exporters.
- As noted above in chapter A.8.6.3.1, LY Steel did not provide sufficient detail about the subtypes of iron ore purchased and, further, the commission did not have sufficient information to accurately account for price differences between subtypes. The commission noted that iron ore prices vary significantly across subtypes.
- The commission did not receive detailed information about the price negotiation process between LY Steel and its international iron ore suppliers nor company information about the ultimate overseas suppliers (of which there were close to 10), including corporate structure and the presence or absence of GOC investment into the ultimate overseas suppliers.

As a result, the commission does not consider LY Steel's purchases of iron ore directly from international suppliers is sufficient or reliable to establish a benchmark.

A.8.6.3.2.1. Baosteel's submission on Australian iron ore

As noted above in chapter A.8.5.3, Baosteel submitted that it sourced iron ore 'entirely from unrelated parties in Australia'. Baosteel stated that these purchases were at 'prevailing international market prices' and represented undistorted iron ore input prices. As stated in the public body finding, the commission found that the 3 Baosteel manufacturers purchased 100% of iron ore from SOEs. In this chapter, the commission has considered whether any purchase information Baosteel provided about iron ore purchases could be used as a benchmark to determine adequate remuneration for iron ore.

The commission notes that the selected exporters – the 3 Baosteel manufacturers and LY Steel – provided the following information in relation to iron ore purchases:

- a purchase listing from each of the selected exporters that included a column for country of origin that stated that iron ore was sourced from a large range of countries (including Australia, China and Brazil).
- a sample of purchase documents to support the purchase listings, which included country of origin information, that showed that the selected manufacturers purchased iron ore ultimately originating from both China and overseas.

The commission verified the above information as reliable, noting this information came from the selected exporters' own records.

The 3 Baosteel manufacturers additionally provided an iron ore purchase list from one of their related raw material suppliers. This information was provided in response to the

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exporter questionnaires, although the commission did not explicitly request it. In the REQs,⁶¹ the 3 Baosteel manufacturers explained that the listing was provided to show the supplier is 'supplied by foreign suppliers' and the ship routes are 'all foreign ship route, such as Australian ship route, Brazilian ship route, Canada ship route and north and south Africa ship route etc'.

The commission notes the 3 Baosteel manufacturers had more than 10 SIE iron ore suppliers. The commission observes the following in relation to this additional information:

- The supplier for which the 3 Baosteel manufacturers provided this additional purchase list was a related company and part of the Baosteel group.
- The additional purchase list stated that this company was an intermediary supplier, meaning it was not the company that originally mined (and first sold) the iron ore.
- This list showed the intermediary supplier purchased iron ore from several countries and from many different suppliers.
- This list indicated this intermediary supplier purchased only iron ore that was ultimately mined overseas.

Due to the large number of raw materials suppliers to the 3 Baosteel manufacturers (almost 100), the commission did not verify any of the suppliers, and it would not have been appropriate to accept this information without undertaking some form of verification. Further, the commission assessed that this data was not suitable for verification due to the absence of information relating to:

- samples or source documents to verify the accuracy of the listing
- the pricing process between this intermediary supplier and its suppliers
- the supply chain between this intermediary supplier and the ultimate overseas supplier, including any companies acting as additional intermediaries
- company information about the ultimate overseas suppliers, including corporate structure and the presence or absence of GOC investment into the ultimate overseas supplier.

For the reasons outlined above, the commission does not consider that the information provided by the 3 Baosteel manufacturers in relation to iron ore purchased by one of its related party intermediary companies is sufficient or reliable to establish a benchmark.

A.8.6.3.3. Manufacturer data from other commission cases

The commission considered if it had sufficient information available from manufacturers or exporters who participated in other related anti-dumping commission cases which could be used as a benchmark for any of the raw materials or utilities.

The commission verified manufacturers from countries other than China in previous hot rolled coil steel and hot rolled plate steel cases. Most recently, the commission verified the Taiwanese exporter China Steel Corporation in Continuation inquiry 594,⁶² including receiving and verifying raw material and utility purchase information. The commission notes that most recent verification related to data from calendar year 2021, ending over 2

⁶¹ See G-7, Question 7 in EPR 658, document numbers 11–13.

⁶² EPR 594, document number 14.

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years before the start of Investigation 658's investigation period. The commission considers this information is not contemporaneous and therefore not a reliable benchmark for the current investigation.

The commission also notes that Baosteel submitted that data from the Korean manufacturer POSCO, submitted to the ongoing hot rolled plate steel case, Investigation 688,⁶³ may be suitable to establish a benchmark for steel slab costs. The data from POSCO in Investigation 688 only overlaps with the last quarter of the 658 investigation period. At the time of preparing this report, the commission has not yet verified the information provided by POSCO, meaning the commission has not yet concluded if it is accurate, reliable or complete. The commission therefore considers the Korean exporter information from Investigation 688 is not a reliable benchmark for the current investigation.

For previous cases' verified exporter data and the unverified exporter data in Investigation 688, the commission also notes potential difficulty aligning the subtypes of raw materials purchased by those exporters with the raw material subtypes purchased by the selected exporters in Investigation 658. For further details, see chapter A.8.6.3.1.

For the reasons outlined above, the commission does not consider that manufacturer raw material purchase data is suitable in this case to establish an adequately remunerated price for comparison to the selected exporters' iron ore purchases from public bodies.

A.8.6.3.4. Commercial market index benchmarks

The commission noted in the SEF that it had identified some market benchmarks for some subtypes of iron ore, coal, and scrap steel;⁶⁴ however, for many of the raw materials, the benchmarks identified by the commission lacked the granularity to enable the commission to ensure the benchmark was appropriately comparable to the raw materials purchased by the selected exporters. There were other complexities relating to raw materials data, including, for example, that per unit prices calculated using the selected exporters' records varied between wet and dry weights for coal, the differences in the delivery terms of raw materials used, and differences in the treatment of VAT. Further, the benchmarks identified did not specify, in relation to one or more of these details, the calculation basis for the benchmark, for example, wet or dry weight, VAT inclusion, delivery terms.

As noted above, the commission was unable to identify commercial benchmarks at the raw materials and utilities level in SEF 658. The commission has not since identified any other benchmarks which could be used at the raw materials and utilities level that would enable the commission to have assessed whether the raw materials and utilities were provided at LTAR by reference to the raw materials and utilities found to have been

⁶³ EPR 688, document number 7.

⁶⁴ Based on the 3 Baosteel manufacturers' data, the commission identified over 300 subtypes of iron ore, coal and steel scrap comprising the largest of the 'raw material' subtotals. The commission considers that each of these subtypes may have their own costs which cannot always be compared directly to other subtypes – for example, iron ore may be sold in fines, lumps, or pellets, with further complexity found in varieties of each subtype because of differing size and chemical composition.

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provided to the selected exporters by SOEs consistent with the public body findings in this Final Report.

A.8.6.3.5. Benefit finding

As noted above, the commission does not consider that the selected exporters' recorded costs from non-SOE suppliers can be used as a benchmark. The commission has also been unable to identify a suitable external benchmark from other commission cases or commercial sources, to determine whether the price paid to SOE suppliers was adequate remuneration. The commission also no longer considers a slab benchmark a suitable method to determine a benefit.

Therefore, in this investigation, and for the purposes of establishing the legislative requirements of a subsidy under section 269T(1)(definition of 'subsidy') and s269TACC, the commission considers there is not sufficient evidence available to make a finding as to whether raw materials and utilities provided by public bodies were provided at LTAR.

The Commissioner therefore considers there is insufficient information available to find that raw materials and utilities provided by public bodies conferred a benefit. This means the Commissioner considers that there is not sufficient information to find that Program 178 is a subsidy within the meaning of section 269T(1).

A.8.6.4. Response to BlueScope's submission

BlueScope made a submission expressing concern that the use of a steel slab benchmark failed to take into account cost inputs at the hot strip mill stage of HRC production, which it alleged might be provided for LTAR. As noted above, the Commissioner's public body finding is now limited to the suppliers of major raw materials identified as SOEs in the selected exporters' REQs, and there is insufficient evidence before the commission on which it can base a finding that cost inputs at the hot strip mill stage are provided by public bodies. Therefore, it is unnecessary to assess whether such cost inputs were provided at LTAR.

BlueScope's submission identified programs 45, 46, 47, 48, 49, 54, 55, 62, 63, 66, 67, 79, 96 from SEF 658 Appendix E (corresponding to Appendix B of this report) as programs which may constitute provision of goods and services for LTAR relevant to the hot strip mill processing, and requested clarification of whether the commission had assessed these programs as potential sources of LTAR benefits or only as grants. The commission confirms that these programs were assessed as grants. The commission notes that all these programs were assessed to be subsidies because they constituted a financial contribution that conferred a benefit and were provided by government bodies, as declared by the selected exporters. Whether they were countervailable depended on the commission's assessment of whether each program was specific under section 269TAAC.

A.8.7. Program 178 – Subsidy finding

For the reasons given above, the Commissioner has found that certain raw materials were provided to the selected exporters by public bodies but the Commissioner does not have adequate information to conclude that the raw materials were provided at LTAR and

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thereby conferred a benefit. The Commissioner has not made a finding that Program 178 is a subsidy within the meaning of section 269T(1).

A.8.8. Program 178 – Countervailability

Because the Commissioner has not made a finding that Program 178 meets the definition of subsidy under section 269T(1), there is no basis to assess whether it is specific and therefore countervailable.

As noted in Chapter 12 of SEF 658, where the calculation of the amount of benefit under an LTAR program and the adjustment made to the selected exporters' cost of production with reference to a competitive benchmark are made on the same basis, it is necessary for the commission to avoid the impact of the 'double count' by removing this amount from the combined duty rate. Therefore, even if Program 178 were found to be a countervailable subsidy, the amount of subsidy margin attributable to Program 178 would be removed from the combined duty rate.

A.8.9. Program 179 – Hot rolled steel at LTAR

This program is Program 179 in Appendix B. In SEF 658, the commission did not assess, under Program 179, whether hot rolled steel (the goods) was being provided by a public body at LTAR and was a countervailable subsidy on the basis that it had preliminarily found Program 178 to be a countervailable subsidy and there would be a double-count if both programs were included in the subsidy margin. As the Commissioner has not found Program 178 to be a countervailable subsidy in this report, the commission has considered whether it can assess Program 179.

The commission notes that no interested parties made submissions after the publication of SEF 658 regarding Program 179.

Hot rolled steel provided by public bodies at LTAR was one of the subsidy programs found in continuation inquiry 611 into zinc coated steel from China, Korea and Taiwan and continuation inquiry 590 into hollow structural sections from China, Korea, Malaysia and Taiwan, which was listed in the BlueScope's application for this investigation. However, those inquiries are an inapt comparison: in those cases hot rolled steel was an input, with a benefit conferred on the exporter of the final product, whereas in this case hot rolled steel is the 'finished' product exported to Australia. To the extent the reference to those inquiries was intended to allege that purchasers of the finished product exported to Australia were the recipients of a subsidy, because the purchase of the hot rolled steel was at LTAR, the commission does not accept that this is a 'subsidy' within the definition of section 269T(1).

Because the Commissioner has not made a finding that Program 179 meets the definition of subsidy under section 269T(1), there is no basis to assess whether it is specific and therefore countervailable.

As noted in chapter 12 of SEF 658, where the calculation of the amount of benefit under an LTAR program and the adjustment made to the selected exporters' cost of production with reference to a competitive benchmark are made on the same basis, it is necessary for the commission to avoid the impact of the 'double count' by removing this amount from the combined duty rate. Therefore, even if Program 179 were found to be a

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countervailable subsidy, the amount of subsidy margin attributable to Program 179 would be removed from the combined duty rate.

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APPENDIX B ALL SUBSIDY PROGRAMS ASSESSED

#	Type	Exporter	Program name	Countervailable subsidy for the goods?
1	A1	Meishan	National Key Research and Development Program of China – Grant number 2017YFC0805105	Yes
2	A1	Meishan	National Key Research and Development Program of China – Grant number 2017YFC0805107	Yes
3	A1	LY Steel	280 desulfurization project – Government subsidies for air pollution prevention and control funds <i>Reference: Xiang Cai Zi Huan Zhi (2022) No. 55</i>	Yes
4	A1	LY Steel	Hualing Liangang Construction: Product Structure Adjustment and Upgrading Project Guided by Advanced Steel Materials <i>Reference: Hualinglian Steel Letter [2022] No. 91</i>	Yes
5	A1	LY Steel	Overall road crossing renovation project within the factory area <i>Reference: Xiangjiao Comprehensive Regulations [2017] No. 191</i>	Yes
6	A1	LY Steel	Financial subsidy for the 360m ² sintering machine head full flue gas desulfurization and denitrification renovation project <i>Reference: Hualing Liangang Xiangcai Asset and Environmental Index (2023) 0073</i>	Yes
7	A2	Meishan	2015 The second batch of municipal pollution prevention and control special funds for the year	Yes
8	A2	Meishan	2017 provincial environmental protection guidance fund subsidy for hazardous waste warehouse environmental improvement and renovation project	Yes
9	A2	Meishan	2018 central air pollution prevention and control special funds	Yes
10	A2	Meishan	2018 pollution source automatic monitoring facility installation subsidy	Yes
11	A2	Meishan	2019 industrial enterprise technology equipment investment universal reward and subsidy funds	Yes
12	A2	Meishan	2019 provincial environmental protection guidance funds	Yes
13	A2	Zhanjiang	2020 provincial special funds for promoting high-quality economic development	Yes
14	A2	Baoshan, Meishan, Zhanjiang	Subsidy for handling fee	Yes
15	A2	Meishan	Central air pollution prevention and control funds	Yes
16	A2	Baoshan	Special fund for skilled masters	Yes
17	A2	Meishan	Grant for high-temperature molten metal operation accident prevention and control technology research	Yes
18	A2	Meishan	Grant for high-temperature molten metal operation accident virtual interaction and comprehensive prevention and control warning system development	Yes
19	A2	Meishan	Nanjing Social Insurance Management Centre Job Stability Refund	Yes
20	A2	Meishan	2023 Nanjing Tourism Development Special Fund	Yes
21	A2	Meishan	No. 1 and No. 3 blast furnace relocation and major renovation project	Yes
22	A2	Baoshan	Manufacturing Process and Industrial Production of New Stainless Steel Oil Well Pipes	Yes

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#	Type	Exporter	Program name	Countervailable subsidy for the goods?
23	A2	Baoshan	Mineral Processing Technology Decision-making and Control Integrated Optimization Software for Green Production with 'Dual Carbon' Goals	Yes
24	A2	Baoshan	Shanghai Baoshan District Disabled Persons Labor Service Centre Dispersed Employment Subsidy Dispersed Employment Subsidy	Yes
25	A2	Baoshan	Baoshan District standardization promotion special funds	Yes
26	A2	Baoshan	Shanghai Baoshan District Employment Promotion Centre Sixth Batch of One-time Employment Subsidy for Key Groups	Yes
27	A2	Baoshan	Special fund for promoting standardization in Shanghai income	Yes
28	A2	Baoshan	Chief technician subsidy income	Yes
29	A2	Baoshan	Subsidy for the Skill Master Studio income	Yes
30	A2	Meishan	Soil pollution prevention and control funds saved from the previous year	Yes
31	A2	Baoshan	Subsidy for employment stabilization granted by Unemployment Security Fund	Yes
32	A2	Zhanjiang	Special funds for fighting the battle against pollution in 2020	Yes
33	A2	Meishan	Subsidy (power plant)	Yes
34	A2	LY Steel	2023 Enterprise R&D Financial Award Subsidy Fund Project	Yes
35	A2	LY Steel	2023 Hualing Lianyuan Steel Research Fund Incentive Support	Yes
36	A2	LY Steel	2023 Non-Economic and Trade Cooperation Funds	Yes
37	A2	LY Steel	Central Foreign Trade and Economic Development Fund in 2023	Yes
38	A2	LY Steel	Special Fund for Advanced Manufacturing Highland Construction in Loudi City in 2023	Yes
39	A2	LY Steel	Special Funds for Supporting the Development of Foreign Trade Ports and E-commerce in 2023	Yes
40	A2	LY Steel	Special Work Award for the Industrial Development Zone Management Committee of Louxing District, Loudi City in 2022	Yes
41	A2	Baoshan	2030 cold rolling added automobile plate rewinding unit	No
42	A2	Baoshan	2030 cold rolling added home appliance plate rewinding unit project	No
43	A2	Baoshan	Subsidy for handling fee for precision steel pipe factory	No
44	A2	Baoshan	Added high-grade non-oriented silicon steel production line project	No
45	A2	Meishan	Cold rolling mill acid wastewater, biochemical wastewater and converter turbid ring drainage treatment project	No
46	A2	Baoshan	Cold rolling plant 1550 unit added automobile plate rewinding unit project	No
47	A2	Baoshan	Cold rolling plant 1730 unit hot-dip galvanizing workshop intelligent transformation project	No
48	A2	Baoshan	Cold rolling plant C008 unit intelligent manufacturing-unit inlet and outlet automation transformation	No
49	A2	Baoshan	Cold-rolled thin plate plant coal-fired boiler renovation project	No

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#	Type	Exporter	Program name	Countervailable subsidy for the goods?
50	A2	Baoshan	Deferred income – fiscal appropriations – amortization	No
51	A2	Baoshan	Non-oriented silicon steel product structure optimization	No
52	A2	Baoshan	Oriented silicon steel product structure optimization	No
53	A2	Baoshan	Renovation of the 2030 pickling unit of the cold rolling plant	No
54	A2	Baoshan	Silicon steel follow-up project	No
55	A2	Baoshan	Thick plate department 5m production line finishing mill spindle transformation	No
56	A2	Zhanjiang	Zhanjiang Iron and Steel Cold Rolled Ultra-High Strength Steel Manufacturing Technology and Equipment Development Project	No
57	A2	Zhanjiang	Zhanjiang Steel 2030, 1550 Cold rolling acid regeneration unit environmental emission system transformation project	No
58	A3	Baoshan	Grant for Research on desulfurization and purification technology of high-concentration CO2 tail gas captured by blast furnace gas	Yes
59	A3	Baoshan	Grant for Demonstration Platform for the Production and Application of Special Motor Materials	Yes
60	A3	Baoshan	Grant for key technology research and comprehensive demonstration of carbon dioxide storage and utilization based on steel slag collaborative resource utilization	Yes
61	A3	Baoshan	Grant for Research on Key Technologies for Industrial Manufacturing of Ultra-High Strength and High Toughness Casing	Yes
62	A3	Baoshan	1580 hot rolling intelligent workshop-intelligent detection and diagnosis	Yes
63	A3	Baoshan	1580 hot rolling intelligent workshop-intelligent energy-saving transformation	Yes
64	A3	Baoshan	1580 hot-rolled slab warehouse area and crane automation transformation	Yes
65	A3	Baoshan	2010 Industrial Enterprise Energy Management Centre construction demonstration project	Yes
66	A3	Baoshan	2050 hot rolling finishing added heat treatment line project	Yes
67	A3	Baoshan	2050 hot rolling heating furnace energy-saving renovation project	Yes
68	A3	Meishan	Boiler full coal gas transformation project	Yes
69	A3	Baoshan	Grants for Research on key technologies for strengthening and toughening of low-loss soft magnetic alloys	Yes
70	A3	Baoshan	Added desulfurization device to the 3# unit of the power plant	Yes
71	A3	Baoshan	Added laser scoring device to the 1#FCL unit and induction heating device to the 1#DCL unit	Yes
72	A3	Baoshan	Added metallurgical iron-containing dust and mud resource regeneration device	Yes
73	A3	Baoshan	Added wet desulfurization device project to the second sintering machine of the ironmaking plant	Yes
74	A3	Zhanjiang	Additional pellet finished bulk material conveying device transformation project	Yes
75	A3	Zhanjiang	Grant for the construction of its pellet plant – Air Conditioner	Yes
76	A3	Meishan	Ambient air automatic monitoring system renovation	Yes
77	A3	Zhanjiang	Subsidy for Data Recognition and Production Decision-Making Technology and Applications in Intelligent Manufacturing of Steel	Yes

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#	Type	Exporter	Program name	Countervailable subsidy for the goods?
78	A3	Zhanjiang	Grant for Baosteel Zhanjiang Iron and Steel Hydrogen-based Vertical Furnace System Project (One-step) Direct Reduction Vertical Furnace Project	Yes
79	A3	Zhanjiang	Grant for Baosteel Zhanjiang Steel three blast furnace system project hot rolling project	Yes
80	A3	Baoshan	Grant for corrosion-resistant steel and protection technology for marine building structures	Yes
81	A3	Baoshan	Grant for Dynamic Evolution Mechanism of Observation Data of High-temperature Molten Metal Container Reaction Process	Yes
82	A3	Baoshan	Grant for Research on Corrosion Behaviour and Failure Mechanism of Composite Plate Layers	Yes
83	A3	Baoshan	Grant for Research on durability maintenance technology of long-span suspension bridges under complex and harsh environmental conditions	Yes
84	A3	Baoshan	Special reward for the Intelligent Manufacturing Competition	Yes
85	A3	Baoshan	Grant for Research and Application of Key Technologies for Manufacturing and Connection of Special Threaded Joints of High-Load Titanium Alloys	Yes
86	A3	Baoshan	Coke oven added spare flue gas purification device	Yes
87	A3	Baoshan	Comprehensive renovation of the OG system of the 300T converter of the first steelmaking	Yes
88	A3	Baoshan	Comprehensive renovation of the slag treatment of the second steelmaking (Phase II)	Yes
89	A3	Baoshan	Construction of the National Key Laboratory of Development and Application Technology of Automotive Steel (Phase I)	Yes
90	A3	Zhanjiang	Desalination Project Unit 1 and Unit 2	Yes
91	A3	Baoshan	Grant for DQR (data quality rating)	Yes
92	A3	Zhanjiang	Grant for the construction of its pellet plant – Equipment	Yes
93	A3	Zhanjiang	2023 Zhanjiang City Industrial Energy Conservation, Water Conservation, and Recycling Fund	Yes
94	A3	Zhanjiang	Zhanjiang City 2023 One-time Subsidy for Expanding Employment Opportunities	Yes
95	A3	Baoshan	Grant for Data Cognition and Production Decision-making in the Process of Intelligent Manufacturing of Steel	Yes
96	A3	Meishan	Hot rolling process temperature control-deformation coupling-performance matching and surface quality intelligent control technology and application demonstration	Yes
97	A3	Zhanjiang	Grant for the construction of its pellet plant – House	Yes
98	A3	Meishan	Grant for steelmaking added a tertiary dust removal system	Yes
99	A3	Meishan	Grant for steelmaking refining, desulfurization and dust removal system upgrade and transformation	Yes
100	A3	Zhanjiang	Reward for technological transformation of industrial enterprises in 2019	Yes
101	A3	Baoshan	Grant for core technology of dynamic decision-making based on working condition pattern recognition in complex steel industry production process	Yes
102	A3	Baoshan	Grant for research and development of multilayer boards for special purposes	Yes
103	A3	Meishan	Ironmaking plant dry quenching flue gas purification project	Yes

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#	Type	Exporter	Program name	Countervailable subsidy for the goods?
104	A3	Meishan	Ironmaking plant environmental improvement project	Yes
105	A3	Zhanjiang	Ironmaking Plant Raw Material Addition C-Type Ore Material Yard Project	Yes
106	A3	Zhanjiang	Ironmaking Plant Raw Material Yard Addition D-Type Coal Yard	Yes
107	A3	Meishan	Grant from Meishan Subdistrict Office of the People's Government of Yuhuatai District, Nanjing after visiting key enterprises.	Yes
108	A3	Meishan	Nanjing Water Resources Management Centre grants subsidies for 2023 Nanjing water conservation technology projects	Yes
109	A3	Meishan	Nanjing Municipal Transportation Bureau issues reward subsidies for 2023 transport structure adjustment demonstration projects	Yes
110	A3	Meishan	Subsidy for expanding employment opportunities issued by the Nanjing Social Insurance Management Centre	Yes
111	A3	Meishan	New ECIA-M type environmental protection material yard project	Yes
112	A3	Meishan	No. 3 sintering machine denitrification system transformation project	Yes
113	A3	Meishan	Renovation of flue gas desulfurization of No. 3 sintering machine	Yes
114	A3	Meishan	No. 3 sintering machine replacement system renovation	Yes
115	A3	Meishan	No. 3 sintering machine tail and batching area dust removal system renovation	Yes
116	A3	Meishan	No. 4 and No. 5 sintering area environmental improvement project	Yes
117	A3	Meishan	No. 4 and No. 5 sintering flue gas purification device upgrade and transformation project	Yes
118	A3	Meishan	Social Insurance Subsidies for Enterprises During Maternity Leave	Yes
119	A3	Zhanjiang	Grant for the construction of its pellet plant – Others	Yes
120	A3	Baoshan	Shanghai patent subsidy	Yes
121	A3	Zhanjiang	Pellet energy medium transformation/renovation project	Yes
122	A3	Zhanjiang	Pelletizing unit main process dust removal transformation	Yes
123	A3	Baoshan	Phase I and II mines OC and OD material strip C-type closed transformation	Yes
124	A3	Meishan	Pollution source automatic monitoring system	Yes
125	A3	Baoshan	Performance evaluation of low-cost titanium alloy plates and tubes, preparation and application assessment of full-size typical parts	Yes
126	A3	Meishan	Renovation of the dust removal system in the coke oven area	Yes
127	A3	Meishan	Renovation of the new dust removal system in the A2 transfer station area	Yes
128	A3	Meishan	Renovation of the purchased coke and coal silo	Yes
129	A3	Baoshan	Renovation of the three-electric system of the 1580mm production line of the hot rolling plant	Yes
130	A3	Zhanjiang	Renovation project of waste heat utilization of sintering flue	Yes

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#	Type	Exporter	Program name	Countervailable subsidy for the goods?
131	A3	Zhanjiang	Sea area usage fee	Yes
132	A3	Baoshan	Shanghai Industry-University-Research Excellent Project Award income	Yes
133	A3	Baoshan	Shanghai Baoshan District Employment Promotion Centre	Yes
134	A3	Baoshan	R&D and key manufacturing technology research of high-performance steel for engineering structures	Yes
135	A3	Baoshan	Development and Application of High-temperature Molten Salt Special Alloys for Solar Thermal Power Generation	Yes
136	A3	Baoshan	Research on parameter optimization of hot-rolled strip shape control model based on industrial big data	Yes
137	A3	Baoshan	Steel full process intelligent benchmark project	Yes
138	A3	Zhanjiang	Steel industry industrial Internet testing and verification project	Yes
139	A3	Meishan	Steelmaking desulfurization slag treatment project	Yes
140	A3	Meishan	Steelmaking products, energy conservation and environmental protection comprehensive technology transformation project	Yes
141	A3	Baoshan	Shanghai Industry-University-Research Excellent Project Award income	Yes
142	A3	Baoshan	Industrialization and application demonstration of high-power infrared and ultraviolet picosecond lasers	Yes
143	A3	Meishan	The first funding for vehicle lightweight materials project	Yes
144	A3	Zhanjiang	Unit 2 of the desalination project – transmission equipment	Yes
145	A3	Meishan	Upgrade and renovation of the dust removal system of No. 2 blast furnace	Yes
146	A3	Zhanjiang	2022 Provincial Foreign Trade Stabilisation Project Plan Funds	Yes
147	A3	Zhanjiang	Zhanjiang Iron and Steel Hydrogen-based Vertical Furnace Direct Reduction Ironmaking Key Process and Equipment R&D and Application Demonstration Project	Yes
148	A3	Zhanjiang	Zhanjiang Iron and Steel Ironmaking Plant Blast Furnace Spray Tower Water System Reconstruction Project	Yes
149	A3	Zhanjiang	Social insurance subsidies for hiring people who have a hard time finding work	Yes
150	A3	Zhanjiang	Subsidy for employment	Yes
151	A3	Zhanjiang	Invention patent subsidy issued by the Zhanjiang Market Supervision and Administration Bureau	Yes
152	A3	Zhanjiang	Zhanjiang Steel 1 and 2 sintering new main flue gas denitrification and equipment function improvement project	Yes
153	A3	Zhanjiang	Zhanjiang Steel Coke Burning Area Waste Heat Resource Comprehensive Efficiency Improvement Project	Yes
154	A3	Zhanjiang	Zhanjiang Steel ironmaking plant 1 and 2 sintering machine head electrostatic precipitator efficiency improvement and adaptability transformation project	Yes
155	A3	Zhanjiang	Zhanjiang Steel Ironmaking Plant Coal Mineral Addition Desulfurization Regeneration System Project	Yes
156	A3	Zhanjiang	Zhanjiang Steel ironmaking plant No. 1, No. 2, No. 3 coke oven coke removal and flue gas desulfurization transformation project	Yes
157	A3	Zhanjiang	Zhanjiang Steel Ironmaking Plant Sintering Addition of Acid Making Unit and Its Supporting Project	Yes

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#	Type	Exporter	Program name	Countervailable subsidy for the goods?
158	A3	Zhanjiang	Zhanjiang Steel Ironmaking Plant Type B material yard closure transformation project	Yes
159	A3	Zhanjiang	Zhanjiang Steel network security upgrade and transformation project	Yes
160	A3	Zhanjiang	Zhanjiang Steel New pellet finished bulk material conveying device renovation project of iron and steel plant	Yes
161	A3	Zhanjiang	Zhanjiang Steel No. 2 blast furnace gas tank construction project	Yes
162	A3	Zhanjiang	Zhanjiang Steel smart energy system	Yes
163	A3	Zhanjiang	Zhanjiang Steel three blast furnace hot blast furnace additional flue gas desulfurization device	Yes
164	A3	Zhanjiang	Zhanjiang Steel water system centralized control project	Yes
165	A3	Baoshan	Zhoushan Port and Shipping Development Centre refund of Majishan port fee	Yes
166	A3	LY Steel	Central budget funds for motor energy-saving technology renovation project	Yes
167	A3	LY Steel	Construction project of high-strength steel production line for construction machinery	Yes
168	A3	LY Steel	Energy consumption online system subsidy project for key energy consuming units	Yes
169	A3	LY Steel	Grant for paying employee personal income tax	Yes
170	B1	Baoshan, Meishan, LY Steel	Value Added tax deduction for advanced manufacturing	Yes
171	B2	Baoshan, Meishan, LY Steel	Value added tax additional deduction	Yes
172	B2	Zhanjiang	Value-added tax deduction for enterprises employing poor people	Yes
173	B3	Zhanjiang	Deferred income – tax refunds – amortization	Yes
174	B3	Baoshan	Refund of personal income tax fees	Yes
175	B3	LY Steel	1580 Project Site – Tax	Yes
176	B3	LY Steel	Corporate income tax benefit	Yes
177	C	All exporters	Preferential loans	Yes
178	D	All exporters	Raw materials and utilities at LTAR	No
179	D	All exporters	Hot rolled steel at LTAR	No