



Australian Government  
Department of Industry,  
Science and Resources

**Anti-Dumping  
Commission**

*Customs Act 1901 – Part XVB*

# **ANTI-DUMPING NOTICE NO 2026/072**

## **INVESTIGATION 679 LIGHT GAUGE STEEL STUD AND TRACK**

**Exported from the People's Republic of China**

## **PRELIMINARY AFFIRMATIVE DETERMINATION AND IMPOSITION OF SECURITIES**

*Public notice under section 269TD of the Customs Act 1901<sup>1</sup>*

**25 May 2026**

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<sup>1</sup> All legislative references in this document are to the *Customs Act 1901* (the Act), unless otherwise stated. This is a public notice under:

- section 269TD(4)(a) of the Commissioner's preliminary affirmative determination, and
- section 269TD(5) of the Commonwealth's decision to require and take securities.

# 1 SUMMARY AND PRELIMINARY AFFIRMATIVE DETERMINATION

## 1.1 Preliminary affirmative determination

I, David Latina, Commissioner of the Anti-Dumping Commission (the Commissioner), have made a preliminary affirmative determination (PAD) under section 269TD(1) of the *Customs Act 1901* (the Act) in relation to dumping and subsidisation of light gauge steel stud and track (LGST, or the goods) exported to Australia from the People's Republic of China (China).

I am **satisfied** that there appear to be sufficient grounds for the publication of a dumping duty notice in respect of the goods exported to Australia from China, and that it is necessary to require and take securities in relation to exports of the goods from China to prevent material injury to the Australian industry occurring while the investigation continues.

I am **satisfied** that to prevent material injury to the Australian industry while the investigation continues, it is necessary for the Commonwealth to require and take securities under section 42 of the Act in respect of interim dumping duties (IDD) that may become payable on the goods imported from China and entered for home consumption in Australia on or after **26 May 2026**.

I have determined that securities will be taken as an amount worked out in accordance with the *ad valorem* duty method. Securities will be imposed in relation to the goods exported to Australia from China at the rates specified in Table 1.

Exporter	Dumping security
Wenan Kaize Building Material Co., Ltd	37.8%
All other exporters	37.8%

Table 1: Dumping securities

The purpose of this notice is to set out why I have made a PAD. This notice contains preliminary findings which reflect the current status of the investigation. My findings may change as a result of further information, submissions, analysis or verification.

## 1.2 Reasons for making a PAD and for taking of securities

The Anti-Dumping Commission's (the commission's) preliminary assessment has shown that:

- exports of the goods to Australia from China during the investigation period (1 April 2024 to 31 March 2025) were at dumped prices, and the dumping margins are greater than 2% and therefore are 'not negligible'<sup>2</sup>
- the volume of dumped goods exported to Australia from China is 'not negligible' (greater than 3% of the total Australian import volume)<sup>3</sup>
- the Australian industry producing like goods has experienced injury and that injury is material, and
- the material injury to the Australian industry has been or is being caused by dumped exports of the goods to Australia from China.

<sup>2</sup> Section 269TDA(1).

<sup>3</sup> Sections 269TDA(3) and (4).

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I am satisfied that, based on the analysis to date, the size of the dumping margin, and the price undercutting observed, there appear to be sufficient grounds to support a preliminary finding that material injury has been caused by goods exported to Australia from China at dumped prices. Having regard to the application, submissions received and other information I consider relevant,<sup>4</sup> and pursuant to section 269TD(1)(a), I am satisfied there appear to be sufficient grounds for the publication of a dumping duty notice in respect of the goods exported to Australia from China. As a result, I have made a PAD to that effect, pursuant to section 269TD.

Under section 269TD(4)(b), I am satisfied that it is necessary to require and take securities in relation to exports of the goods to Australia from China to prevent material injury to the Australian industry occurring while the investigation continues.

I am **not satisfied** that at this stage there appear to be sufficient grounds to make a PAD in relation to the alleged subsidisation of the goods exported to Australia from China, as further analysis is required to adequately consider whether the goods have been exported to Australia from China at subsidised prices. The commission will continue to consider this in preparing the statement of essential facts (SEF).<sup>5</sup>

### 1.3 Background

On 30 June 2025, an investigation into alleged dumping and subsidisation of the goods exported to Australia from China was initiated following an application lodged by Rondo Building Services Pty Ltd (Rondo, or the applicant). Further details in relation to the consideration of Rondo's application and initiation of this investigation can be found in *Consideration Report No 679* (CON 679) and Anti-Dumping Notice (ADN) No 2025/053.<sup>6</sup>

Under section 269TD(1), I may make a PAD at any time, not earlier than 60 days after the initiation of an investigation for the publication of a dumping or countervailing duty notice, if I am satisfied that:

- there appear to be sufficient grounds for the publication of such a notice, or
- it appears that there will be sufficient grounds for the publication of such a notice subsequent to the importation into Australia of such goods.

In accordance with the *Customs (Preliminary Affirmative Determinations) Direction 2015*<sup>7</sup> (the Direction), 60 days after the initiation of such an investigation I must either make a PAD or publish a status report outlining the reasons why I have not made a PAD. Day 60 of this investigation was 29 August 2025. On that day, a status report was published (ADN No 2025/082)<sup>8</sup> advising that at that time the Commissioner had not made a PAD as I was not yet satisfied that there appeared to be sufficient grounds for the publication of dumping and countervailing duty notices on the goods exported to Australia from China.

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<sup>4</sup> Refer to section 1.4 of this notice.

<sup>5</sup> The SEF is due to be published no later than 17 June 2026.

<sup>6</sup> [ADN 2025/053](#)

<sup>7</sup> Available at the commission's website - [www.adcommission.gov.au](http://www.adcommission.gov.au).

<sup>8</sup> [ADN 2025/082](#)

The Direction requires me to reconsider whether or not to make a PAD at least once prior to the publication of a SEF required under section 269TDAA. Interested parties were notified in the day 60 status report<sup>9</sup> that I would continue to assess the need for a PAD and may make one as soon as I am satisfied that there appear to be sufficient grounds to do so on the basis of the evidence before me.

#### **1.4 Matters and evidence relied upon**

In deciding to make a PAD in relation to the dumping investigation, I have, in accordance with section 269TD(2), had regard to:

- Rondo's application and supporting application evidence
- importer and exporter questionnaire responses received from participating importers and exporters
- Australian industry questionnaire responses from Etex Australia Pty Ltd (Etex) and Studco Building Systems (Studco)
- information obtained during verification visits to Rondo,<sup>10</sup> Etex<sup>11</sup> and Studco<sup>12</sup>
- information obtained during verification visits Hume Plasterboard Pty Ltd (trading as Hume Building Products) (Hume)<sup>13</sup> and Intex Group International Pty Ltd (Intex)<sup>14</sup>, both importers of the goods from China
- submissions received concerning the publication of the dumping duty notice and countervailing duty notice
- information considered from the recent Investigations, *677 - Steel corner beads and angles*<sup>15</sup> and *653 - Ceiling steel framing members*<sup>16</sup>
- data from the Australian Border Force (ABF) import database, and
- the desirability of providing relief to the injured Australian industry as quickly as possible.

#### **1.5 Exporter questionnaire responses**

At initiation of this investigation, the commission requested exporters to respond to an exporter questionnaire by 6 August 2025. No responses were received by the due date; however, the following parties requested an extension of time to submit a response to the exporter questionnaire:

- Wenan Kaize Building Material Co., Ltd (Kaize)
- Guangzhou Aoshi Building Materials Co., Ltd (Aoshi)
- Hongmu (Guangzhou) Building Products Co., Ltd (Hongmu)

Each party was granted an extension to respond to the exporter questionnaire by 3 September 2025.

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<sup>9</sup> Day 60 status report – [EPR 679 document 9](#)

<sup>10</sup> Rondo verification report – [EPR 679 document 20](#)

<sup>11</sup> Etex verification report – [EPR 679 document 25](#)

<sup>12</sup> Studco verification report – [EPR 679 document 27](#)

<sup>13</sup> Hume verification report – [EPR 679 document 26](#)

<sup>14</sup> Intex Verification report – [EPR 679 document 22](#)

<sup>15</sup> [REP 677](#)

<sup>16</sup> [REP 653](#)

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Upon assessment of the responses from the above three exporters, the commission identified several deficiencies, and each party addressed these deficiencies in their subsequent responses by the commission's deadline of 31 October 2025.

## 1.6 Submissions received

The commission received the submissions listed in Table 2 before publishing this notice. Non-confidential versions of these submissions are available on the commission's electronic public record (EPR).<sup>17</sup>

EPR document number	Interested party	Date received
<a href="#">4</a>	Rondo	10/7/2025
<a href="#">7</a>	Intex	27/8/2025
<a href="#">10</a>	Rondo	4/9/2025
<a href="#">11</a>	Rondo	11/9/2025
<a href="#">12</a>	Intex	28/10/2025
<a href="#">16</a>	Intex	29/10/2025
<a href="#">17</a>	Rondo	12/11/2025
<a href="#">19</a>	Rondo	22/01/2026
<a href="#">21</a>	Intex	23/02/2026
<a href="#">23</a>	Intex	12/03/2026
<a href="#">24</a>	Rondo	24/03/2026
<a href="#">28</a>	Kaize	01/04/2026

**Table 2: Submissions received**

In preparing this notice, I had regard to all submissions referred to in Table 2. My preliminary assessments are in the relevant sections of this notice.

## 1.7 The goods the subject of the investigation

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

*Light gauge steel stud and track, metallic coated, whether or not containing alloys, with a profile of up to and including 170 millimetres in width by 170 millimetres in height, and with a base metal thickness of up to and including 0.69 millimetres.*

Further information regarding the goods the subject of the investigation can be found in CON 679<sup>18</sup> and in ADN No 2025/053.

### 1.7.1 Tariff classifications

In its application, Rondo noted that the goods are generally, but not exclusively, classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

- 7216.61.00 (statistical code 57)
- 7216.69.00 (statistical code 58)

<sup>17</sup> [EPR 679](#) refers

<sup>18</sup> [CON 679](#) refers

- 7308.90.00 (statistical code 52)
- 7308.90.00 (statistical code 53)
- 7308.90.00 (statistical code 55)
- 7308.90.00 (statistical code 56)

One of the importers responding to the importer questionnaire identified an additional tariff subheading (7216.91.00, statistical code 59) under which the goods the subject of this investigation may be classified to. The commission reviewed ABF data for this tariff classification and identified several consignments that appear to be of the goods the subject of the investigation. On 17 November, the commission published a file note notifying all interested parties of the new tariff classification.<sup>19</sup>

The tariff subheadings and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff subheadings and statistical codes are for reference only and do not form part of the goods description set out above. Interested parties should refer to the goods description for authoritative detail regarding the particulars of the goods the subject of this investigation.

## **1.8 Australian industry**

### **1.8.1 Like goods**

An application can only be made if there exists an Australian industry producing ‘like goods’ to the goods the subject of the application. Like goods are defined under section 269T(1). Sections 269T(2), 269T(3), 269T(4), 269T(4A), 269T(4B) and 269T(4C) are relevant to determining whether the like goods are produced in Australia and whether there is an Australian industry.

The commission assessed that the locally produced goods closely resemble the goods the subject of the application and are like goods given that the:

- primary physical characteristics of the imported and locally produced goods are almost identical
- imported and locally produced goods are commercially alike as they are sold to common customers and compete in the same market
- imported and locally produced goods are functionally alike as they have the same end-uses, and
- imported and locally produced goods are manufactured in a similar manner.

### **1.8.2 Australian industry producing like goods – preliminary assessment**

At this stage, I am satisfied that there is an Australian industry producing like goods to the goods the subject of the application, and that like goods are produced in Australia. The Australian producers of like goods identified in the application are Rondo (the applicant), Etex and Studco.

The commission has recently become aware of two additional potential Australian LGST manufacturers—Nascho Holding Pty Ltd and Bryko Pty Ltd. The commission has contacted both entities to obtain further information. An assessment of these entities will be provided in the SEF.

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<sup>19</sup> [EPR 679 – Document 18](#) refers

## **2 DUMPING INVESTIGATION**

### **2.1 Preliminary finding**

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

The commission's assessment of preliminary dumping margins is set out in Table 3.

<b>Exporter</b>	<b>Dumping margin</b>
Kaize	41.8%
All other exporters	41.8%

**Table 3: Preliminary dumping margin**

### **2.2 Export price**

#### **2.2.1 Legislative framework**

The export price is determined in accordance with section 269TAB.

Section 269TAB(1)(a) provides that the export price of any goods exported to Australia is the price paid (or payable) for the goods by the importer where the goods have been exported to Australia otherwise than by the importer and have been purchased by the importer from the exporter in 'arms length' transactions.<sup>20</sup>

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

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

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

Section 269TAB(3) provides that, where the export price cannot be established under the preceding sections due to sufficient information not being furnished or not being available, the export price is determined having regard to all relevant information.

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

### **2.3 Exporter status**

Section 269T(1) provides that, in relation to an investigation, an exporter is a 'cooperative exporter' if the exporter's exports were examined as part of the

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<sup>20</sup> Whether the purchase or sale of goods are 'arms length' transactions is determined in accordance with section 269TAA.

investigation and the exporter was not an uncooperative exporter.

### **2.3.1 Cooperative exporters**

The commission examined the exports of Kaize. After having regard to section 269T(1) and the Customs Direction, the Commissioner has preliminarily determined that this exporter from China is not an uncooperative exporter for the purposes of the dumping investigation.

### **2.3.2 Uncooperative exporters**

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

## **2.4 Normal value**

Normal value is determined under section 269TAC.

Section 269TAC(1) provides that the normal value of any goods exported to Australia is the price paid or payable for like goods sold in the ordinary course of trade (OCOT) for home consumption in the country of export in sales that are arms length transactions by the exporter or, if like goods are not so sold by the exporter, by other sellers of like goods.

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

Section 269TAC(2)(a) provides that the normal value of goods exported to Australia cannot be ascertained under section 269TAC(1) in certain circumstances. Specifically, section 269TAC(2)(a)(i) provides that because of the absence, or low volume, of sales of like goods in the market of the country of export that would be relevant for the purpose of determining a price under section 269TAC(1), the normal value of the goods exported to Australia cannot be ascertained under section 269TAC(1). If either circumstance described in section 269TAC(2)(a) applies, the normal value shall be ascertained in accordance with section 269TAC(2)(c).<sup>21</sup>

Section 269TAC(2)(c) provides for the normal value to be the sum of an amount that the Minister determines to be the cost of production or manufacture of the goods in the country of export, and, on the assumption that the goods had been sold for home consumption in the ordinary course of trade (OCOT) in the country of export instead of being exported, amounts determined to be the selling, general and administrative (SG&A) costs associated with the sale and the profit on that sale.<sup>22</sup>

Sections 269TAC(5A) and (5B) provide that the amounts determined to be the cost of production or manufacture of the goods, the selling, general and administrative costs in relation to the sale of the goods and the profit on the sale of the goods under

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<sup>21</sup> Except where section 269TAC(2)(d) applies.

<sup>22</sup> Amounts determined to be the cost of production, SG&A and profit on the sale of goods under section 269TAC(2)(c) must be worked out in accordance with the *Customs (International Obligations) Regulation 2015*.

section 269TAC(2)(c) must be worked out taking into account the factors provided for in the regulations for the purposes of section 269TAC(4)(a) and (b) (the ordinary course of trade). The regulations referred to are section 43 (determination of cost of production or manufacture), section 44 (determination of administrative, selling and general costs) and section 45 (determination of profit) of the *Customs (International Obligations) Regulation 2015* (the Regulation).

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

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

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

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

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

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

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

## **2.5 Dumping margin**

Dumping margins are determined under section 269TACB. For all dumping margins calculated for the purposes of this investigation, the commission compared the weighted average Australian export prices with the corresponding quarterly weighted average normal values for the investigation period in accordance with section 269TACB(2)(a).

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

Section 269TAC(2)(a)(i) provides that where the Minister is satisfied that because of the absence, or low volume, of sales of like goods in the market of the country of export that would be relevant for the purpose of determining a price under section 269TAC(1), the normal value of the goods exported to Australia cannot be ascertained under section 269TAC(1).

### **2.6.1 A particular market situation**

At the time of publishing this PAD, the commission has not assessed a particular market situation (PMS) as the commission did not have information about Chinese domestic sales of LGST, since the sole cooperating exporter 'Kaize' did not sell domestically.

As 'Kaize' has not sold like goods in the Chinese domestic market during the investigation period, the normal value cannot be determined pursuant to section 269TAC(1) because of the absence of information regarding sales of the like goods in China. The commission has therefore preliminarily constructed normal value under section 269TAC(2)(c).

### **2.6.2 Raw material cost adjustment**

The commission examined whether the records of the cooperative exporter satisfy the requirements of section 43 of the Regulation and Article 2.2.1.1 of the ADA.

The commission's detailed analysis and preliminary findings of cost of production of the goods in China is at Appendix A of this notice.

The Commissioner preliminarily considers establishing a cost of production under section 269TAC(2)(c)(i) of the Act based on the sole cooperative exporter's costs of production, adjusted for the difference between the Japanese galvanised steel and galvanised steel purchased by that exporter (Kaize). Furthermore, the commission made the following adjustments to the confidential benchmark data:

- removed Japanese inland freight, SG&A and profit
- added Chinese inland freight, SG&A, cost of slitting and profit to make the cost reflective of a price in China (noting that Kaize purchased all galvanised HRC from a Chinese manufacturer).

The cost of production is adjusted to reflect the cost of HRC in China. This is because Kaize's recorded costs were affected by circumstances that were not normal and ordinary. As a result, the usual requirement under Article 2.2.1.1 to use Kaize's records to determine the cost of production does not apply.

## **2.7 Dumping assessment – Kaize**

### **2.7.1 Export price**

The *Dumping and Subsidy Manual* (the Manual) identifies several factors that the commission may take into consideration in identifying the exporter.<sup>23</sup> The commission will generally identify the exporter as:

- a principal in the transaction located in the country of export from where the goods were shipped and who knowingly placed the goods in the hands of a carrier, courier, forwarding company, or their own vehicle for delivery to Australia, or
- a principal will be a person in the country of export who owns, or who has previously owned, the goods but need not be the owner at the time the goods were shipped.

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<sup>23</sup> [Dumping and Subsidy Manual](#), pages 23 to 24 refer.

The commission's preliminary assessment indicates that during the investigation period Kaize exported goods to Australia through two intermediaries, Aoshi and Hongmu. Both Aoshi and Hongmu are owned by the importer, Hume.

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

- Kaize decides which products it produces at its own production facility in China
- Kaize liaises with Aoshi and Hongmu (intermediaries) in relation to the exportation of the goods to Australia
- Kaize manufactures the goods only for the Australian market.

In their response to exporter questionnaire, Aoshi and Hongmu declared that their selling prices to Hume do not represent a market price and as such their prices are considered non-arm's length.

The commission preliminarily considers that the most reliable and relevant information it possesses in relation to exports of the goods from China over the investigation period is Hume's verified sales data. The commission conducted an onsite verification of Hume's response to importer questionnaire (RIQ). The commission's verification report is available on the EPR.<sup>24</sup>

Accordingly, the commission has determined the export price of the goods exported to Australia from China under section 269TAB(1)(b), based on Hume's selling price to Australian customers, less relevant deductions. These deductions include Hume's post-exportation expenses, SG&A and an amount of profit. After making these adjustments, the commission determined a FOB export price.

The commission's calculation of the export price is at **Confidential Attachment 1**.

### **2.7.2 Normal value**

As outlined in section 2.6.1 of this notice, Kaize did not sell the goods within the Chinese domestic market during the investigation period. Consequently, normal value cannot be determined under section 269TAC(1) due to the following reasons:

- Section 269TAC(2)(b) – Kaize is the sole cooperating Chinese exporter in this investigation and it is not practicable to obtain, within a reasonable time, information in relation to sales by other sellers of like goods that would be relevant for the purpose of determining a price under subsection 269TAC(1).

As Kaize did not sell like goods to countries other than Australia, the commission is unable to determine the normal value under section 269TAC(2)(d).

The commission has calculated Kaize's normal value according to section 269TAC(2)(c). Kaize's normal value calculations are based on the following:

- Section 269TAC(2)(c)(i) – such amount as the Minister determines to be the cost of production or manufacture of the goods China.
- Section 269TAC(2)(c)(ii) – on the assumption that the goods, instead of being exported, had been sold for home consumption in the ordinary course of

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<sup>24</sup> EPR 679 – [document 26](#) refers

trade in China, such amounts as the Minister determines would be the SG&A costs associated with the sale and the profit on that sale.

### **2.7.3 The cost to make LGST in China**

Based on recent dumping and subsidy findings in investigation (INV) 658 – Hot rolled coil steel (HRC) exported to Australia from China, the commission found that HRC costs are not normal and ordinary and do not reasonably reflect raw material costs associated with the production of HRC in China.

INV 658<sup>25</sup> found that there is a particular market situation for HRC in China, such that sales of HRC in China are not suitable for use in determining a normal value based on domestic selling prices. This is because the selling price of HRC in China was influenced by the GOC. INV 658 also found that uncooperative Chinese producers of HRC also received government subsidies.

INV 658 findings are relevant to this investigation because HRC is the major raw material used to produce LGST. Furthermore, the investigation period for INV 658 overlaps half the investigation period for this investigation, therefore findings in INV 658 are contemporaneous.

The Commissioner preliminarily finds that HRC costs for Kaize are not normal and ordinary and do not reasonably reflect raw material costs associated with production of the goods. This is because:

- The GOC has intervened extensively in the markets for steel coils in China. This has resulted in lower prices than what would have otherwise prevailed in the absence of GOC intervention.
- As steel coils represent most of the cost to produce LGST, the effect of the GOC interventions on the price of steel coil have also flowed through to Kaize's recorded cost of production.

The commissions detailed analysis and preliminary findings of cost of production of the goods in China is at **Appendix A** of this notice.

For the other components of the LGST cost of production, the Commissioner has used Kaize's records because:

- Section 43(2)(a) of the Regulation – Kaize kept records of the cost of production and sale of the goods.
- Section 43(2)(b)(i) of the Regulation – Kaize's records were kept in accordance with GAAP of China.
- Section 43(2)(b)(ii) of the Regulation – Other than HRC, Kaize cost records reasonably reflect the competitive market costs associated with the production of the goods.

The commission calculated Kaize's normal value of the goods having regard to the following information:

- Kaize's export cost to make including an adjustment to HRC costs
- Kaize's export SG&A
- Chinese domestic profit – the weighted average of profit achieved on domestic sales of similar goods sold by Chinese exporters investigated in

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<sup>25</sup> [REP 658](#) refers

investigations 644 and 646

- an amount for export port handling charges, and
- an amount for export inland freight.

The commission's normal value calculation for goods exported by Kaize is at **Confidential Attachment 2**.

### **2.7.3.1 Submission by Kaize**

In its submission of 1 April 2026, Kaize requested the commission to reconsider its approach to determining normal value, to base its assessment on Kaize's recorded HRC costs, and to apply a reasonable profit margin. This, Kaize claims, would ensure a fair, accurate, and WTO-consistent determination.

#### Raw material cost

Kaize stated its disagreement with the commission's method of replacing Kaize's raw material costs when constructing the preliminary normal value for the goods. Kaize argued that this methodology is inconsistent with Article 2.2.1.1 of the ADA, which presumes that costs should be determined based on an exporter's GAAP-compliant records if they reasonably reflect actual costs. Additionally, Kaize referenced WTO jurisprudence, asserting that it confirms authorities may not disregard costs solely because domestic input prices differ from international benchmarks or are deemed 'not normal'.

#### HRC benchmark and market competitive cost

Kaize further contended that the commission applied an international benchmark for the raw material (galvanized HRC) utilised in manufacturing the goods and included additional costs, such as slitting expenses. However, Kaize contended that the commission did not provide an explanation regarding the methodology used to adjust the benchmark to reflect Kaize's production costs in China. Kaize contended that this lack of clarification serves as an additional ground to determine that the benchmark adjustment is inconsistent with Article 2.2.1.1 of the ADA, as well as Article 2.2 of the ADA.

#### Profit calculation

Kaize further submitted that the commission's profit calculation methodology is both inconsistent and legally unsound. In its submission, Kaize argued that the commission, while dismissing Kaize's reported costs, applied a profit rate drawn from Kaize's export sales. According to Kaize, this led to an artificially high normal value and failed to facilitate a fair comparison as required under Article 2.4 of the ADA. Kaize also contended that this method diverges from the hierarchy of profit sources outlined in Article 2.2.2 of the ADA.

Furthermore, Kaize maintained that, in the absence of domestic sales of like goods in China, the commission should either utilise the company's overall profit margin or refer to average profit margins based on publicly available data from the Chinese steel industry or similar products.

### **2.7.3.2 Commissions Assessment**

#### Raw material cost

The commission has preliminarily determined a normal value under section 269TAC(2)(c), because, in accordance with section 269TAC(2)(b), Kaize did not sell

like goods in the ordinary course of trade for home consumption in China in sales that were arms length transactions, and it was not practicable to obtain within a reasonable time information in relation to sales by other sellers of like goods.

As part of the assessment process, the commission accepted that Kaize kept records relating to the cost of production of like goods and is satisfied that those records were in accordance with GAAP in China. Section 43(2)(b)(ii) of the Regulation requires the Minister to use an exporter's records where those costs reasonably reflect *competitive* market costs.

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

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

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

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

*HRC benchmark and market competitive cost*

The commission's preliminary consideration of the costs of production of the goods in China, including the factual findings set out in the final report (REP) in INV 658<sup>26</sup> in relation to HRC steel from China, suggest that the commission should examine whether circumstances are normal and ordinary such that the presumption in Article 2.2.1.1 should apply. In REP 658, the commission has further considered the exporters' recorded HRC costs to assess whether the circumstances in which the exporters' costs were formed were normal and ordinary, such that they should be used as the costs of production pursuant to section 269TAC(2)(c)(i).

The cost of production has been adjusted to reflect the cost of HRC in China because Kaize's recorded costs were affected by circumstances that were not normal and ordinary. As a result, the usual requirement under Article 2.2.1.1 to use Kaize's records to determine the cost of production does not apply.

As discussed in REP 658, the commission has found that the GOC has influenced the prices of these raw materials. The commission considers that the resulting raw material prices are lower than they would otherwise be under normal competitive market conditions. While this distorted raw material and resulting steel prices may affect domestic Chinese LGST producers relatively equally (notwithstanding other

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<sup>26</sup> [REP 658](#)

## PUBLIC RECORD

benefits such as state-ownership of Chinese steel producers), the commission considers that they have an uneven effect on the export of LGST to Australia.

The commission preliminarily considers establishing a cost of production for LGST in China, as the country of export, under section 269TAC(2)(c)(i) based on the cooperative exporters recorded costs, with an adjustment calculated by reference to a benchmark. The benchmark is based on the difference between Chinese and Japanese prices of galvanised HRC with necessary adjustments to reflect a cost of production for galvanised HRC in China.

The commission's detailed assessment of cost of production assessment, including the approach to select an appropriate benchmark, is at **Appendix A** of this notice.

### Profit determination

As indicated in section 2.7.2 of this notice, Kaize did not sell like goods in the domestic Chinese market. Consequently, the Commission was unable to calculate the profit of like goods sold in the OCOT in the Chinese domestic market during the investigation period.

Section 45(2) of the Regulation provides that, if reasonably practicable, the Minister must work out the amount of profit using data relating to the production and sale of like goods by the exporter or producer of the goods in the OCOT. Section 45(3) of the Regulation provides:

*If the Minister is unable to work out the amount by using the data mentioned in subsection (2), the Minister must work out the amount by:*

- (a) identifying the actual amounts realised by the exporter or producer from the sale of the same general category of goods in the domestic market of the country of export; or*
- (b) identifying the weighted average of the actual amounts realised by other exporters or producers from the sale of like goods in the domestic market of the country of export; or*
- (c) using any other reasonable method and having regard to all relevant information.*

Section 45(4) of the Regulation provides that, if the amount of profit is calculated under section 45(3)(c) of the Regulation, and the amount worked out exceed the amount of profit normally realised by other exporters or producers on sales of goods of the same general category in the domestic market of the country of export, the Minister must disregard the amount by which the amount worked out exceeds the amount of profit normally realised by other exporters or producers.

In the absence of domestic sales of like goods, the commission considered the actual profit realised by Kaize on products other than like goods sold domestically during the investigation period. These alternative products are used in various building applications, such as angles, clips and ceiling brackets, furring systems, HRC, and other metal products. Further, according to its response, Kaize does not produce, but trades in alumina fibre and high-temperature resistant polycrystalline film. The commission considers that these alternative products do not belong to the 'same general category' as the goods in question. It is further noted that if Kaize had sold medium and/or heavy gauge steel stud and track in China, the associated profit would have been more representative of the profit achieved on products in the same general category as the LGST exported to Australia.

Moreover, several products cited by Kaize are not manufactured by the company. Although Kaize stated it did not export LGST to any third country, it remains unclear whether these other products were exclusively sold within China or also exported elsewhere during the investigation period. Therefore, the commission determines that Kaize's overall profit cannot be used to construct normal value for the goods.

Subsequently, the Commission adopted the method outlined in section 45(3)(c) of the Regulation. The commission preliminarily considers that profits achieved in recent cases 644 – *Interchangeable bolted clipping system brackets from China* and 646 – *Deep drawn stainless-steel sinks from China*, are relevant to this investigation, as the raw materials for both involve steel products (zinc-plated (galvanized) steel coil and stainless-steel sheets). The selected weighted average profit from cooperating exporters in investigations 644 and 646 is based on data verified by the commission in those cases.

Furthermore, the commission compared the weighted average Chinese domestic profit obtained from sales in cases 644 and 646 with Kaize's export profit for LGST. It was observed that the weighted average domestic profit in these cases closely aligned with Kaize's export profit, with only a minor variance.

Additionally, the weighted average Chinese domestic profit from cases 644 and 646 has also been used to construct normal values in two concurrent investigations: 677: *Steel corner beads and angles* and 653: *Certain ceiling steel framing members*.

Given the above and noting that Kaize's profit previously used in preliminary calculations was slightly higher than the profit typically realised by other exporters or producers on domestic sales in China, the commission has replaced Kaize's export profit with the weighted average Chinese domestic profit achieved on sales of the goods in cases 644 and 646. This approach ensures consistency with investigations 677 and 653, as well as with section 45 of the Regulation.

#### **2.7.4 Dumping margin**

The revised preliminary dumping margin for the goods exported to Australia by Kaize is **41.8%**.<sup>27</sup>

The commission's dumping margin calculation is at **Confidential Attachment 3**.

## **2.8 Dumping assessment – Uncooperative exporters**

### **2.8.1 Export price**

The commission has determined an export price in accordance with section 269TAB(3), having regard to all relevant information. The commission considers that the most reliable and relevant information it possesses in relation to exports of the goods from China over the investigation period is Hume's verified data.

Accordingly, the commission has determined the export price of the goods exported to Australia from China under section 269TAB(3), based on Hume's selling price to Australian customers, less relevant deductions. These deductions include Hume's post-exportation expenses, SG&A and an amount of profit. After making these adjustments, the commission determined a FOB export price.

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<sup>27</sup> While profit was profit adjusted, Kaize preliminary dumping margin remains unchanged.

The commission's export price calculation for uncooperative and all other exporters from China is at **Confidential Attachment 1**.

### **2.8.2 Normal value**

The commission notes that Kaize, Aoshi and Hongmu submitted a REQ as part of the investigation. As outlined in section 1.5 of this notice, Aoshi and Hongmu are related traders and sourced the goods manufactured by Kaize. Kaize did not sell the goods in the Chinese domestic market during the investigation period. Furthermore, the GOC did not provide a response to the government questionnaire.

Given the absence of sufficient information regarding domestic selling prices and domestic production costs in China and the unavailability of reliable Chinese export prices to third countries, the normal value has been determined under section 269TAC(6), having regard to all relevant information. In accordance with section 269TAC(6), a constructed normal value methodology has been applied to determine:

- the cost of production of the exported goods
- the SG&A costs and
- an amount of profit.

As discussed in section **Error! Reference source not found.** of this notice, the commission preliminarily found that HRC costs are affected by not normal and ordinary circumstances. The commission calculated the normal value of the goods having regard to the following information:

- Kaize's export cost to make including an adjustment to HRC costs
- Kaize's export SG&A
- Chinese domestic profit
- an amount for export port handling charges, and
- an amount for export inland freight.

Section 269TACAB(1) sets out the provisions for calculating export prices and normal values for uncooperative exporters.<sup>28</sup>

The commission's normal value calculation for uncooperative and all other exporters from China is at **Confidential Attachment 2**.

### **2.8.3 Dumping margin**

The preliminary dumping margin was calculated by comparing the weighted average export price over the whole of the investigation period with the weighted average corresponding normal values over the whole of that period, in accordance with sections 269TACB(2)(a) and 269TACB(4).

The commission preliminary dumping margin for uncooperative and all other exporters of LGST from China is **41.8%**.

The dumping margin calculation for uncooperative and all exporters from China is at **Confidential Attachment 3**.

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<sup>28</sup> Section 269TACAB(1)(d) specifies that for uncooperative exporters, export prices are to be calculated under section 269TAB(3). Section 269TACAB(1)(e) specifies that for uncooperative exporters, normal values are to be calculated under section 269TAC(6).

### 3 COUNTERVAILING INVESTIGATION

#### 3.1 Preliminary findings

The commission sought information regarding subsidies from exporters and the GOC through questionnaires. As detailed in chapter 2 of this notice, the commission has received responses from three Chinese suppliers. The commission has not received a response from the GOC to the government questionnaire.

At the time of making this PAD, I am not satisfied that there appear to be sufficient grounds at this stage of the investigation to make a PAD in relation to the alleged subsidisation of the goods exported to Australia from China. The commission will undertake further analysis to consider whether the goods have been exported to Australia from China at subsidised prices and this will be outlined in the SEF.

#### 3.2 Submissions on potential Chinese subsidies

##### Rondo submissions

In its submission of 10 July 2025, Rondo provided anecdotal evidence suggesting the presence of Chinese subsidies within the Chinese LGST industry and in relation to Chinese exports.

Rondo's subsequent submission of 3 September 2025 provided further information concerning Chinese subsidies. This submission referenced remarks by the Secretary-General of the Organisation for Economic Co-operation and Development (OECD), and the *OECD Steel Outlook 2025* report. The OECD report states that under the current five-year plan (2021-2025), the Chinese government is providing financial incentives and support mechanisms focusing primarily on energy efficiency, emission reduction technologies and the development of advanced materials, aligning with the nation's commitment to slow carbon emissions before 2030, with a view to achieving carbon neutrality by 2060.<sup>29</sup>

The OECD also states that Chinese government has also increased fiscal, taxation and financial support aimed at driving industrial value growth in the steel industry. These programmes focus on achieving a target growth of over 4% industrial value growth in 2024.<sup>30</sup>

The OECD reports that the overall levels of subsidisation are rising significantly, with steel now comparable to other heavy industries historically in receipt of high levels of industrial subsidies.

##### Intex submission

In its submission of 11 March 2026, Intex provided information it considered relevant to the nature of Chinese entities within its supply chain, specifically claiming that its Chinese supplier acquires steel coils from a privately held galvanising company, and that the galvanising company acquires the steel coils from a privately held steel making company. Intex submitted that on that basis, Intex's supplier of the goods is best classified as a privately held, family-controlled enterprise, not a state-invested enterprise.

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<sup>29</sup>Non-Confidential Attachment 1: OECD Steel Outlook 2025, 27 May 2025. p. 40-41.

<sup>30</sup> Ibid, p. 40

Rondo's response

In its submission of 24 March 2026, Rondo submitted that the commission should not have regard to the information submitted by Intex regarding its supplier, on the basis that the concerned Chinese supplier did not provide a REQ. Rondo further submitted that it was not appropriate for the commission to rely on material generated by an artificial intelligence search engine in lieu of verified reliable information.

**3.3 Commission's assessment**

On 11 March 2026 the commission sought further information from Intex to consider its claims regarding information submitted in relation to Intex's Chinese supplier. Intex has not responded to the commission's request.

The commission has noted Rondo's concerns regarding the potential existence of Chinese subsidies. The commission will address the countervailing aspects of this investigation in the SEF.

## **4 INJURY TO THE AUSTRALIAN INDUSTRY**

### **4.1 Preliminary findings**

The Commissioner considers that there appear to be sufficient grounds to support Australian industry claims that the Australian industry has experienced injury over the injury analysis period in the form of:

- loss of market share
- loss of sales volumes
- reduced value of assets
- reduced capital investment
- reduced capacity utilisation
- reduced employment
- increased inventory
- reduced production.

### **4.2 Application**

In its application, Rondo claimed that the Australian industry has experienced injury in the form of:

- loss of market share
- loss of sales volume
- lower production volumes
- price suppression
- price depression
- loss of profits
- loss of profitability
- decline in asset values
- reduced research & development expenditure
- reduced revenue
- reduced capacity utilisation.

In its application, the applicant Rondo claims that material injury caused by dumped and subsidised imports commenced in 2022. Rondo's material injury claims are supported by two other Australian industry members Etex and Studco.

As discussed in section 1.4 of this notice, Etex and Studco submitted response to the Australian industry member market questionnaire which was verified by the commission.

For the purpose of this notice, the commission has not consolidated the verified information provided by Etex and Studco. The commission's assessment of injury factors for Etex and Studco are contained in separate verification reports published on the EPR.<sup>31</sup> The commission will consolidate all Australian members' information to further assess injury factors in the SEF.

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<sup>31</sup> EPR 679 - document [25](#) and [27](#) refers

### **4.3 Approach to injury and causation analysis**

The matters that may be considered in determining whether the Australian industry producing like goods has experienced material injury are set out in section 269TAE.

This section analyses the economic condition of the Australian industry (Rondo) producing like goods from 1 April 2021. For the purpose of this notice, the commission relied on Rondo's verified data in respect of its domestic sales and costs. In its analysis of volume, price and profit, the commission has compiled the data on an annual basis for years ending (YE) 31 March.

From the verified sales and costs data, the commission noted that Rondo represents approximately 60% of the goods manufactured in Australia. The commission therefore preliminarily considers that assessment of Rondo's injury factors represents the Australian industry.

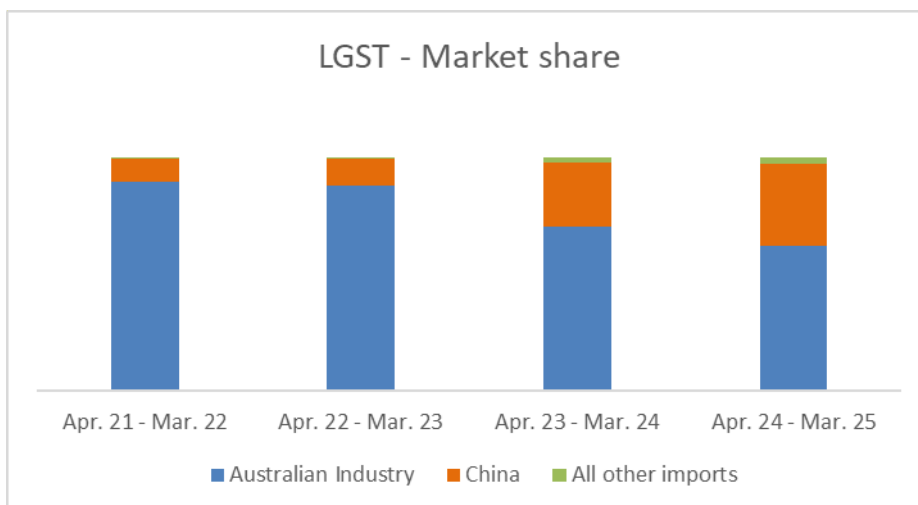
The commission's assessment of the economic condition of Australian industry is at **Confidential Attachment 4**.

### **4.4 Volume injury**

#### **4.4.1 Market size and share**

The commission extracted data from the ABF import database based on the tariff subheadings and statistical codes listed in section 1.6.1 of this notice (including the new tariff code identified outside of the application). While the commission was able to identify some consignments of the goods by known importers and sellers of the goods, the commission was unable to distinguish between the goods and non-goods for most consignments identified under the relevant tariff subheadings. Therefore, any estimate using ABF data would result in an underestimate of the size of the market for LGST including the relative share of the market held by suppliers other than Rondo, Etex and Studco in the Australian market.

Figure 1 illustrates that the Australian industry market share started declining since April 2021, with a further decline in the period April 2023 to March 2024. During the same period, there has been an increase in market share for the goods, with imports from China displacing the Australian industry's market share.



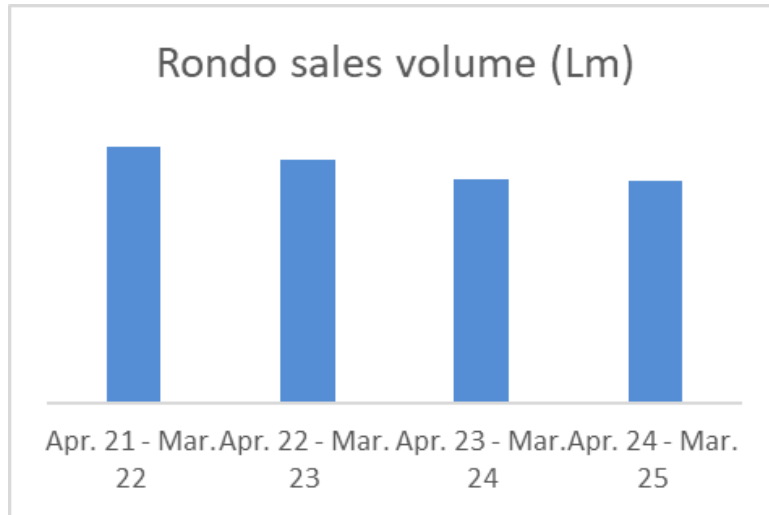
**Figure 1: Relative market share of the Australian industry and import sources (%)**

Based on the data analysed at the time of making this PAD, there appear to be sufficient grounds to support the Australian industry's claim that it has experienced injury in the form of reduced market share.

The commission's analysis of market share is at **Confidential Attachment 4**.

**4.4.2 Sales volume**

Figure 2 shows that the Australian industry's (Rondo) domestic sales volume decreased year on year from YE 31 March 2022 to YE 31 March 2025, noting a sharp decline in YE March 2024 compared to YE March 2023.



**Figure 2: Australian industry sales volume over the injury analysis period**

Based on the data analysed at the time of making this PAD, the commission therefore considers that there appear to be sufficient grounds to support the Australian industry's claim that it has experienced injury in the form of lost sales volume.

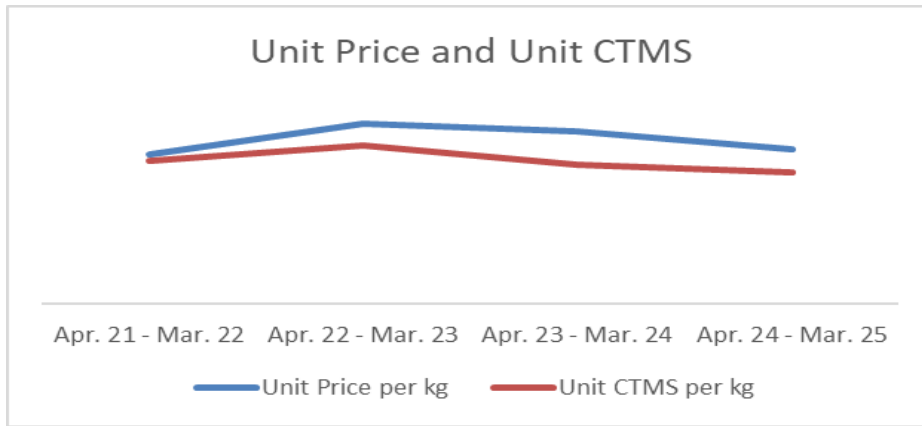
**4.5 Price effects**

Price depression occurs when a company, for some reason, lowers its prices.

Price suppression occurs when price increases, which otherwise might have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs. In determining whether price suppression has occurred, the commission may assess:

- whether prices have increased at the same rate as costs over time or within a specified period, and/or
- whether prices for the Australian industry's like goods are lower than prices that may have been achieved in the absence of dumping.

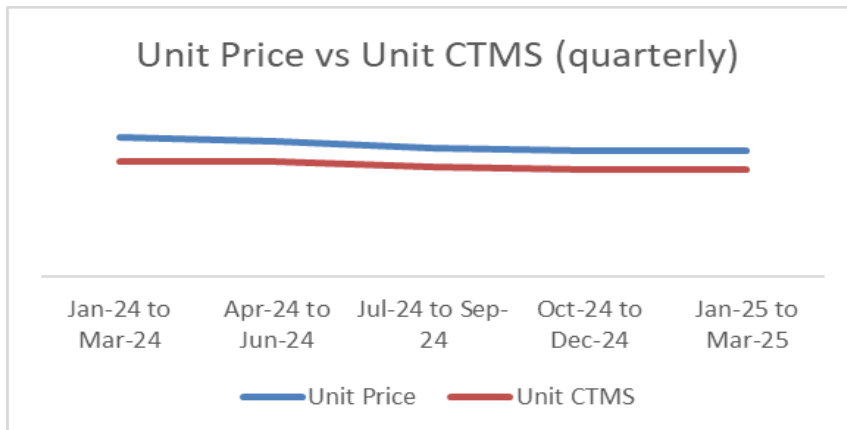
The applicant alleges that it suffered price depression and price suppression due to price undercutting by dumped and subsidised imports from China.



**Figure 3 : Rondo unit revenue and unit CTMS over the injury analysis period**

Figure 3 shows unit price is consistently greater than the unit costs to make and sell (CTMS) over the injury analysis period. It is noted that after peaking in the YE March 2023, unit revenue started declining, narrowing the difference between unit revenue and unit costs. The narrowing of the difference during YE March 2025 period indicates price depression.

The commission also analysed weighted average quarterly price effects during the applicant’s proposed investigation period as shown in Figure 4.



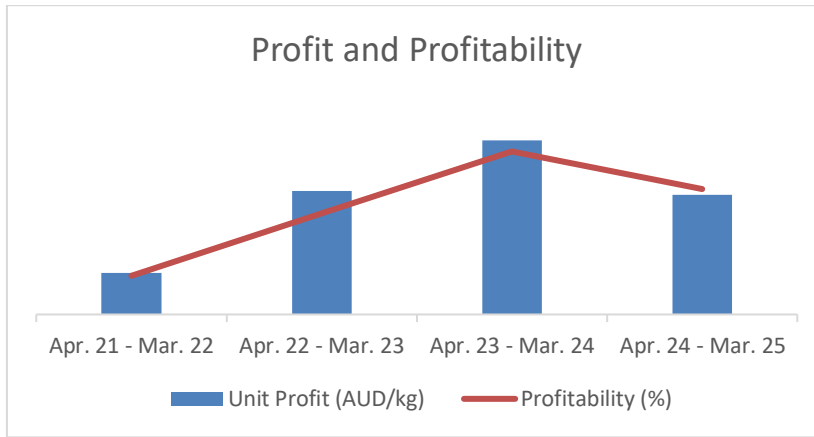
**Figure 4: Rondo unit revenue and unit CTMS by quarter (AUD/kg)**

Figure 4 illustrates quarterly analysis unit price and unit costs over the investigation period. This further supports the Australian industry’s claim regarding the narrowing gap between unit price and unit CTMS. This suggests that the Australian industry suffered injury in the form of price depression and price suppression, during the proposed investigation period.

Based on the data analysed at the time of making this PAD, I consider that there appear to be sufficient grounds to support that the Australian industry has experienced injury in the form of price depression and price suppression. The commission’s price injury analysis is available at **Confidential Attachment 4**.

**4.6 Profit and profitability effects**

Figure 5 illustrates the applicant’s unit profit and profitability. After reaching its peak in the YE March 24, the applicant’s profit and profitability dropped significantly.



**Figure 5: Rondo unit profit and profitability over the injury analysis period**

The applicant claims the relatively high fixed costs required to produce the like goods, together with the loss of sales volume resulted in fixed costs being higher on a unit basis than they otherwise would have been.

Based on the data analysed at the time of making this PAD , the commission preliminarily considers that there appear to be sufficient grounds to identify a decrease in profitability in the proposed investigation period.

The commission’s analysis of profit and profitability is available at **Confidential Attachment 4**.

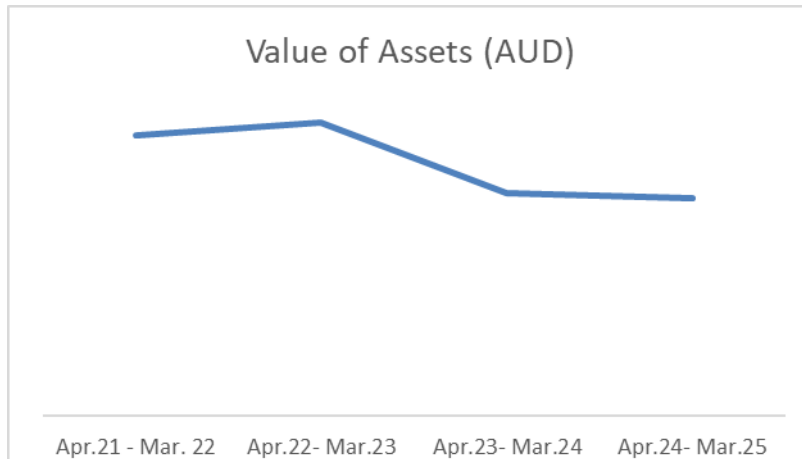
#### **4.7 Other economic factors**

In its application, Rondo also claimed injury in the form of the following other economic factors:

- decline in asset values
- lower revenue
- reduced return on investment
- reduced capital utilisation
- reduced research and development (R&D)

##### **4.7.1 Asset values**

The applicant claimed that it has experienced a decline in asset values over the injury analysis period.



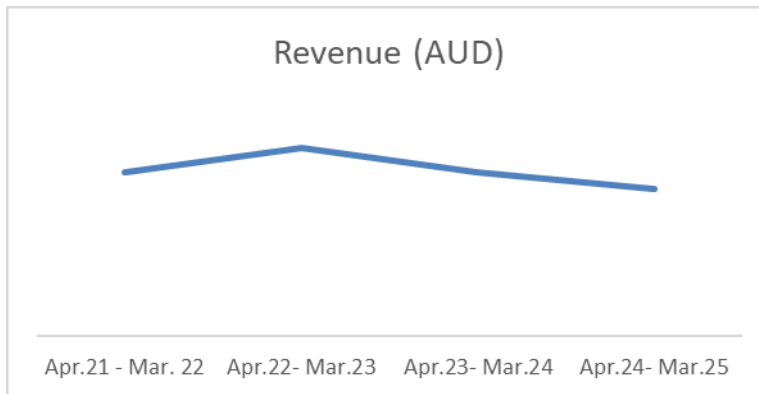
**Figure 6: Australian industry value of assets in relation to like goods**

Figure 6 illustrates that asset value, after slightly increasing in the YE March 2023 from YE March 2022, decreased the following year and remained low in the YE March 2025

The commission preliminarily considers that this supports Rondo’s claim that it has suffered a decline in the value of its assets.

**4.7.2 Revenue**

As a result of decline in the market share, price depression and price suppression, the applicant claims that it suffered material impact on its revenue.

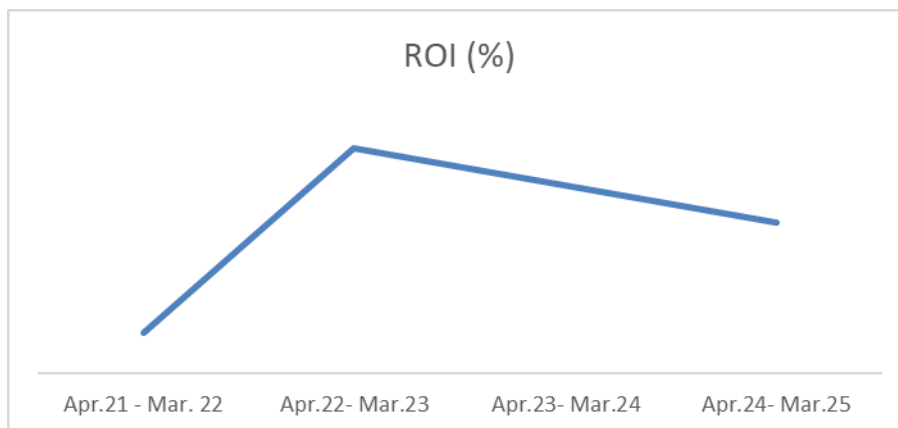


**Figure 7: Australian industry revenue in relation to like goods**

Figure 7 shows that after peaking its revenue in YE March 2023, there has been a steady decline of revenue all throughout the injury analysis period. The commission considers that this supports Rondo’s claim that it has suffered a decline in revenue over the proposed period of investigation.

**4.7.3 Return on investment**

The applicant claims that it suffered reduced return on investment (ROI) in the proposed investigation period.



**Figure 8: Return on investment**

Figure 8 shows a sharp increase in ROI in YE March 2023 from YE March 2022, then has declined throughout the remainder of the injury analysis period. The commission considers that over the proposed period of investigation that there has been a decline in ROI after an initial increase which supports the Applicant’s claims.

#### 4.7.4 Capacity utilisation

The applicant claimed that its capacity utilisation declined over the proposed investigation period.

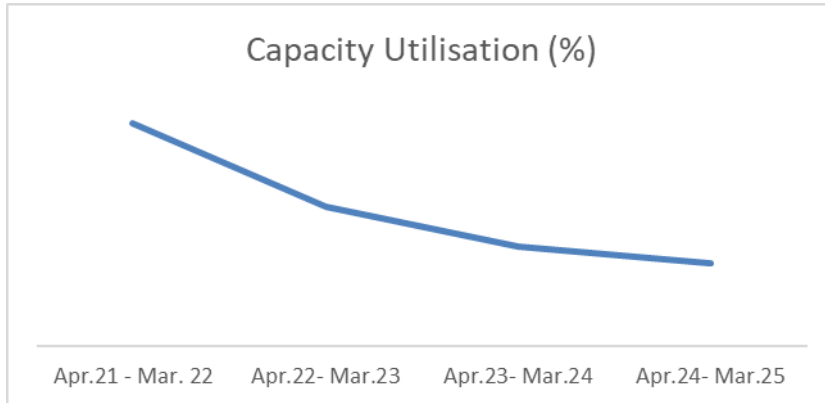


Figure 9: Australian industry capacity utilisation of like goods

Figure 9 illustrates an overall year on year consistent decline on capacity utilisation from YE April 2021 to YE March 2025. The commission considers that over the proposed period of investigation there has been a decline in capacity utilisation.

#### 4.7.5 Capacity, capacity utilisation and production

The commission examined the applicant’s capacity utilisation in relation to its capacity to produce like goods as illustrated in Figure 10.

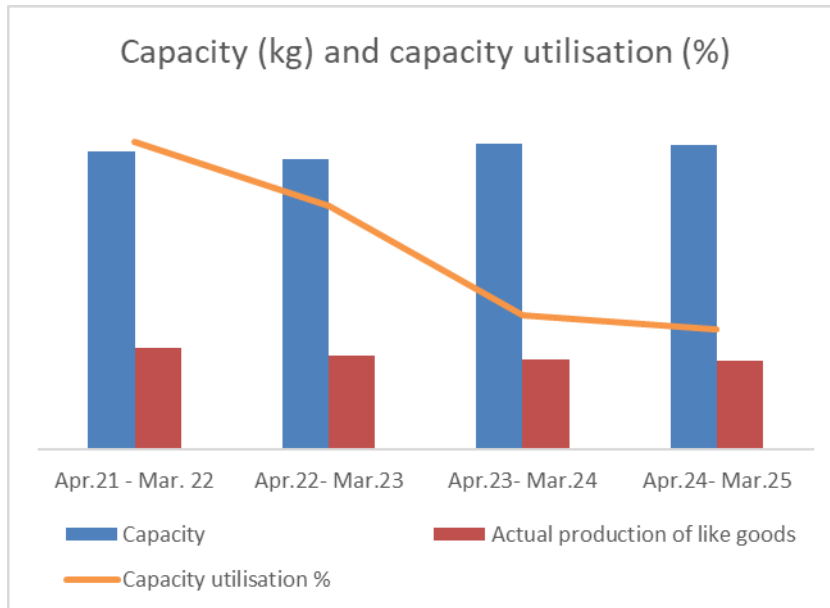


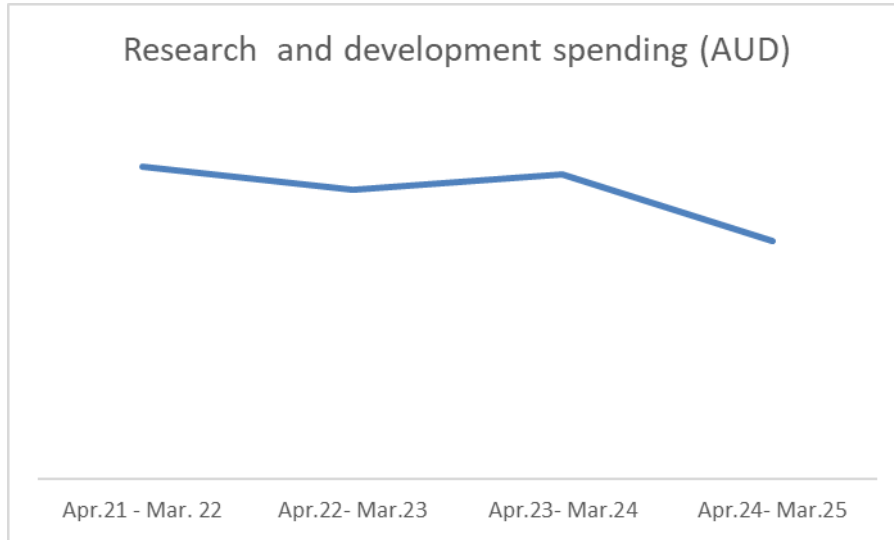
Figure 10: Capacity and capacity utilisation over the injury analysis period

Figure 10 shows the applicant’s capacity has fluctuated in cycles throughout the injury analysis period, ending in a declining trend in YE March 2025.

The commission considers that the applicant’s capacity utilisation has fallen year on year in the proposed investigation period. Additionally, the commission considers that actual production has fallen over the proposed investigation period.

**4.7.6 Research and development**

The Australian industry claims that it suffered injury in the form of reduced research and development (R&D) spending in the proposed investigation period.



**Figure 11: the applicant's R&D spending**

Figure 11 illustrates R&D spending was relatively consistent from YE March 2021 to YE March 2024, then dropped in the YE March 2025.

## **5 HAS DUMPING CAUSED MATERIAL INJURY?**

### **5.1 Preliminary findings**

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

The commission has preliminarily found that:

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

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

### **5.2 Legislative background**

Section 269TAE(1) outlines the factors to which the Minister may have regard when determining whether material injury has been, or is being, caused or threatened.

Section 269TAE(2A) also requires the Minister to consider whether any injury to an industry is being caused or threatened by a factor other than the exportation of the goods and provides examples of such factors.

Section 269TAE(1)(aa) provides that regard may be given to the size of each of the dumping margins, worked out in respect of goods of that kind that have been exported to Australia.

The commission has calculated preliminary dumping margins to be **41.8%**.

The commissioner preliminarily considers that the magnitude of dumping provided exporters with the ability to offer LGST to importers at lower prices than would otherwise have been the case and gave importers a competitive advantage in terms of their pricing in the Australian market.

### **5.3 Approach to causation analysis**

The commission preliminarily considers that the Australian industry has experienced injury, as outlined in chapter 4 of this notice and this injury has coincided with the presence of dumped goods from China. This chapter will analyse whether the dumped goods caused injury and whether the injury is material.

As discussed in chapter 3 of this notice, at this stage of the investigation, the Commissioner is not satisfied that there appear to be sufficient grounds that alleged subsidisation of the goods exported to Australia from China. The commission will undertake further analysis to consider whether the goods have been exported to Australia from China at subsidised prices and that dumped and subsidised goods caused material injury to the Australian industry, will be outlined in the SEF.

The commission has had regard to the Act, the Manual and the *Ministerial Direction on Material Injury 2012* (Material Injury Direction)<sup>32</sup> when completing this assessment.

Section 269TAE outlines the requirements for determining whether material injury to an Australian industry is caused by dumping (causation). The Act envisages that causation is examined through the links between the volume of dumped goods and their effect on prices in the Australian market and the consequential impact on the Australian industry. Certain analytical tools are available to the commission to perform causation analysis. The Act does not prescribe any particular methodology for performing causation analysis, which is inherently a qualitative assessment based on all available evidence.

Chapter 22 of the Manual states that the most common way to perform causation analysis is by using a ‘coincidence analysis’. Where there is a coincidence in timing between declines in the Australian industry’s economic indicators and the volume and price trends of dumped imports, this may be taken to mean there is a causal link.<sup>33</sup> This involves comparing the state of the Australian industry in the investigation period to a point in time prior to the injury having commenced. Another approach would be to use a ‘but for’ analytical method, positing what would have happened in the Australian domestic market ‘but for’ the presence of the dumped goods.

The following evidence was examined for the purposes of assessing preliminarily injury and causation in this notice:

- Verified data from Rondo, Etex and Studco regarding volume, price and profit effects during the injury analysis period and investigation period.
- Verified sales and import data from Hume and Intex to determine export prices, selling prices to Australian customers and associated import costs.
- Information from the ABF import database to determine import volumes.
- The broader context of the economic condition of the Australian industry

The data supporting the commission’s analysis of causation (volume and price effects), as detailed in the remainder of this chapter, is at **Confidential Attachment 4**.

## **5.4 Rondo’s injury claims**

In its application, Rondo claimed that:

- There is a direct correlation between the ongoing presence and increased volumes of LGST imported from China and the Australian industry’s decline in annual sales and market share for like goods.
- The Australian market has declined over the injury and investigation period, and this has translated into material loss of market share for the Australian industry while imports from China have maintained their presence.
- The presence and pricing of dumped and subsidised goods from China have influenced the Australian industry’s quarterly selling prices for like goods, requiring Rondo to suppress price increases in response to low-priced imports, particularly during the investigation period.

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<sup>32</sup> Ibid.

<sup>33</sup> [The Manual](#) (December 2021) p 99.

- Competitive pressure from the imported goods has contributed to lower prices, with Rondo asserting that it would have achieved higher prices in the absence of LGST exported from China at dumped and subsidised prices.
- Dumped and subsidised goods have been exported from China at sufficient volumes and at sufficiently low prices to cause the Australian injury to experience material injury, including lost sales volume, reduced market share, price suppression, price depression and reduced profits and profitability.

Based on the verified data analysed at the time of making this PAD, I consider that there appear to be sufficient grounds to support the Australian industry claims.

### **5.5 Volume effects**

As noted in section 4.4 of this notice, the commission considers that there appear to be sufficient grounds to conclude that the Australian industry suffered injury in the form of lost sales volumes and reduced market share. The Australian industry's lost sales volumes and reduced market share have coincided with an increase in dumped imports from China that have undercut Australian industry's selling prices.

I am preliminarily satisfied that there appear to be sufficient grounds to conclude that LGST exported from China at dumped prices have undercut the Australian industry's prices causing a material reduction in sales volume and market share.

### **5.6 Price effects**

As discussed in section 4.5 of this notice, the commission considers that the Australian industry experienced adverse price effects during the investigation period, including price suppression and price depression.

As discussed in section 5.8, the commission also undertook a preliminary examination of Rondo's prices against those of Intex and Hume. On an aggregate weight (kg) basis, the commission found that Intex and Hume undercut Rondo's prices by between 5% and 16%. The commission also examined price undercutting by number of pieces and by lineal metres and found that Intex and Hume undercut Rondo's prices by between 2% and 16%

### **5.7 Profit effects**

At section 4.6 of this notice, the commission considered that there appears to be sufficient grounds to support a finding that the Australian industry has experienced injury in the form of reduced profit and profitability.

### **5.8 Price undercutting**

From the verified data and information collected during the verification visits, the commission noted the substitutability of the Australian manufactured LGST with those exported from China, the commission considers price to be a key factor in customers' purchasing decisions.

While the Australian industry provides customers with price lists detailing recommended retail pricing, final prices are negotiated with customers on a case-by-case basis. Import offers and movements in the price of imports can therefore be used by customers to negotiate prices with the Australian industry.

For the purposes of this notice, and as discussed in section 5.6 above, the commission has undertaken a preliminary analysis of the price undercutting claims made by the Australian industry. The analysis was based on verified sales data provided by the applicant as well as verified sales data provided by the two importers, Intex and Hume.

The commission compared the Rondo's price to the price achieved by Intex for its Chinese imports by Model Control Code (MCC) at a common customer level on a quarterly basis, assessing these price relationships across quantity in linear metres and quantity of pieces. Furthermore, the commission compared the price at an aggregate level by weight (kg), lineal metres and by quantity of pieces.

The commission also noted that in relation to a common customer of Rondo and Intex, the sales volumes had shifted from Rondo to Intex as the investigation period progressed, coinciding with the levels of price undercutting observed.

The commission's preliminary analysis supports the Australian industry's assertion that its prices have been undercut by dumped exports from China.

The commission's price undercutting analysis is available at **Confidential Attachment 5**.

## **5.9 Other economic factors**

As outlined in chapter 4.7 of this notice, the commission preliminarily considers that Rondo experienced injury in other economic factors in the form of reduced revenue, reduced asset value, reduced return on investment (ROI), reduced production and productivity and reduced research and development.

The commission preliminarily considers that the reduction in production and sales revenue contributed to a decline in Rondo's ROI. While fixed and operating costs remained relatively stable, the decrease in output and revenue resulted in lower profits relative to revenue, thereby reducing Rondo's ROI. The decline in profitability and production also contributed to reduced asset values over the injury analysis period, as the assets generated lower returns.

## **5.10 Injury factors other than dumping**

Section 269TAE(2A) states that the Minister must consider whether any injury to an industry is being caused or threatened by a factor other than the exportation of the goods. If so, the Minister must not attribute such injury solely to the exportation of the goods. Section 269TAE(2A) lists the following factors to consider:

- the volume and prices of imported like goods that are not dumped or subsidised
- contractions in demand or changes in patterns of consumption
- restrictive trade practices of, and competition between, foreign and Australian producers of like goods
- developments in technology
- the export performance and productivity of the Australian industry.

The commission has preliminarily considered these factors and other potential causes of injury to the Australian industry, other than dumped and subsidised goods exported from China. Certain other factors were raised by Intex in its submissions on injury, which are set out and considered by the commission below in chapter 5.11.

## **5.11 Submissions on injury**

The commission has received four submissions from Intex challenging the Australian industry's claims of material injury caused by dumped and subsidised goods from China. The commission also received submissions from Rondo countering Intex's claims. The submissions are discussed below.

### *Intex August 2025 submission*

In its submission of 27 August 2025, Intex contested Australian industry's material injury claims caused by dumped and subsidised goods from China during the investigation period, citing the following reasons:

- Rondo's approach of targeting individual components rather than full wall and ceiling systems is flawed, given that market competition occurs at the system level.
- Rondo is losing market share to other Australian industry members Etex and Studco, who are outperforming Rondo in system sales and installation.
- The financial decline of Rondo during the investigation period is attributed to competitive pressures from Etex and Studco, and not Intex's niche imports.
- As a small, specialised supplier, Intex argues that it does not have the market power to influence Rondo's financial outcomes, especially in the challenging construction market conditions in the investigation period.

### *Rondo September 2025 submission in response*

In its submission of 10 September 2025, Rondo claims that:

- Intex's assertion of having no influence on the Australian market is not supported by available evidence.
- Intex is not a specialised supplier and that Intex offers a broad product range across different market segments including fasteners, sealants and adhesives, compounds and tapes, tools and accessories, site equipment, and spare parts.
- Intex has a larger distributor network than Rondo, giving them greater network coverage. This enables Intex to influence the Australian industry position by offering prices for steel products below what would otherwise be for non-dumped, nonsubsidised, and therefore non-injurious market rates.
- Contrary to Intex's claim that Rondo is losing ground to Australian industry competitors, the availability of imported subject goods is highly prevalent.
- Intex has grown significantly since 2020, as evidenced by its publicised investments and market activity, demonstrating its increasing competitive impact.

### *Intex September and October 2025 submissions*

In its submissions of 24 September 2025 (published on 28 October 2025) and 27 October 2025 (published 29 October 2025), Intex provided further information in response to Rondo's claims, reiterating many of its earlier claims and providing further observations and evidence for the commission's consideration. The commission noted that Intex made similar claims in cases 653 and 677.

- Intex reiterated that it is a small, specialised supplier with limited market power, particularly compared with Rondo, Etex and Studco.

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- Intex restated its claim that all aspects of ceiling and wall system should be understood as an interconnected component, including LGST, and that injury should not be judged at the component level, but as a 'whole system'.
- Intex claimed that all market participants (including Intex) were affected by a downturn in the market during the period of investigation, citing ABS and ASIC data as evidence of a declining market.
- Intex claimed that its operating model relies on specialised service and product innovation. It does not engage in price competition.
- Intex claims that competition among Rondo, Studco and Etex is the only type of competition that influences price and import competition is immaterial to the market.
- Intex claimed that if Rondo has experienced any injury, it has come from lost revenue and market share to Studco and Etex, coupled with a downturn in the market.
- Intex reiterated its claim that Rondo and the other members of the Australian industry had not experienced injury, citing the high profitability of all three, particularly during the period of investigation.
- Intex cited Etex's ("Siniat" brand) recent marketing campaign, claiming that Etex's campaign supports Intex's position that Rondo's loss of market share is attributable to Etex rather than imports.
- Intex provided information regarding Etex's perceived competitive advantages over Rondo referring to Etex's acquisition of BGC Group's plasterboard business.

### Rondo November 2025 submission

In its submission of 11 November 2025 Rondo stated that increase in trade remedies, safeguards and other economic security measures imposed in other jurisdictions on steel products. Rondo claims that these measures lead Australia to become a more attractive export market for Chinese LGST, increasing the likelihood of dumping.

### Intex February 2026 submission

In its submission of 20 February 2026, Intex contended that the Commission's verification report does not support Rondo's injury claims. Intex identified market competition, volume effects, and price and profitability outcomes as the key issues, and argued that the evidence does not demonstrate injury attributable to dumped and subsidised imports. A summary of the key points made by Intex in their submission are below:

- Intex estimates that Australian industry members make up to 90% of the LGST market in Australia.
- Rondo's revenue has decreased 'more sharply' in comparison to other Australian industry competitors, due to its direct competition with other Australian industry members, namely Etex and Studco. Etex and Studco being more 'energetic in the market' and having better product offerings.
- That the volume changes in the Australian market in the investigation period compared to the previous year result in minimal change and therefore is not material injury.

- That there is injury in the form of price suppression and price depression visible in the investigation period visible from Rondo's verification report, however it is not enough to be considered material.
- Intex disputed that the need to compete against dumped and subsidised goods were the cause of Rondo lowering their prices.
- Intex further submitted that there has been a downturn in the Australian construction industry and that Rondo's change in revenue is disproportionate to the change in revenue of Etex and Studco.

## **5.12 The commission's assessment**

The commission has considered the submissions made by Intex and Rondo concerning whether factors other than dumping and subsidisation explain the Australian industry's injury during the injury period. Intex submitted that competition in the wall and ceiling market occurs at a "system level" rather than at the level of individual components such as LGST (with CSFM and SCBA being the subject of investigation in 653 and 677 respectively) and that Rondo's performance is more appropriately explained by competition from other Australian industry producers and broader construction market conditions. Rondo disputed these claims and submitted that imported LGST, including those supplied by Intex, have materially influenced market pricing and volume outcomes.

As a number of these submissions were previously considered in cases 653 and 677 and are also relevant to this case, the commission has therefore determined that the analysis conducted in REP 653 and REP 677 is also applicable to this investigation, as summarised below.

### *System level competition and the "Siniat. The One" campaign*

Intex submitted that Rondo's focus on individual components is misplaced because competition in the Australian market operates at a wall and ceiling "system level" and that system-level offerings from other Australian industry producers, such as Etex's "Siniat. The One" campaign and Etex's acquisition of BGC's plasterboard business – explains Rondo's performance. The commission examined these submissions alongside available technical documentation and the findings (also discussed in chapter 3.6.8 of REP 677).

Accordingly, while system level competition may influence demand for certain engineered components, the commission does not consider LGST to be system integrated products or subject to system level compatibility constraints. Marketing strategies such as Etex's "Siniat. The One" campaign reflect broad product-portfolio positioning and the capacity of suppliers to offer a range of framing, lining and finishing products. However, these strategies do not demonstrate that LGST are purchased or specified as part of an integrated system. The commission observed that some components of wall systems, including LGST, are purchased, stocked and invoiced as standalone items, are acquired to meet immediate installation needs, and are treated by market participants as discrete finishing products rather than system dependent components.

The purchasing patterns examined in various Australian industry members, Hume and Intex's verification reports further support this conclusion. Customers purchased LGST individually and substituted between Australian industry and importers in

response to lower-priced offers, in a manner consistent with direct product-level competition rather than system-level purchasing behaviour.

*Rondo's performance relative to other Australian industry manufacturers*

Intex submitted that Rondo's performance is explained by competition from Etex and Studco. Rondo disputed these claims and submitted that imported goods remain highly prevalent and continue to displace Australian industry sales. The commission examined these competing claims against Australian industry data. As set out in chapter 4.4.2 of this notice, all Australian producers experienced declines in LGST sales volumes over the injury analysis period in a contracting market. However, while total market demand declined, imports from China retained or increased their market share. This indicates that competition among the Australian industry producers does not fully explain Australian industry's decline and that imported goods acquired a larger share of the contracting market.

*Construction market conditions*

Intex submitted that the downturn in construction activity explains the Australian industry's injury. The commission recognises that overall residential construction activity softened following the FY 2021 peak, consistent with the ABS analysis that the COVID-pandemic-driven surge in approvals and commencements was followed by delays, supply constraints, bottlenecks and elevated construction input costs that contributed to volatility across the sector. These trends are consistent with the contraction in overall demand in LGST as illustrated in chapter 4.4.2 of this notice.

However, as outlined in chapter 4.4.1 of this notice, while total demand declined, the Australian industry collectively lost market share while imports increased or maintained their share of the contracting market. Studco and Etex experienced declines in LGST sales volumes similar to Rondo, indicating that domestic competition does not explain Rondo's performance. The relative shift from domestic manufacturers to imports demonstrates that broader construction conditions cannot, on their own, account for the adverse price and volume outcomes identified for the goods. The evidence instead shows that imports captured a growing proportion of a shrinking market, placing additional competitive pressure on domestic suppliers.

*Influence of imported LGST and Intex's role*

Intex submitted that, as a small and specialised supplier with limited market share, it lacks the market power to influence pricing outcomes. Rondo disputed this and submitted that Intex supplies a broad product range and has a wide distributor network. The commission examined customer level data and observed instances, set out in chapter 5.8 of this notice (price undercutting), where Intex supplied comparable LGST at lower prices and where customer purchases shifted from Rondo to Intex during the investigation period. These shifts occurred in circumstances where Rondo reduced its prices in response to Intex's offers. While the commission acknowledges Intex's overall market share is smaller than Rondo, this evidence indicates that Intex's pricing behaviour exerted competitive pressure on Rondo's LGST prices for certain customers.

*Financial performance of Australian industry*

Intex submitted that the profitability of Rondo, Etex and Studco during the investigation period indicates the absence of material injury. The commission does

not consider consolidated profitability to be determinative in assessing injury for LGST specifically. The verified financial data for the Australian industry members' LGST business shows a material decline in profitability during the investigation period, linked to suppressed pricing and the narrowing margin between selling prices and CTMS. These findings are consistent with the commission's assessment that Rondo experienced price suppression and price depression for LGST.

Measures in other jurisdictions and its influence

The commission noted Rondo's regarding increase in trade remedies, safeguards and other economic security measures imposed in other jurisdictions on steel products and that these measures lead Australia to become a more attractive export market for Chinese LGST, increasing the likelihood of dumping.

The commissions preliminary dumping findings and subsidy considerations are discussed in chapters 2 and 3 of this notice.

Conclusion

Having regard to all submissions in relation to the injury factors, and the information available to the commission, the commission considers that factors such as construction market conditions and competition from other domestic manufacturers may have contributed to aspects of Australian industry's overall commercial performance. However, these factors do not adequately explain the adverse price outcomes identified for LGST.

The evidence shows that LGST are not system-integrated components. Customers purchased LGST as standalone items rather than as part of system bundles. The commission is satisfied that imported LGST exerted direct pricing pressure during the investigation period.

On this basis, the commission does not accept that system-level competition or domestic competition displaces its findings that dumped imports contributed to the material injury experienced by the Australian industry producing LGST.

## 6 UNSUPPRESSED SELLING PRICE AND NON-INJURIOUS PRICE

### 6.1 Legislative framework

Interim dumping duty (IDD) may be applied where it is established that dumped imports have caused material injury to the Australian industry producing like goods. The level of IDD imposed by the Minister cannot exceed the margin of dumping. Where the Minister is required to determine the IDD, section 8(5B) of the *Customs Tariff (Anti-Dumping) Act 1975* (Dumping Duty Act) applies.

The non-injurious price (NIP) is relevant to section 8(5B) of the Dumping Duty Act, which requires the Minister to consider the desirability of specifying a lesser amount of duty if sufficient to remove injury to the Australian industry,<sup>34</sup> unless one of the exceptions in section 8(5BAA) of the Dumping Duty Act applies. The commission also utilises the NIP as an additional test to establish whether there is a causal link between the alleged dumping and material injury.

The Manual specifies that the commission will generally derive the NIP from an unsuppressed selling price (USP). The USP is a selling price that the Australian industry could reasonably achieve in the market in the absence of dumped or subsidised imports.<sup>35</sup>

The commission's preferred approach to establishing the USP is outlined in chapter 24 of the Manual and observes the following hierarchy:

- Australian industry's selling prices at a time unaffected by dumping or subsidisation (market price method)
- constructed industry prices, using the Australian industry's CTMS and a rate for profit, or
- selling prices of undumped imports.

### 6.2 Preliminary assessment of USP and NIP

The commission has preliminarily calculated the USP by applying the constructed approach, using the Australian industry's CTMS data and a reasonable amount for profit.

The commission has preliminarily found that the goods exported to Australia from China during the investigation were dumped. Furthermore, the commission found that imports from China were prevalent in the Australian market in preceding periods. The commission also considers that the Australian industry selling prices remain affected by dumping and that the market will continue to be supplied by dumped imports.

Based on the above, the commission does not consider it preferable to determine the USP, and therefore NIP, using the Australian industry's domestic prices for like goods sold during the investigation period and the preceding periods as these periods were affected by imports from China.

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<sup>34</sup> This is determined by ensuring that the sum of the ascertained export price and the IDD does not exceed the NIP.

<sup>35</sup> [Dumping and Subsidy Manual](#), page 137.

Noting that the Australian industry's selling prices in the investigation period are not suitable for establishing a USP, the commission considers that a constructed USP using the Australian industry's CTMS and an amount for profit would be preferable. Accordingly, the commission determined a USP having regard to Rondo's CTMS in the investigation period and weighted average profit achieved by Rondo prior to the investigation period (12 months ending on 31 March 2024).

The commission used this profit based on the commission's assessment that this period was the least affected by the presence of dumped imports. By using the profit margin, the commission aimed to ensure that the constructed USP reflects the level of profitability that the Australian industry could reasonably expect to achieve under normal market conditions, absent the effects of dumping. However, the commission recognises that the Australian market during this period was still supplied by a material volume of imports from China and therefore the Australian industry's profit may also have been suppressed in this period because of these imports.

To derive a NIP at FOB terms for goods exported from China, the commission deducted from the USP the following verified costs obtained from Hume:

- importer SG&A expenses and an amount for profit
- overseas freight and marine insurance
- port handling and other charges, and
- inland freight.

The Commission's USP and NIP calculations are at **Confidential Attachment 6**.

### **6.3 Lesser duty rule**

The Minister is not required to have mandatory consideration of the lesser duty rule where the Minister is satisfied that certain circumstances exist:

- the normal value of the goods was not ascertained under section 269TAC(1) because of the operation of section 269TAC(2)(a)(ii)
- the Australian industry in respect of like goods consists of at least two small-medium enterprises, or
- the country in relation to which the subsidy has been provided has not complied with Article 25 of the SCM Agreement for the compliance period.

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

The commission notes that the normal value of the goods was not determined under section 269TAC(1), because of the operation of section 269TAC(2)(a)(i).

Furthermore, the commission has not received any claims or evidence that the Australian industry consists of two or more small-medium enterprises. Additionally, information on the World Trade Organization website indicates that China has notified the WTO on subsidies under Article 25 of the SCM Agreement.<sup>36</sup> Therefore, none of the exceptions apply in this investigation.

While the Minister must have regard to the desirability of applying the lesser duty rule, the Minister retains discretion as to whether a lesser amount of duty should be

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<sup>36</sup> World Trade Organization, Committee on Subsidies and Countervailing Measures, [Subsidies: New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures, G/SCM/N/430/CHN](#).

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ultimately be applied. In this case, the commission preliminarily considers that the Minister should exercise their discretion to apply a lesser amount of duty on the basis that that the lesser amount is adequate to prevent the injury caused to the Australian industry by dumped goods as outlined in Table 4.

<b>Exporter</b>	<b>Effective rate of IDD before application of lesser duty</b>	<b>IDD after application of lesser duty</b>	<b>Proposed duty method</b>
Kaize	41.8%	37.8%	<i>Ad valorem</i>
Uncooperative and all other exporters	41.8%	37.8%	<i>Ad valorem</i>

**Table 4: Preliminary dumping margins on the application of lesser duty rule**

## 7 PROVISIONAL MEASURES AND FORM OF DUTY

### 7.1 Form of duty

The forms of duty available under the *Customs Tariff (Anti-Dumping) Regulation 2013* include:

- combination fixed and variable duty method ('combination duty method')
- fixed duty method
- floor price duty method, and
- *ad valorem* duty method (i.e. a percentage of export price).

These forms of duty all have the same objective of removing the injurious effects of dumping and subsidisation, however, in achieving this objective, certain forms of duty will better suit particular circumstances more so than other forms of duty.

For the purposes of this PAD, I had regard to the *Guidelines on the Application of Forms of Dumping Duty – November 2013* (the Guidelines).<sup>37</sup>

I have found that there are many different types of LGST that are exported to Australia. I have also found that there is significant price variation between the different bracket types. The Guidelines specify that the *ad valorem* duty method has an advantage where there are many models or types of goods which have varied prices, as the method does not require an ascertained export price or floor price which may not be meaningful where prices differ significantly between models.

Therefore, I consider the *ad valorem* duty method appropriate given that there are many different types of LGST that are exported to Australia.

The commission will continue to assess information received during the investigation to determine and propose measures that will effectively remedy the injury that has been caused to the Australian industry, while at the same time not setting a form of measures above the level that is required to prevent further injury from occurring.

The above considerations may become more relevant for the purposes of publishing a dumping duty and / or countervailing duty notice, and therefore I will reassess the most appropriate form of measures, should that form part of my recommendations to the Minister.

### 7.2 Securities

As outlined in sections 4 and 5 of this notice, at this stage of the investigation, I am satisfied that there appear to be sufficient grounds to establish that the dumped goods from China caused material injury to the Australian industry during the investigation period. I note that following the investigation period, imports of the goods from China have continued.

Given the continued volumes of imports from China, I am satisfied that it is necessary to take securities to prevent material injury occurring whilst the investigation continues.

I have determined that securities will be taken as an amount worked out in accordance with the *ad valorem* duty method. Securities will be imposed in relation

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<sup>37</sup> The [Guidelines](http://www.adcommission.gov.au), available at [www.adcommission.gov.au](http://www.adcommission.gov.au).

to the goods exported to Australia from China at the rates specified in Table 5.

As the NIP is less than the normal value determined for all exporters from China, I had regard to the NIP in working out the amount of duty payable. I consider that a lesser amount of duty, such that the sum of the ascertained export price and the IDD does not exceed the NIP, is adequate to prevent the injury caused to the Australian industry by dumped goods.

Using the ad valorem duty method, the IDD payable on the goods exported by all exporters from China is worked out by calculating the amount of the difference between the ascertained export price of the goods and the NIP. The amount of the difference is expressed as a proportion or percentage of the ascertained export price to derive a fixed rate of IDD. The fixed rate is applied to the actual export price of the goods to determine the amount of IDD payable on the imported goods. The effective rate of IDD payable on the goods imported from China is summarised in Table 5.

<b>Exporter</b>	<b>Dumping security</b>
Wenan Kaize Building Material Co., Ltd	37.8%
All other exporters	37.8%

**Table 5: Dumping securities**

### **7.3 Submissions on provisional measures**

In its submission of 3 September 2025, Rondo submitted that preliminary measures should be implemented as soon as possible in order to protect Australian industry. Rondo proposed that such measures include the taking of securities. Rondo further submitted that all Chinese exporters should be treated as uncooperative.

Rondo submitted of 22 January 2026, that the market situation in China warranted the imposition of provisional measures. Rondo referred to INV 658 and INV 659 which concerned hot rolled coil (HRC), including imposition of provisional measures in those investigations. Rondo submitted that the imposition of provisional measures on HRC is directly relevant to LGST, as HRC constitutes the primary cost component in LGST production. Rondo’s key points are summarised below:

- Rondo relies on the commission’s SEF 658<sup>38</sup> concerning HRC from China and 659 – *certain strata steel bolts from China*.
- SEF 658 found a particular market situation in China due to government intervention and therefore domestic prices for the HRC were unreliable.
- Rondo says these findings apply equally to LGST, which is about 90% HRC by cost.
- Applying the findings in SEF 658 to this investigation would support constructed normal values, positive dumping margins, and provisional measures to prevent ongoing injury to the Australian industry.

#### **7.3.1 Commission’s Assessment**

The commission has addressed the potential imposition of provisional measures above and, having regard to the findings in INV 658 and concurrent investigation 659. The commission’s preliminary findings are discussed in relevant sections of this notice.

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<sup>38</sup> SEF 658 preliminary findings have been finalised and are reported REP 658

#### **7.4 Anti-Dumping Commission contact**

Affected parties should contact [clientsupport@adcommission.gov.au](mailto:clientsupport@adcommission.gov.au) on telephone number 13 28 46 or +61 2 6213 6000 (outside Australia) for further information regarding the actual security liability calculation in their circumstance.

Enquiries about this notice may be directed to the case manager via email at [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au).

David Latina  
Commissioner  
Anti-Dumping Commission

25 May 2026

**8 CONFIDENTIAL ATTACHMENTS**

<b>Confidential Attachment 1</b>	Export price calculations
<b>Confidential Attachment 2</b>	Normal value calculations
<b>Confidential Attachment 3</b>	Dumping margin calculations
<b>Confidential Attachment 4</b>	Economic condition of the Australian industry
<b>Confidential Attachment 5</b>	Price undercutting analysis
<b>Confidential Attachment 6</b>	USP and NIP
<b>Confidential Attachment 7</b>	Benchmark data

## **APPENDIX A COST OF PRODUCTION IN CHINA**

### **A.1 Preliminary findings**

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

The benchmark is based on the difference between Chinese and Japanese prices of galvanised hot rolled coil with necessary adjustments to reflect a cost of production for galvanised hot rolled coil in China.

### **A.2 Applicable legislation, policy and practice**

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

... the sum of:

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

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

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

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

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

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

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

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

- the preliminary conclusions reached as part of the commission's assessment under section 43(2) of the Regulation
- the commission's preliminary assessment of the existence of a particular market situation in the HRC market in China (as found in investigation 658).

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

### **A.3 Generally accepted accounting principles (GAAP)**

The commission assessed Kaize's response to the REQ and determined the response to be sufficient. The commission is satisfied that Kaize is an exporter of the goods and the information provided by Kaize is reliable for the purpose of ascertaining variable factors. As part of the assessment process, the commission accepted that Kaize kept records relating to the cost of production of like goods and is satisfied that those records were in accordance with GAAP in China. The commission also accepted that Kaize's cost to make and sell data was complete and relevant to this investigation. Accordingly, the commission is satisfied that the exporters kept records relating to the cost of production of like goods, and that those costs were in accordance with GAAP in China and reasonably reflected the actual cost of production.

### **A.4 Do records reasonably reflect competitive market costs?**

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

As outlined in REP 658, the commission considers that the significant influence of the GOC has materially altered prices in the steel industry and HRC market in China. The commission also considers that the GOC's influence has also materially altered the prices of production inputs including (but not limited to) raw materials used to make steel in China. In particular, the GOC's influence has resulted in artificially low prices for the key raw materials, as well as the other inputs associated with the production steel, including galvanised HRC.

The commission considers that direct and indirect influences of the GOC affect Chinese manufacturers' costs to produce HRC, and therefore Kaize recorded costs do not reflect competitive market costs. The records of the case 658 exporters indicate that steel slab costs comprise on average over 90% of the cost to make HRC. Similarly, in this investigation, Kaize records indicate that the cost of galvanised HRC represents approximately 97% of the cost to make LGST. The commission therefore considers that Kaize recorded costs for HRC do not reflect competitive market costs.

The commission has used confidential benchmark data that has been relied upon for the determination of the appropriate cost of production

### **A.5 Do the exporter's records meet the first two conditions of Article 2.2.1.1?**

Where the criteria in section 43(2)(b) of the Regulation are not met, the commission will calculate the cost of production under section 269TAC(2)(c)(i) having regard to all relevant information. The Minister is neither required to, nor prohibited from, using an exporter's records to determine normal values under section 269TAC(2)(c)(i), however, the Minister is to exercise their discretion in section 269TAC(2)(c)(i) in accordance with the requirements of the ADA.<sup>39</sup>

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

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

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

The commission's consideration of the domestic market for LGST in China, including the factual findings set out in REP 658, suggest it should examine whether circumstances are normal and ordinary such that the presumption in Article 2.2.1.1 should apply. Consequently, the commission has further considered the exporter's recorded HRC costs to assess whether the circumstances in which the exporter's costs were formed were normal and ordinary, such that they should be used as the costs of production pursuant to section 269TAC(2)(c)(i).

The commission's confidential benchmark data for the determination of the appropriate cost of production is at **Confidential Attachment 7**.

### **A.6 Are circumstances 'normal and ordinary'?**

The commission preliminarily considers there are compelling reasons for determining that circumstances in which Kaize's cost were formed were not 'normal and ordinary' such that using Kaize cost records to construct a normal value is not appropriate. This is despite the commission's finding that Kaize records comply with Chinese GAAP and reasonably reflect actual costs incurred in the production of the goods.

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<sup>39</sup> See *Steelforce Trading Pty Ltd v Parliamentary Secretary to the Minister for Industry, Innovation and Science* [2018] FCAFC 20; 259 FCR 478, [108], Pagone and Bromwich JJ agreeing at [128] and [137] respectively. Cited affirmatively by Griffith J in *Changshu Longte Grinding Ball Co., Ltd v Parliamentary Secretary to the Minister for Industry, Innovation and Science (No 2)* [2018] FCA 1135, [50].

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

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

Firstly, as noted in REP 658, the GOC has intervened extensively in the markets for key raw materials used in steel production. This has resulted in lower prices of critical inputs such as iron ore, coal, steel scrap, and electricity than what would have otherwise prevailed in the absence of GOC intervention.

Secondly, as these raw materials represent the majority of the cost to produce galvanised HRC, the effects on raw material pricing have also flowed through to the Kaize's recorded cost of production.

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

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

#### **A.6.1 Circumstances are not normal and ordinary**

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

In REP 658, the commission considered that the circumstances involving the cost of production for steel slab in the records of the Chinese HRC manufacturers are not normal and ordinary. This has subsequently affected those manufacturers' cost of production records and selling prices for HRC.

The evidence before the commission for INV 658 shows that steel slab is a key cost component in producing HRC, representing over 90% of Kaize's cost to make for HRC. As this component reflects the cost of upstream raw materials and other inputs – for example, iron ore, coal, steel scrap, and electricity – any effect due to the GOC's influence on those input prices directly affects the cost of production for HRC.

The commission considers that the GOC has significant involvement in the raw material markets specific to the production of steel. A summary of these preliminary findings in REP 658 is below:

- The GOC established the China Mineral Resources Group Limited in 2022 as a SOE to centralise iron ore procurement and increase control over iron ore pricing. This measure increases the GOC's control over iron ore pricing in China and allows tolerance for losses due to state backing, materially altering iron ore prices.

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

The cumulative effect of these factors is that the circumstances in which Kaize’s cost were incurred or formed cannot be considered normal and ordinary. To make this assessment, the commission considered previous findings on the effect of the GOC’s influence on Chinese steel markets and compared Kaize’s purchase of HRC in China to the domestic price of HRC in other countries.

Furthermore, as summarised in Table 6 below, the commission has previously found that the GOC’s involvement and influence over the steel industry is a primary cause of the prevailing structural imbalances within both the broader steel industry and the steel coil markets.

Report no	Goods investigated
REP 658 <sup>40</sup>	Hot-rolled coil (HRC) exported to Australia from China – see Appendix A to D
REP 611 <sup>41</sup>	Zinc coated (galvanised) steel (HDG-Zn HRC) exported to Australia from China, Korea and Taiwan – see Appendix A to D
REP 610 <sup>42</sup>	Aluminium zinc coated steel (≥ 600mm) (HDG-AIZn HRC) exported to Australia from China – see Appendix A and B
REP 590 <sup>43</sup>	Hollow structural sections (HSS) exported to Australia from China, Korea, Malaysia and Taiwan – see Appendix A to D
REP 550 <sup>44</sup>	Precision pipe and tube steel (PP&T) exported to Australia from China, Korea – see Appendix A and B

**Table 6: Relevant cases that found abnormal market conditions for steel coils in China**

### **A.6.2 Circumstances not being normal and ordinary leading to materially altered production costs**

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

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<sup>40</sup> EPR 658 – [document 44](#) refers, REP 658 (dated 2 April 2026)  
<sup>41</sup> EPR 611 – [document 29](#) refers, REP 611 (dated 22 June 2023)  
<sup>42</sup> EPR 610 – [document 12](#) refers, REP 610 (dated 22 June 2023)  
<sup>43</sup> EPR 590 – [document 41](#) refers, REP 590 (dated 27 May 2022)  
<sup>44</sup> EPR 550 – [document 71](#) refers, REP 550 (dated 27 August 2021)

on their cost of production for HRC.

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

### **A.7 Selection of appropriate benchmark**

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

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

For the purposes of selecting an appropriate benchmark to compare to the HRC exporters recorded HRC cost, the commission preliminarily considered:

- China and Taiwan HRC prices and noted that these prices would likely be a cost in China influenced by the GOC based on the information considered for case 658.
- Korea HRC prices - in INV 658 the commission noted that cooperating Chinese exporters in that case exported a large volume of HRC to Korea and therefore the Korean HRC prices are likely to have been influenced by the GOC.
- Case 658 benchmark approach – there were limitations given there is only two quarters of overlap (658 investigation period is from 1 October 2023 to 30 September 2024, while 679 investigation period is from 1 April 2024 to 31 March 2025).
- Japan HRC prices – the commission preliminarily finds that Japan's HRC prices are not influenced by the GOC or by any other third party and therefore is an appropriate benchmark for the purpose of this investigation. The commission also finds that it is appropriate to use Japanese HRC prices as a benchmark as Japanese HRC prices can be directly compared with the Chinese HRC prices.
- Japan HRC prices benchmark has also been used for another concurrent case 689 – *Precision pipe and tube steel*. SEF 689<sup>45</sup> provides detailed assessment of the benchmark prices of HRC including all relevant adjustments made to that Benchmark. The commission notes that three

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<sup>45</sup> [SEF 689](#)

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quarters of the investigation period for case 689 overlap with this case - 689 investigation period is from 1 July 2024 to 30 June 2025, while 679 investigation period is from 1 April 2024 to 31 March 2025).

Furthermore, the commission preliminarily considers that the impact of the GOC's influence over the steel markets in China results in a material decrease in the cost of production for HRC. Accordingly, the commission considers that the difference between the Japanese and Chinese market price reflects the impact of the GOC's influence over the steel markets in the form of lower HRC costs over the investigation period. This means that those costs are not a reliable indication of the cost of production of HRC in China.

On this basis, and in accordance with Article 2.2.1.1 of the ADA, the commission has preliminarily found that it is not appropriate to use Kaize's unadjusted records to construct the normal value. The commission calculated the normal value for Kaize having regard to the following information:

- Kaize's export cost to make including an adjustment to HRC costs – using Japanese benchmark of galvanised HRC costs.
- Kaize's export (as there were no domestic sales) SG&A. The export SG&A is similar amount to domestic SG&A for a Chinese exporter of steel product found in another concurrent case.
- Chinese domestic profit achieved on sales of the goods in the ordinary course of trade (OCOT) from another concurrent case using HRC as a raw material input.
- An amount for export port handling charges.
- An amount for export inland freight.
- An amount of slitting costs using Australian industry's slitting costs (converted to RMB) as the most relevant available information during the investigation period.

The commission also considered the following analysis and adjustments were made to the benchmark:

- i. Average monthly domestic Japanese delivered HRC prices.
- ii. Removal of Japanese inland freight, SG&A and profit to make the HRC price reflective of price in Japan.
- iii. Adjusted above costs to reflect comparative advantages (or disadvantages) in China ( i.e. to make the cost more reflective of China).
- iv. Added back Chinese inland freight, SG&A and profit to make the cost reflective of a price in China (noting that Kaize purchases all galvanised HRC from Chinese manufacturers).

### **A.7.1 Comparative advantage adjustments**

- i. The adjustments for comparative advantage were done with a cost model done by Independent Strategic Advisory Services for the Global Steel Industry<sup>46</sup>. The cost model is for 2025 and therefore is relevant to this

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<sup>46</sup> Published on [www.steelonthenet.com](http://www.steelonthenet.com) by a Cambridge-educated economist and OECD Steel Committee recognized authority specialising in steel cost benchmarking and economic analysis.

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investigation. For a notional steel producer, a typical size integrated BOF plant producing 3m tonnes per year at a Japanese coastal site with its own coke and sinter plant using imported coal purchased at international prices with third party transport.

- ii. The cost model breaks down the steel making process into components such as iron ore, iron ore transport, coal, coal transport, and a variety of other costs that go into producing liquid steel.
- iii. Majority of the costs are based on international market prices, e.g. coal and coke.
- iv. The commission adjusted costs that can be replaced with Chinese costs, e.g. iron ore transport, coal transport, steel scrap delivery, by-product credits, emissions trading and labour (makes the cost more akin to a Chinese cost) using Kaize's records where possible.
- v. The above leads to a downwards adjustment to the liquid steel component of the steel making process.
- vi. A cost model from the same source as above is used to add the conversion cost of liquid steel to HRC, after replacing the Japanese labour component with a Chinese labour component.