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12 May 2026

The Director - Investigations 1
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

By email : investigations1@adcommission.gov.au

Dear Director

Investigation 692 - Certain welded steel mesh sheets from China, Malaysia

As you are aware, we are the authorised representative for Kamen Steel Industries Sdn. Bhd.

Attached is a submission on behalf of Kamen Steel Industries Sdn. Bhd., as identified at the Exporter Verification, for a Proposed Amendment to the Model Control Code Structure to differentiate standard welded mesh from project mesh or cut-to-size products.

We consider the submission is suitable for as both an 'OFFICIAL: Sensitive' (i.e. confidential) and 'Non-confidential' (for public record) versions.

Should you require any further information, please contact the writer.

Yours sincerely

Troy Morrow
Director/Partner
Lentro Business Solutions

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SUBMISSION TO THE ANTI-DUMPING COMMISSION

Case 692 – Certain Welded Steel Mesh Sheets

Proposed Amendment to Model Control Code (MCC) Structure

1. Introduction

This submission is made on behalf of **Kamen Steel Industries Sdn. Bhd.** in connection with the exporter questionnaire response in **Case 692**.

The purpose of this submission is to seek an amendment to the Model Control Code (MCC) structure to incorporate an additional product characteristic reflecting **product type**, specifically distinguishing between:

- **Standard welded steel mesh**, and
- **Project mesh / cut-to-size (“CTS”) products**

For the purposes of this submission, **CTS / project mesh** refers to mesh produced to customer- or project-specific specifications (including made-to-order sheet dimensions and/or non-standard production runs) where the supply involves incremental technical coordination and service inputs; products sold as uniform, catalogue-style specifications with routine production and minimal service inputs are treated as **standard mesh**. The proposed coding rule is applied on a **binary basis**: **N** = standard mesh and **Y** = CTS / project mesh, consistently across sales and cost records.

This amendment is necessary to ensure accurate **model matching**, proper **price comparability**, and reliable determination of **normal value** in accordance with the Commission’s methodology.

2. Executive Summary

The current MCC structure does not capture a critical commercial distinction between standard mesh and CTS / project mesh products.

This omission results in:

- Grouping of products with **materially different cost structures**
- Comparison of prices that are **not comparable in the ordinary course of trade**
- Risk of **distorted dumping margins**

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Kamen Steel proposes the addition of a **Product Type characteristic** within the MCC framework as follows:

Category	Identifier
Product Type	N = Standard mesh
	Y = CTS / Project mesh

Summary of supporting evidence: The systematic commercial and pricing basis for distinguishing CTS from standard mesh is set out in 42.a

CTS_Selling_Price_Explanation.docx; transaction-level classification can be reconciled to **B-2** (export sales) and **D-2** (domestic sales), and the associated cost-to-make and allocation impacts can be reconciled to **G-3** and **G-5** (costing data).

The proposed amendment is:

- Consistent with Commission requirements that MCC reflects **characteristics affecting price comparability**
 - Supported by evidence demonstrating **systematic cost and pricing differences**
 - Operationally feasible and fully reconcilable to submitted data
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3. Current MCC Structure

The Commission's MCC framework currently includes the following categories:

- Prime / non-prime
- Coating
- Wire diameter
- Sheet size

While these characteristics capture physical attributes, they do not capture differences in:

- **Production process**
 - **Commercial function**
 - **Service intensity**
-

4. Identified Deficiency in the MCC Structure

4.1 Absence of Product Type as a Distinguishing Characteristic

The current MCC structure does not distinguish between:

- Standard welded steel mesh (high-volume, uniform production)
- CTS / project mesh (customised, service-intensive production)

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This results in the aggregation of products that differ materially in:

- Cost to make
 - Selling price
 - Commercial characteristics
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4.2 Material Impact on Price Comparability

CTS / project mesh differs fundamentally from standard mesh.

- CTS products require:
 - greater technical support and coordination
 - additional services such as consultation and specification adjustments
 - customised dimensions and production runs
 - lower production efficiency due to smaller volumes
 - higher logistics costs due to load inefficiencies
 - As a result:
 - CTS products command **higher selling prices**
 - These prices reflect **additional services, complexity and operational requirements**
 - Critically:
 - CTS products “are not directly comparable to standard products in terms of pricing”
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4.3 Consequences of Current MCC Structure

Without amendment:

- CTS products may be:
 - Matched to standard mesh in domestic comparisons
 - Compared to the export standard mesh

This leads to:

- Artificial inflation of domestic prices used for the normal value
 - Incorrect ordinary course of trade testing
 - Distorted margin calculations
-

5. Evidence of Material Differences

5.1 Commercial Differences

CTS products:

- Involve project-based supply arrangements
- Require engineering input and scheduling coordination
- Are priced per m², not standardised sheet units

Standard mesh:

- Produced in uniform specifications
 - High-volume, continuous production
 - Minimal technical or service input
-

5.2 Cost Differences

CTS products exhibit:

- Higher per-unit labour input
- Increased changeover and set-up costs
- Reduced machine efficiency
- Incremental handling and logistics costs

These differences directly affect:

- Cost to make (CTM)
 - SG&A allocation
 - Pricing structure
-

5.3 Pricing Differences

CTS products:

- Consistently priced higher than standard mesh
- Reflect both:
 - production complexity
 - embedded services

These differences are:

- Systematic (not incidental)
- Observable across transactions

- Supported by contemporaneous documentation
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6. Proposed MCC Amendment

Kamen Steel proposes adding a new MCC category:

Product Type

Characteristic	Identifier	Description
Product Type	N	Standard welded steel mesh
	Y	CTS / project mesh

Example MCC Construction

Current:

1	P-N-B-L
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Proposed:

1	P-N-B-L-N	(Standard mesh)
2	P-N-B-L-Y	(CTS / Project mesh)

7. Consistency with Commission Methodology

The proposed amendment is consistent with established principles:

7.1 Model Matching Requirements

The Commission requires MCC structures to reflect:

- Characteristics that give rise to **material price differences**

CTS vs standard mesh clearly meets this criterion.

7.2 Due Allowance Framework

Adjustments are only made where differences:

- **affect price comparability**

Without this MCC distinction:

- Adjustments cannot be accurately applied
 - Comparability is structurally compromised
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7.3 Avoidance of Artificial Comparisons

Failure to distinguish CTS products would:

- Require complex adjustments
- Introduce estimation risk
- Reduce transparency

The proposed MCC eliminates this risk at the **model-matching stage**.

8. Implementation and Data Mapping

Kamen Steel confirms:

- All sales and cost data can be mapped to the proposed MCC structure
 - The distinction between Standard and CTS is already:
 - identifiable in internal records
 - applied consistently in commercial and operational practice
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8.1 Data Integrity

The amendment:

- Does not alter underlying data
 - Improves classification accuracy
 - Facilitates verification
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8.2 Operational Feasibility

The additional MCC category:

- Is simple and binary
 - Does not introduce excessive granularity
 - Can be consistently applied across:
 - B-2 (export sales)
 - D-2 (domestic sales)
 - G-3 / G-5 (costing data)
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9. Conclusion

Kamen Steel submits that:

- CTS / project mesh products represent a **distinct product category**
- They differ materially from standard mesh in:
 - cost structure
 - pricing
 - commercial function

Failure to incorporate this distinction within the MCC structure would:

- Compromise model matching
- Distort price comparability
- Undermine the reliability of dumping calculations

Accordingly, Kamen Steel respectfully requests that the Commission:

- Adopt the proposed MCC amendment incorporating “Product Type (N / Y)” to distinguish standard mesh from CTS / project mesh products.
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