PUBLIC VERSION

J.BRACIC & ASSOCIATES
TRADE REMEDY ADVISORS

PO Box 3749
Manuka, ACT 2603
Mobile: +61 499 056 729
Email: john@jbracic.com.au
Web: www.jbracic.com.au

17 June 2026

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

Case 692 - Investigation into certain welded steel mesh sheets exported from the People's Republic of China

Dear Director,

We continue to act on behalf of Beijing Xingtai Steel Weldmesh & Technology Development Co., Ltd ("Xingtai"), a cooperative exporter in Investigation No. 692. We refer to our submission of 22 May 2026,[1] in which Xingtai opposed the request by Wire Industries Pty Ltd and Bestbar Pty Ltd (the "domestic producers") for the early publication of a Preliminary Affirmative Determination ("PAD") and for advice to importers concerning possible retrospective measures.

Since that submission was lodged, two further documents have entered the public domain that bear directly upon, and in Xingtai's respectful submission conclusively reinforce, the matters there raised. The first is commentary published in The Australian on 5 June 2026 reporting that the Whyalla steelworks blast furnace is unlikely ever to be revived.[2] The second is a market update issued to customers by [redacted] ("Party A"), announcing material price increases for reinforcing bar and mesh products with effect from 1 July 2026 (refer to **Confidential Attachment A**).

Together, this new evidence demonstrates three key points, and any one of them is enough on its own to reject the domestic producers' request. First, the shutdown of the Whyalla blast furnace is not a short-term maintenance event but an enduring, and on the reported industry consensus likely permanent, structural loss of domestic upstream supply. Second, prevailing prices for reinforcing mesh in the Australian market are rising, not being suppressed or depressed, which is irreconcilable with the price-injury narrative advanced by the domestic producers. Third, contemporaneous commercial communications from an independent supplier in the reinforcing market attribute current market conditions to the Whyalla outage and associated sourcing costs, and make no mention whatsoever of imports.

[1] Submission on behalf of Beijing Xingtai Steel Weldmesh & Technology Development Co., Ltd, dated 22 May 2026, Record no. 30.
[2] J Durie, "Whyalla steelworks revival unlikely as potential buyers face an expensive furnace rebuild", The Australian (Commentary), 5 June 2026 'Finished': Consensus grows that Whyalla's furnace won't restart

We therefore submit that the statutory preconditions for a PAD cannot be satisfied and the request must be declined.

1. The Whyalla shutdown is now confirmed as an enduring structural supply shock

In our submission of 22 May 2026, Xingtai identified the unscheduled shutdown of the Whyalla blast furnace from early April 2026, and the consequent interruption to billet and wire rod supply, as a textbook "other known factor" within the meaning of section 269TAE(2A) of the Customs Act 1901 (the "Act") whose injurious effects must not be attributed to the subject imports. At that time, the shutdown had been publicly characterised as "necessary unscheduled maintenance" and its duration was uncertain.

The position is now materially clearer, and materially worse for the domestic producers' causation case. The Australian reports that the blast furnace, which has now been offline for more than two months, is unlikely to be revived, that any restart would require an expensive rebuild, and that the operation has been in administration since February 2025. A spokesman for one of the short-listed bidders for the asset is reported as acknowledging significant operational issues with the furnace and stating that the overwhelming industry consensus is that the Whyalla blast furnace "is finished". The evidence before the Commission therefore now demonstrates that the loss of Whyalla billet supply is not a transient disruption to be netted off against a few months of data, but a structural change in the availability of domestically produced feedstock for reinforcing bar, wire rod and, ultimately, welded steel mesh.

The consequences for the injury analysis are profound. Any deterioration in the domestic producers' volumes, capacity utilisation, costs or profitability during 2026 will be dominated by the cessation of upstream supply from Whyalla and the cost of substitute feedstock, rather than by import competition. Equally, the elevated presence of imported mesh in the market is now justifiable, indeed necessary, as the means by which continuity of supply to Australian builders and construction projects is being maintained in the face of a confirmed domestic production failure. These are precisely the circumstances in which section 269TAE(2A) of the Act, and Article 3.5 of the WTO Anti-Dumping Agreement, require the Commission to separate and distinguish the effects of other known factors before any causal finding adverse to imports could be contemplated.

The article also reports that Bestbar is itself proceeding with a new electric arc furnace mill, timed to commence operations in February using scrap steel feed. That reported investment cannot be reconciled with the domestic producers' assertion, repeated in their 28 April 2026 letters, that imports are "undermining future investment" in mesh manufacturing and upstream steel production. On the contrary, significant new domestic capacity is being committed notwithstanding the presence of the subject imports.

2. The Party A market update is direct contemporaneous evidence inconsistent with the alleged injury

On 2 June 2026, Party A, an independent reinforcing bar and mesh supplier that sources its steel from InfraBuild, issued a written market update to its customers advising that, with effect from 1 July 2026, prices for steel bar will increase by $[redacted] per tonne and prices for mesh products will increase by [redacted] per cent, with the adjustments applying to all existing accounts, upcoming quotations and projects where contract conditions permit. The notice attributes these increases to billet supply disruption arising primarily from the Whyalla steelworks outage, to delays and costs in sourcing material from alternate suppliers, and to ongoing market volatility. It does not attribute any element of the increases, or any aspect of current market conditions, to import competition or to imports from China.

Three further features of the notice reinforce that the prevailing condition of the market is one of scarcity and cost pressure, not import-driven price depression. First, Party A states that, in respect of existing orders and contracts, it has “no choice other than” to apply the increases. This confirms that increases are being imposed even on pre-existing fixed commitments as a matter of commercial necessity. Second, Party A advises that, given the current level of market uncertainty, it is not in a position to offer fixed-rate pricing on reinforcing steel at this time. Third, it encourages customers to provide forward programs wherever possible so that it can plan and allocate stock more effectively on their behalf. Repricing of existing contracts, the withdrawal of fixed-rate pricing and the rationing of stock through forward programs are the classic indicia of a supply-constrained market in which input costs are rising. They are fundamentally inconsistent with the existence of an abundant, aggressively priced volume of dumped imports depressing domestic prices.

It is submitted that an announced, market-wide price increase of [redacted] per cent on mesh products is fundamentally irreconcilable with the domestic producers’ claims of price suppression, price depression and margin erosion caused by the subject imports. The Party A notice is therefore positive, contemporaneous evidence that the prevailing dynamic in the Australian mesh market is one of domestic supply scarcity and rising prices, which is the opposite of the condition the domestic producers must establish. To the extent the domestic producers experience margin pressure, the evidence indicates that it is cost-driven, flowing from the loss of Whyalla feedstock and the higher cost of substitute billet and semi-finished product, and not revenue-driven by import pricing. Cost-side injury of that character is the model example of injury caused by an “other known factor” that section 269TAE(2A) prohibits the Commission from attributing to imports.

The notice also confirms the supply shortage previously described in our 22 May 2026 submission and the essential role that imported mesh is presently performing. Australian builders are already facing a [redacted] per cent increase in mesh prices from 1 July 2026. The imposition of provisional securities on imports in these conditions would compound that increase, restrict the only available supplementary source of supply, and transmit further cost inflation directly into residential, commercial and infrastructure construction. These downstream consequences are squarely relevant to the Commissioner’s discretion whether to make a PAD at this stage.

Two further matters recorded in the notice warrant emphasis. First, the notice states that InfraBuild has had to source not only billet but also finished reinforcing products from international steel mills to meet demand. The upstream domestic supplier is therefore itself relying on imports of finished product, which confirms that imported reinforcing material is presently sustaining, rather than undermining, supply to the Australian market, and makes it untenable for the domestic industry to characterise the same imports as the source of its injury. Second, the notice records that, as at its date, there remained no confirmed advice as to when production at Whyalla would recommence. That is independent, commercial corroboration, of the enduring and likely permanent character of the Whyalla supply shock outlined above.

3. The non-attribution obligation is now decisive

Section 269TAE(2A) of the Act requires the Commission to ensure that injury caused by factors other than the exportation of the goods is not attributed to that exportation. The corresponding obligation under Article 3.5 of the WTO Anti-Dumping Agreement was authoritatively explained by the *Appellate Body in United States – Anti-Dumping Measures on Certain Hot-Rolled Steel Products from Japan*, which confirmed that an investigating authority must appropriately assess the injurious effects of other known factors and must separate and distinguish those effects from the effects of the dumped imports, so that injury caused by other factors is not attributed to the imports under investigation.[3] The Commission's Dumping and Subsidy Manual reflects the same requirement in its treatment of causation and non-attribution.

The available evidence contains a clear collection of other known factors operating simultaneously on the domestic producers:

- the confirmed and likely permanent loss of the Whyalla blast furnace and the consequent interruption to billet and wire rod supply;
- the administration of the upstream operation since February 2025;
- the cessation of supplementary Middle East feed supply following the closure of the Strait of Hormuz;
- the domestic producers' own importation of welded mesh to cover their supply shortfalls; and now
- the market-wide reinforcing price increases announced by independent suppliers such as Party A, expressly attributed to the loss of Whyalla billet, the cost of sourcing both billet and finished product from international mills, and a volatile international trade environment, and not to imports from China.

No injury or causation analysis that fails to disentangle each of these factors could satisfy sections 269TDA and 269TAE of the Act or Article 3 of the Anti-Dumping Agreement, and the domestic producers' submissions to date make no attempt to do so.

4. Request for PAD and retrospective measures

In our 22 May 2026 submission, Xingtai demonstrated that the domestic producers' 28 April 2026 letters relied on unsourced and inaccurate import data, and provided no positive evidence of dumping, material injury or causation. The position has since deteriorated further, with the evidence now not merely failing to support their claims, but instead contradicts them. A PAD would not be based on the positive evidence and objective examination the Act and the Commission's Manual require.

The new evidence is equally destructive of any suggestion of retrospective measures. The first cumulative condition under Article 10.6 of the Anti-Dumping Agreement requires massive dumped imports in a relatively short period that are likely seriously to undermine the remedial effect of any definitive duty. Import volumes that respond rationally to a confirmed and now likely permanent domestic production failure, and that are maintaining continuity of supply to the Australian construction sector at a time when prices across the Australian reinforcing market are themselves

[3] Appellate Body Report, *United States – Anti-Dumping Measures on Certain Hot-Rolled Steel Products from Japan*, WT/DS184/AB/R, para 223.

rising, are incapable of undermining the remedial effect of any future measure. They are instead sustaining the market the measure would purport to protect.

The second condition, importer knowledge of dumping and consequent injury, remains entirely unaddressed by the domestic producers for the reasons given in our earlier submission.

5. Conclusion and Recommendations

For the reasons set out above and in our submission of 22 May 2026, Xingtai respectfully requests that the Commission:

- decline to publish a Preliminary Affirmative Determination;
- require the domestic producers, in any further injury submissions, to address and disentangle the effects of the Whyalla shutdown, their own announced price increases, the cost of substitute feedstock and their own importation of welded mesh from any effects attributed to the subject imports;
- proceed with the investigation in the ordinary course to the Statement of Essential Facts; and
- reject any suggestion that importers be advised of the possibility of retrospective measures.

John Bracic