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6 July 2026

The Director - Investigations 4
Anti-Dumping Commission
GPO Box 2013
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**Exemption Inquiry No. 105 (EX0105) - Hot Rolled Coil Steel Exported to Australia
from the People's Republic of China**

Dear Director,

We act for Baoshan Iron & Steel Co Ltd (Baoshan), Baosteel Zhanjiang Iron & Steel Co Ltd (Zhanjiang) and Shanghai Meishan Iron & Steel Co Ltd (Meishan) (together, Baosteel). This submission is lodged in response to the Commissioner's notice initiating Exemption Inquiry No. 105.

The exemption goods are low carbon emission hot rolled coil and sheet steel sold under Baosteel's BeyondECO brand, being HRC manufactured by advanced low-carbon processes across the cradle-to-gate boundary and achieving a 30 to 60 per cent reduction in carbon emissions compared with conventional steel production (“the exemption goods”). The inquiry was initiated under sections 8(7) and 10(8) of the *Customs Tariff (Anti-Dumping) Act 1975* (Cth) (the Dumping Duty Act), which empower the Minister to exempt goods where satisfied, relevantly, that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

The inquiry follows Investigation 658, in which the Commissioner declined to determine this request on the basis that there was, at that stage, insufficient information, and resolved to assess it in a separate inquiry. This submission supplies the analysis and evidence relevant to that assessment.

Baosteel submits that verified low carbon emission HRC is a distinct product that is not offered for sale in Australia. The sole Australian producer, BlueScope Steel Limited (BlueScope), produces and offers only conventional HRC, at a carbon intensity materially higher than the

exemption goods, and has itself confirmed that it does not produce HRC with comparable emission reductions. Conventional HRC is not a like or directly competitive good offered for sale on equal terms under like conditions having regard to the custom and usage of trade, because verified low-carbon steel is bought and sold in a distinct market segment, to satisfy distinct certification and procurement requirements, and at a substantial price premium. BlueScope's contention that embedded carbon does not affect the end-use of the product does not answer the statutory question.

The statutory framework and the correct legal test

Section 8(7) of the Dumping Duty Act provides that the Minister may, by notice in writing, exempt goods from interim dumping duty and dumping duty if satisfied of any of the matters there specified, the first of which (s 8(7)(a)) is:

that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

The criterion is not satisfied merely by the existence of a physically similar domestic product. The provision is expressed in two parts ("like or directly competitive goods") and is qualified by the words "offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade." Those words direct attention to the commercial reality of the market, which is whether goods of a relevant description are actually held out for sale, to the trade at large, on equal terms, judged by the custom and usage of the trade. It is submitted that a product may be physically comparable in some respects yet not be offered "under like conditions" where it occupies a distinct commercial segment, serves a distinct purchaser requirement and is transacted on materially different terms.

Care must be taken not to conflate the exemption criterion with the previous "like goods" assessment under section 269T(1) of the Customs Act 1901 (the Act), by which the Commissioner determined in REP 658 that BlueScope produces goods "like" the goods under consideration. That assessment establishes the existence of an Australian industry for the purpose of imposing measures. The exemption criterion in section 8(7)(a) asks a different and additional question - whether like or directly competitive goods are *offered for sale* on equal terms under like conditions having regard to the custom and usage of trade. A finding that conventional HRC is a "like good" for the purpose of establishing the industry does not answer whether verified low-carbon HRC is offered for sale in Australia.

Verified low carbon emission HRC is a distinct product not offered for sale in Australia

The exemption goods are objectively defined and independently verified

The exemption goods are not a marketing claim but an independently verified product. The BeyondECO-30 variant carries a Product Carbon Footprint Verification Statement issued by

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TUV SUD, confirming a partial product carbon footprint of 1.557 tCO₂e per tonne (declared unit: one tonne of BeyondECO-30 hot-rolled strip), verified in accordance with ISO 14064-3:2019 and ISO 14067:2018.¹ The verified footprint comprises raw materials acquisition (0.343 tCO₂e), transportation of raw materials (0.050 tCO₂e) and production (1.164 tCO₂e), totalling 1.557 tCO₂e per tonne. The product is thus defined by a measurable, certified and auditable attribute, not by subjective description.

BlueScope offers only conventional HRC at a materially higher carbon intensity

BlueScope is the only Australian producer of HRC, and the content of its offering is therefore determinative of whether like or directly competitive goods are offered for sale. On the evidence before the Commission, BlueScope's HRC has a carbon intensity of approximately 2.33 to 2.38 tCO₂e per tonne, against the verified 1.557 tCO₂e per tonne of BeyondECO -30, and the verified 0.912 tCO₂e per tonne of BeyondECO-60 - a reduction ranging 33%-61%. While BlueScope has reduced its overall emissions intensity by approximately 14 per cent since FY2018, it does not produce or offer HRC achieving reductions of the order delivered by the exemption goods, and has not contended otherwise.

Product	Carbon intensity (tCO₂e per tonne)	Source / status
BlueScope HRC (conventional)	approx. 2.33 - 2.38	Per Baosteel submission, EPR 658 doc 39 (public record)
Baosteel conventional baseline	approx. 2.28	Per Baosteel HRC EPD (Environmental product declaration)
Baosteel BeyondECO-30% (verified)	1.557	TUV SUD verification (ISO 14067/14064-3), Attachment C
Baosteel BeyondECO-60% (verified)	0.912	TUV SUD verification (ISO 14067/14064-3)

The comparison demonstrates that the exemption goods are not within BlueScope's offering. The relevant attribute of a verified, materially reduced product carbon footprint, is simply not a feature of any HRC that BlueScope offers for sale in Australia.

Verified low-carbon steel is transacted in a distinct market segment under distinct conditions

The custom and usage of the steel trade now recognises verified low-carbon steel as a distinct product class, bought and sold to satisfy requirements that conventional HRC cannot meet. Purchasers require verified low-carbon steel to obtain green building certifications such as Green

¹Product Carbon Footprint Verification Statement No. P2GHG 128976 0001 Rev. 00, issued by TUV SUD on 25 October 2024, for BeyondECO-30 Hot-rolled strip (declared unit: 1 tonne), verified in accordance with ISO 14064-3:2019 and ISO 14067:2018 for the period 1 January to 31 August 2024.

Star, LEED and BREEAM; to satisfy commitments under initiatives such as SteelZero, and to meet their own emissions-reduction and supply-chain obligations. For such purchasers, conventional HRC is not a substitute, because it cannot discharge the certification or embodied-carbon requirement that defines the purchase. The exemption goods are, moreover, sold at a substantial price premium over conventional HRC, which both confirms that the two products are not transacted "on equal terms under like conditions" and removes any incentive to use the exemption as a route to import conventional steel. It follows that like or directly competitive goods, verified low-carbon HRC offered on equal terms under like conditions, are not offered for sale in Australia.

BlueScope's opposition does not answer the statutory question

BlueScope opposed this request on the basis that it considers its locally produced HRC "alike and directly competitive" to Baosteel's low carbon emission HRC because embedded carbon content does not impact the end-use of the product.² That contention, even if accepted on its own terms, does not engage the statutory criterion. Section 8(7)(a) does not ask whether two products perform the same structural function. Instead, it asks whether like or directly competitive goods are offered for sale on equal terms under like conditions having regard to the custom and usage of trade. Functional interchangeability in a load-bearing application says nothing about whether verified low-carbon steel is offered for sale in Australia, and the custom and usage of the trade increasingly treats carbon intensity as a defining and separately transacted product attribute. BlueScope's submission answers a question the Act does not pose.

There are numerous examples where two products perform the same structural function, but which would not be considered to be like or directly competitive goods offered for sale on equal terms under like conditions having regard to the custom and usage of trade. This includes:

- structural/reinforcing steel certified by the Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) vs uncertified structural/reinforcing steel – whilst physically and structurally identical and able to carry the same loads, ACRS certified steel is routinely specified by engineers, regulators and government bodies as a condition of supply, with the consequence that mechanically equivalent but uncertified steel is not offered "under like conditions" for those purchasers, as it cannot contractually be used. It is worth noting that the ACRS Sustainable Steel Certification Scheme, recognised by the Green Building Council of Australia under its Responsible Products Framework, demonstrates that the Australian steel trade already differentiates goods by independently certified sustainability attributes.³

²BlueScope Steel Limited, Submission responding to post-SEF exemption requests, EPR 658 document no. 37, 29 January 2026. BlueScope relied on an internal assessment at its Confidential Attachment 3.

³The Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) administers an independent third-party certification scheme for construction steels against the relevant AS/NZS standards; ACRS certification is routinely specified by engineers, regulators and government bodies as a condition of supply for major Australian projects. The ACRS Sustainable Steel Certification Scheme is recognised by the Green Building Council of Australia under its Responsible Products Framework.

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- the electricity market, where renewable electricity accredited under the Australian Government's GreenPower program and backed by Large-scale Generation Certificates is bought and sold as a distinct product, at a distinct price, even though the electrons delivered are physically identical to ordinary grid supply, because a purchaser with a renewable commitment cannot discharge it with conventional power.⁴

In each case the goods are functionally identical, yet by the custom and usage of trade they are not offered on equal terms under like conditions, precisely because an independently verified attribute defines a separate market. Verified low-carbon HRC stands in the same position.

Physical likeness does not establish an offering under like conditions

To the extent BlueScope relies on physical likeness, the use of 'or' in the provision is fatal to its position. Even assuming conventional HRC is physically "like" the exemption goods, it is not offered "under like conditions" where it is sold without verification, without the certification on which the low-carbon segment depends, and on materially different commercial terms. In the alternative, the proper comparison is "directly competitive goods," and conventional HRC does not directly compete in the certified low-carbon segment for which the exemption goods are demanded.

BlueScope's own position confirms it offers only conventional HRC

BlueScope's internal assessment, relied upon at its Confidential Attachment 3, goes only to the proposition that emissions do not affect end-use. It does not assert that BlueScope produces or offers HRC of a comparable verified carbon footprint. BlueScope's own progress to date - a 14 per cent reduction in overall emissions intensity since FY2018 - falls well short of the 30 to 60 per cent reductions that define the exemption goods. On BlueScope's own material, therefore, it does not offer like or directly competitive goods for sale.

The consistency of treatment the Commission has already applied

Where it has been established that BlueScope does not produce particular goods, the Commission has recommended exemptions, as it did for the Bisalloy (grade Q690MD) and Baosteel (grades BS700MCK2 and BS700MCK4) goods. The same criterion, applied to the exemption goods, yields the same result, which is that the sole producer does not offer verified low-carbon HRC for sale, and the exemption ground is made out.

Commercial context, circumvention and policy alignment

Granting the exemption would impose no detriment on the Australian industry, because the exemption goods are not offered for sale by that industry. There is also no circumvention risk as the substantial price premium attached to verified low-carbon steel removes any commercial

⁴GreenPower is the Australian Government-managed accreditation program for voluntary renewable electricity, under which retailers match a customer's consumption with Large-scale Generation Certificates created by accredited generators under the Renewable Energy Target.

incentive to mislabel conventional HRC as green in order to avoid duty, and the exemption can be defined by reference to independent third-party certification that is verifiable at the border.

The exemption sought is consistent with the Minister's published expectations of the Commission. In the Statement of Expectations published on 3 October 2025, the Minister stated that he expects the Commission "*to continue working to better harmonise trade remedy actions to support Australian manufacturers and consumers.*"⁵ Exempting a verified low-carbon input that is not offered for sale domestically supports Australian manufacturers and consumers directly, and aligns with the Government's broader Future Made in Australia and net-zero agenda, including Australia's 2035 Nationally Determined Contribution of a 62 to 70 per cent reduction in emissions on 2005 levels.⁶ These matters are not the legal basis for the exemption, which rests on section 8(7)(a) and section 10(8)(a), but they confirm that the exemption is consistent with, rather than contrary to, the Government's wishes and the public interest.

A precise and administrable exemption description

In Investigation 658, BlueScope suggested that the request lacked sufficient and specific detail as to the HRC for which exemption is sought. That concern is readily met by defining the exemption by reference to an objective, independently verified carbon-footprint threshold rather than by brand alone. Baosteel proposes that any exemption be expressed in terms to the following effect:

Hot rolled coil steel (including in sheet form) otherwise the subject of the measures, where the goods have a product carbon footprint that has been verified by an accredited independent third party, in accordance with ISO 14067 (and ISO 14064-3), to be at least 30 per cent below the applicable conventional hot-rolled steel baseline, and where the goods are accompanied at the time of importation by the relevant verification statement.

A description of this kind is objective, auditable and capable of verification on entry, and confines the exemption to goods genuinely answering the description of verified low-carbon HRC. Baosteel would welcome the opportunity to refine the precise wording, including the reference baseline and threshold, in consultation with the Commission.

For the reasons set out above, it is submitted that like or directly competitive goods to the exemption goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade, and that the criterion in sections 8(7)(a) of the Dumping Duty Act is satisfied. Baosteel respectfully requests that the Commission:

⁵Minister for Industry and Innovation, Statement of Expectations for the Anti-Dumping Commission (dated 18 September 2025; published 3 October 2025), Department of Industry, Science and Resources.

⁶Australia's 2035 Nationally Determined Contribution under the Paris Agreement (submitted September 2025): a 62-70 per cent reduction in emissions on 2005 levels by 2035.

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- recommend that the Minister exempt verified low carbon emission HRC (the Green Steel - BeyondECO goods) from interim dumping duty and dumping duty under section 8(7)(a), of the Dumping Duty Act; and
- define the exemption by reference to an objective, independently verified product-carbon-footprint threshold (verification to ISO 14067 / ISO 14064-3 of a reduction of at least 30 per cent below the applicable conventional baseline), so as to ensure the exemption is specific, administrable and verifiable at the border.