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The Director - Investigations 4
Anti-Dumping Commission
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**Exemption Inquiry No. 107 (EX0107) - 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. 107, and is directed to the goods the subject of that inquiry.

The exemption goods are hot rolled coil and sheet steel in the dimensions described in the ADN, namely thicknesses ranging from 1.5 mm to 2.95 mm (where local production starts at 3 mm) and widths ranging from 1580 mm to 2000 mm (where local production is limited to up to 1550 mm) (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 the exemption goods satisfy the criterion in sections 8(7)(a) of the Dumping Duty Act. The sole Australian producer, BlueScope Steel Limited (BlueScope), does not offer the exemption goods for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade. BlueScope's own published product

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data confines its standard offering to widths up to 1550 mm and to thicknesses at or above 3 mm, and expressly warns that not all thickness and width combinations are available. BlueScope's opposition rests on an assertion of theoretical capability to produce, which is not the test the Act prescribes. Baosteel accordingly requests that the Commission recommend that the Minister grant the exemption over the full scope of the exemption goods, and, in the alternative, over the narrower combinations identified below.

The statutory framework and the correct legal test

The exemption power

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.

It is submitted that the criterion in sections 8(7)(a) is directed to what is *offered for sale* in Australia, not to what an Australian producer might be technically capable of manufacturing. The statutory language is deliberate. Where Parliament intended the test to turn on availability of equivalent domestic production, it said so expressly and in different terms within paragraphs 8(7)(c)(ii), 8(7)(d)(ii), 10(8)(b)(ii) and 10(8)(c)(ii) which address circumstances where *suitably equivalent goods the produce or manufacture of Australia are not reasonably available*, and each of those paragraphs is conditioned on a Tariff Concession Order or Schedule 4 by-law arrangement that is not engaged here. The ground on which this inquiry proceeds, by contrast, asks the distinct question whether like or directly competitive goods are *offered for sale* to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

The distinction is decisive. A producer may be capable, in an engineering sense, of rolling a given thickness or width on a special order, yet not offer goods of that description for sale to all purchasers on equal terms under like conditions. The Commission's task under section 8(7)(a) is to assess the offering actually made in the market, judged by the custom and usage of the trade, rather than to consider a concealed or conditional capability. To the extent BlueScope's response addresses capability to produce, it answers a question the Act does not ask.

The meaning of "all purchasers on equal terms under like conditions having regard to the custom and usage of trade"

The qualifying words confine the inquiry to goods that are generally available to the trade on ordinary commercial terms. In the hot rolled coil trade, the custom and usage is that purchasers buy to the published standard specifications and dimensional ranges that the mill holds out for sale. A product that can be obtained only by negotiating a bespoke or special mill run, outside the producer's published offering, is not thereby "offered for sale ... to all purchasers on equal

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terms under like conditions." It is offered, if at all, to particular purchasers on special terms. It is submitted that the exemption goods fall squarely within this description, as they lie outside BlueScope's published standard offering and are not held out for sale to the trade at large on equal terms.

The Commissioner's own characterisation of local production supports the test being met

The foundation of the inquiry, as the Commissioner framed it in the ADN, is that for the exemption goods "local production starts at 3 mm" and "local production is limited to up to 1550 mm."¹ That characterisation is itself a recognition that the exemption goods sit outside the range of HRC that is produced and offered domestically. The evidence below confirms this as a matter of the offering actually made in the Australian market.

The exemption goods are not offered for sale in Australia

The goods subject to measures

The goods subject to measures are a flat rolled product of iron or non-alloy steel, not clad, plated or coated (other than oil coated), including hot rolled coil in sheet form. Two categories are excluded from measures: hot rolled products having patterns in relief (checker plate), and hot rolled plate products being sheet with a thickness at or greater than 4.75mm. Accordingly, for sheet form the goods within measures are of a thickness below 4.75mm, while coil remains within measures at all thicknesses.

The sole Australian producer and the scope of its published offering

BlueScope is the only Australian producer of like goods. The content of its offering to the Australian market is therefore determinative of whether like or directly competitive goods are offered for sale at all. The following table consolidates BlueScope's offering for AS/NZS 1594 hot rolled grades from the relevant data sheets. The maximum width offered is 1550 mm across every grade and both forms, and the minimum thickness offered in sheet form is 3.0 mm. In coil form, by contrast, BlueScope offers thicknesses down to 1.5 mm (HA250) or 1.6 mm (HA300 and HA350).

Product / datasheet	Form	Thickness range	Width range	Length
HA250 Hot rolled strip (Jun 2025)	Coil	1.5 - 12.7mm	750 - 1550mm	Coil
HA300 Hot rolled strip (Jun 2025)	Coil	1.6 - 12.7mm	750 - 1550mm	Coil
HA350 Hot rolled strip (Jun 2025)	Coil	1.6 - 12.7mm	1200 & 1500mm only	Coil
TRU-SPEC HA3 / HA200 (Sep 2024)	Sheet ex-coil	3.0 - 6.0mm	750 - 1550mm	1200 - 12000mm
TRU-SPEC HA250 (Sep 2024)	Sheet ex-coil	3.0 - 16.0mm	910 - 1550mm	1200 - 12000mm
TRU-SPEC HA300 (Sep 2024)	Sheet ex-coil	3.0 - 12.7mm	910 - 1550mm	1200 - 12000mm
TRU-SPEC HA350 (Sep 2024)	Sheet ex-coil	3.0 - 12.7mm	910 - 1550mm	1200 - 12000 mm

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HRC dimensions outside BlueScope's offering (proposed exemption)

Comparing the goods subject to measures against BlueScope's published offering, the following dimensional ranges fall within the goods but outside anything BlueScope offers for sale, and are proposed for exemption:

#	Form	Thickness	Width	Why outside BlueScope's offering
1	Coil and sheet	Any gauge within measures	> 1550 mm	Maximum width offered is 1550 mm across every grade and both forms; BlueScope offers nothing wider.
2	Sheet	1.5 mm to < 3.0 mm	750 - 1550 mm	Minimum sheet / coil-plate thickness offered is 3.0 mm (all TRU-SPEC grades). Thin sheet below 3.0 mm is not offered.
3	Coil and sheet	1.5 mm to < 3.0 mm	> 1550 mm	Outside the offering on both axes simultaneously - the thin-and-wide combination.

a) Thickness (1.5 mm to 2.95 mm)

In respect of thickness, the uncontested foundation of the inquiry is that local production starts at 3 mm. Hot rolled coil and sheet of a base metal thickness from 1.5 mm to below 3 mm is therefore not offered for sale by the Australian industry. Goods within this thickness band are not like or directly competitive goods offered for sale in Australia on equal terms under like conditions, and satisfy the criterion in sections 8(7)(a) and 10(8)(a).

b) Width and dimension combinations

In respect of width, BlueScope's standard offering does not extend beyond 1550 mm, whereas the exemption goods are 1580 mm to 2000 mm wide. The practical significance of the gap is shown by the specifications Australian customers routinely order from Baosteel, set against BlueScope's nearest offering as recorded in Baosteel's submission of 23 February 2026:²

Thickness (mm)	Baosteel coil width ordered (mm)	BlueScope nearest offering (T mm x W mm)	Dimensional gap
1.90	1524	1.90 x 1250	Width 274 mm short
2.40	1524	2.40 x 1250	Width 274 mm short
2.90	1800	3.00 x 1550	Thicker and 250 mm narrower
4.00	1800	4.00 x 1550	Width 250 mm short
4.75	1800	4.75 x 1550	Width 250 mm short

As the table demonstrates, BlueScope's nearest offering in each case is materially narrower than, or thicker than, the product actually required by the Australian customer. The point is not merely

²Baosteel submission providing further detail on exemptions sought, EPR 658 document no. 39, 23 February 2026.

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that individual dimensions differ at the margin, but that the combination of gauge and width that defines the exemption goods is not within BlueScope's offered range.

Wider coil is commercially material as it reduces slitting waste, improves yield and production efficiency, and enables larger finished components to be formed without additional welds, which is the reason customers specify it. A narrower coil is not a like or directly competitive good offered "under like conditions", as it is a different product that the purchaser must further process or join, with the consequent loss of efficiency and integrity.

Validation from independent downstream parties

Baosteel's position is independently substantiated on the public record by parties with no interest in Baosteel's commercial outcome. Duraquip, a Western Australian manufacturer, states that no Australian mill produces long-length plate at 1800 mm width in the relevant gauges, that all such supply in Australia originates from imported coil or imported decoiled product, and that even distributors supporting the application rely on imported feedstock for this product.³ Phoenix Metal Group similarly describes domestic supply that did not meet its minimum thickness and coil-mass requirements.⁴ This evidence, from end users and importers responding to the SEF, confirms that the wider and thinner specifications are not offered for sale in Australia on equal terms under like conditions, but are sourced from imports as a matter of necessity rather than preference.

BlueScope's opposition does not answer the statutory question

Assertion of capability is not evidence of an offering for sale

BlueScope opposed this request in Investigation 658 on the basis that it "can produce" HRC of the relevant widths and thicknesses and that it produces goods of "substitutable" widths.⁵ For the reasons outlined above, an assertion of capability to produce does not establish that like or directly competitive goods are offered for sale to all purchasers on equal terms under like conditions. The Commissioner himself considered the material then before the Commission insufficient to make the assessment, and BlueScope's response consisted of bare assertion supported by confidential attachments that were not tested against the offered-for-sale criterion. It is submitted that, where the sole Australian producer opposes an exemption, the Commission should require it to demonstrate an actual offering for sale of the specific dimensional combinations to all purchasers on equal terms, rather than a theoretical capability or isolated invoices of adjacent products.

"Substitutable" widths are not the goods in question

³Duraquip, Submission in response to the SEF and application seeking ministerial exemption, EPR 658 document no. 32, 16 January 2026.

⁴Phoenix Metal Group, Submission in response to the SEF, EPR 658 document no. 31, 15 January 2026.

⁵BlueScope Steel Limited, Submission responding to post-SEF exemption requests (EPR 658 nos. 29, 31, 32 and 36), EPR 658 document no. 37, 29 January 2026.

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BlueScope's reliance on "substitutable" narrower widths conflates substitutability with likeness on equal terms. The exemption goods are defined by dimension. A 1550 mm coil is not a like or directly competitive good offered under like conditions to a 1800 mm to 2000 mm coil, as it is a narrower product that obliges the purchaser to accept greater slitting waste or to weld, defeating the very commercial purpose for which wide coil is specified. The independent evidence of Duraquip, that joining smaller plates is "structurally and aesthetically unacceptable" for its products, illustrates the point.

The Commission has accepted the same logic in granting cognate exemptions

The approach urged here is the approach the Commission has already taken in this very investigation. The Commission recommended granting the Bisalloy (grade Q690MD) and Baosteel (grades BS700MCK2 and BS700MCK4) exemptions once it was established that BlueScope did not produce those goods, BlueScope having confirmed as much by email of 17 February 2026.

The Commission reached the same conclusion in Exemption Inquiry EX0050 in respect of high tensile 700 grade steel, where it found that there was no Australian industry producing like or directly competitive goods offered for sale in Australia on equal terms under like conditions.⁶ Consistency of treatment requires that the same criterion be applied to the exemption goods, which in this case BlueScope does not offer goods of the relevant description for sale, and the grounds for exemption are satisfied.

Commercial context and the absence of any countervailing consideration

Granting the exemption would impose no detriment on the Australian industry, because the exemption goods are not offered for sale by that industry. Conversely, refusing the exemption would impose duty on goods for which there is no domestic substitute offered on equal terms, raising input costs for Australian roll-formers, fabricators and manufacturers without protecting any domestic production. That outcome would be contrary to the evident purpose of the exemption power, which is to confine measures to goods that genuinely compete with the protected domestic offering.

The exemption sought is also consistent with the Minister's published expectations of the Commission. In the Statement of Expectations of 3 October 2025, the Minister emphasised the importance of harmonising trade remedy action to support Australian manufacturers and consumers.⁷ Exempting goods that are not offered for sale domestically advances that expectation directly, by preserving access for Australian industry to specialised inputs that cannot be sourced locally on equal terms.

⁶Exemption Inquiry EX0050 - High tensile 700 grade steel, in which the Commission found there was no Australian industry producing like or directly competitive goods offered for sale in Australia on equal terms under like conditions.

⁷Minister for Industry and Innovation, Statement of Expectations for the Anti-Dumping Commission, published 3 October 2025, as referred to in EPR 658 document no. 39.

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There is, finally, no circumvention risk. The exemption goods are defined by objective and verifiable dimensional parameters that are recorded on customs entry documentation and are readily checked at the border. An exemption confined to those parameters cannot be used as a gateway for goods that compete with BlueScope's offered range.

6. Alternative and narrowed scope

Baosteel's primary request is for an exemption over the full scope of the exemption goods as described in the ADN, namely hot rolled coil and sheet of thicknesses from 1.5 mm to 2.95 mm and of widths from 1580 mm to 2000 mm.

In the alternative, and without resiling from its primary request, Baosteel would accept an exemption confined to the dimensional combinations most commonly required by Australian customers and most clearly outside BlueScope's offered range, namely:

AS1594 HA250/HA300/HA350 in coil or sheet:

- 2.00 mm x 1499-1524 mm
- 2.50 mm x 1499-1524 mm
- 2.95 mm x 1800-2000 mm
- 3.00 mm x 1800-2000 mm
- 4.00 mm x 1800-2000 mm
- 4.74 mm x 1800-2000 mm

AS1594 HA250/HA300/ HA350 in coil only:

- 5.00 mm x 1800-2000 mm
- 6.00 mm x 1800-2000 mm
- 8.00 mm x 1800-2000 mm
- 10.0 mm x 1800-2000 mm
- 12.0 mm x 1800-2000 mm
- 16.0 mm x 1800-2000 mm
- 20.0 mm x 1800-2000 mm
- 22.0 mm x 1800-2000 mm

Each of these combinations falls within the dimension parameters of the exemption goods and reflects the specifications that Australian customers order from Baosteel and that BlueScope does not offer. Confidential customer correspondence evidencing such orders is on the record at Confidential Attachment B to Baosteel's submission of 23 February 2026.⁸ This narrower description would ensure that the Australian fabricating industry retains access to the critical HRC specifications that cannot be supplied locally, while removing any conceivable concern as to overlap with BlueScope's offered range.

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

⁸Confidential Attachment B to EPR 658 document no. 39 (customer correspondence evidencing orders outside BlueScope's offered dimensions).

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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:

- recommend that the Minister exempt the exemption goods - hot rolled coil and sheet of thicknesses from 1.5 mm to 2.95 mm and of widths from 1580 mm to 2000 mm - from interim dumping duty and dumping duty under section 8(7)(a) of the Dumping Duty Act;
- in the alternative, recommend that the Minister grant an exemption confined to hot rolled coil of the dimensions specified above.