

APPENDIX A

DETAILED STATEMENT SETTING OUT REASONS FOR SEEKING CONTINUATION OF THE ANTI-DUMPING MEASURES

The applicant, Austube Mills (**ATM**), seeks the continuation of the anti-dumping measures that were imposed on Hollow Structural Sections (**HSS**) exported from the People's Republic of China (**China**), the Republic of Korea (**Korea**), Malaysia and Taiwan (the subject countries) following the completion of *Dumping and Subsidy Investigation No. 177 (INV 177)*. The measures were continued for a further five years following the completion of *Continuation Inquiry No. 379 (CON 379)* and were again continued for a further five years following the completion of *Continuation Inquiry No. 590 (CON 590)*. Measures apply to all exporters from the subject countries except for, the Korean exporters, Kukje Steel Co Ltd (**Kukje**) and Hi-Steel Co Ltd (**Hi-Steel**).

1. WILL THE DUMPING OR SUBSIDISATION CONTINUE, OR RECUR?

1.1 Are exports likely to continue or recur?

It is ATM's view that based on available facts, it is more likely than not, that the expiration of measures on HSS exported from the subject countries would lead or would be likely to lead to a continuation of, or a recurrence of, the dumping and subsidisation and the material injury that the anti-dumping measures are intended to prevent.

The reasons supporting this view include the following:

- Exporters have generally maintained their distribution channels to Australia and continue to export the goods to the Australian market since the imposition of measures.
- There remains global overcapacity of steel production that will drive marginally costed products to be exported to countries that do not have effective trade remedies in place.
- ATM's domestic prices will continue to be directly influenced by the price of the imported goods including those from the subject sources.
- Effective trade remedies exist in other jurisdictions.
- A particular market situation continues to exist in China for the goods the subject of this application.
- Exports of raw materials used in the production of the goods from China are now influencing the domestic prices for those raw material and downstream products as concluded in SEF 689.¹
- Countervailable subsidy programs still exist in China.

1.1.1 Export Volumes and distribution links

Exporters from all the countries and sources subject to measures have maintained distribution channels to Australia and exported HSS to the Australian market since the last imposition of measures. This is summarised below. Note that ATM has not been able to differentiate between galvanised and non-galvanised HSS when determining the export volumes and values.

Summary of HSS export volumes and values to Australia – by Country – since April 2021

Source: CONFIDENTIAL ATTACHMENT 3 (■■■■ export statistics)

¹ Inquiry No. 689 concerning the continuation of anti-dumping measures applying to precision pipe and tube steel from China and Korea.

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- *China*

Export Volume (t) – [REDACTED]

Export Value (FOB USD) - \$ [REDACTED]

- *Korea*

Export Volume (t) – [REDACTED]

Export Value (FOB USD) - \$ [REDACTED]

- *Taiwan*

Export Volume (t) – [REDACTED]

Export Value (FOB USD) - \$ [REDACTED]

Malaysia

Export Volume (t) – [REDACTED]

Export Value (FOB USD) - \$ [REDACTED]

Have exports of HSS from the subject countries and sources entered Australia at dumped prices?

Refer to CONFIDENTIAL ATTACHMENT 1 (Dumping Margins) for ATM's dumping margin calculations from the subject countries and sources for goods exported during the proposed inquiry period (1 April 2025 to 31 March 2026). The analysis indicates that exports from China, Taiwan and Malaysia have not entered Australia at dumped prices, however **exports from Korea have been dumped**. Note that ATM is unable to decipher a Korean export price for subject exporters only.

ATM believes that these dumped Korean exports are a result of certain Korean exporters being exempt from current dumping duties on HSS. This is an example of how the absence of measures results in a recurrence of dumping and material injury when measures are discontinued.

- *Dumping Margin estimates – HSS from Korea*
 - *Non-Galvanised HSS*

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Export Date	Export Arrival Date	Domestic sale date	Export sales Qty (t)	[A] Export sales value (USD)	Domestic sales price (USD/t)	[B] Normal Value (USD)	[B]-[A]=[C] Dumping margin (USD)
Apr-25	May-25	Apr-25					
May-25	Jun-25	May-25					
Jun-25	Jul-25	Jun-25					
Jul-25	Aug-25	Jul-25					
Aug-25	Sep-25	Aug-25					
Sep-25	Oct-25	Sep-25					
Oct-25	Nov-25	Oct-25					
Nov-25	Dec-25	Nov-25					
Dec-25	Jan-26	Dec-25					
Jan-26	Feb-26	Jan-26					
Feb-26	Mar-26	Feb-26					
Mar-26	Apr-26	Mar-26					
		Total					

	Dumping margin	FOB Export Value
TOTAL, USD		
Percentage, %	2.8%	

The above analysis estimates a dumping margin of **2.8%** on exports of **non-galvanised HSS** from Korea during the proposed inquiry period. Export prices and volumes are sourced from [REDACTED] import stats and normal values are constructed using Korean average [REDACTED] HRC prices (refer to CONFIDENTIAL ATTACHMENT 2 (Constructed Normal Values)).

- *Galvanised HSS*

PUBLIC RECORD

Export Date	Export Arrival Date	Domestic sale date	Export sales Qty (t)	[A] Export sales value (USD)	Domestic sales price (USD/t)	[B] Normal Value (USD)	[B]-[A]=[C] Dumping margin (USD)
Apr-25	May-25	Apr-25					
May-25	Jun-25	May-25					
Jun-25	Jul-25	Jun-25					
Jul-25	Aug-25	Jul-25					
Aug-25	Sep-25	Aug-25					
Sep-25	Oct-25	Sep-25					
Oct-25	Nov-25	Oct-25					
Nov-25	Dec-25	Nov-25					
Dec-25	Jan-26	Dec-25					
Jan-26	Feb-26	Jan-26					
Feb-26	Mar-26	Feb-26					
Mar-26	Apr-26	Mar-26					
		Total					

	Dumping margin	FOB Export Value
TOTAL, USD		
Percentage, %	27.4%	

The above analysis estimates a dumping margin of **27.4%** on exports of **galvanised HSS** from Korea during the proposed inquiry period. Export prices and volumes are sourced from [REDACTED] import stats and normal values are constructed using Korean average [REDACTED] Hot Dipped Galvanised Coil prices (refer to CONFIDENTIAL ATTACHMENT 2 (Constructed Normal Values)).

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Proposed MCC matrix

ATM proposes the following amended Model Control Code (**MCC**) matrix for use in this inquiry. ATM believes that this new MCC matrix better reflects the current HSS products/models within the Australian market.

Category	Sub-category	Identifier
Prime	Prime	P
	Non-Prime / downgrade	N
Coating	Galvanised (with or without top coat)	G
	Painted	P
	None (includes oiled)	N
Shape	Circular	C
	Rectangular or square	R
	Oval	O
	Other	N
Steel grades - nominal minimum yield strength specified by product standard	Steel grade with nominal minimum yield strength less than or equal to 300 MPa	250
	Steel grade with nominal minimum yield strength greater than 300 MPa but less than 380 MPa	350
	Steel grade with nominal minimum yield strength equal to or greater than 380 MPa	450
Ends	Plain	P
	Threaded (at one or both ends)	T
	Threaded and coupled	C

Normal Value Calculations

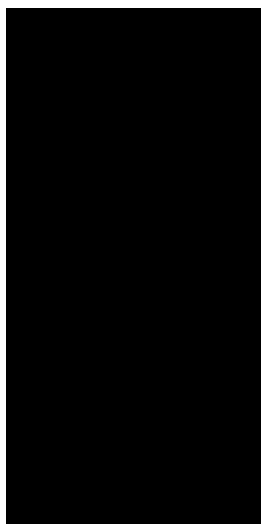
Refer to CONFIDENTIAL ATTACHMENT 2 (Constructed Normal Values) for constructed normal value calculations for the subject countries. Calculations for constructed normal values included the following costs:

- Coil cost (either Hot Rolled Coil or Hot Dipped Galvanised Coil) – from [REDACTED] data
- Yield factor
- Conversion costs
- Selling, distribution & administration cost
- Profit

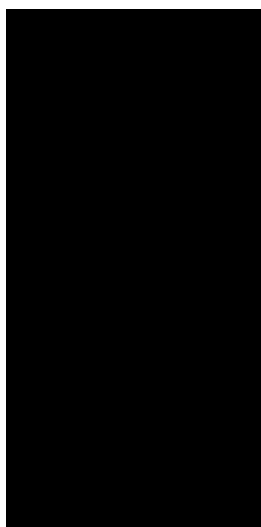
Using the above methodology, the following normal values (USD) were calculated for the proposed inquiry period (1 April 2025 to 31 March 2026) for the subject countries and sources:

- *China*
 - (Non-Galvanised HSS) - Coating = P or N in above MCC matrix

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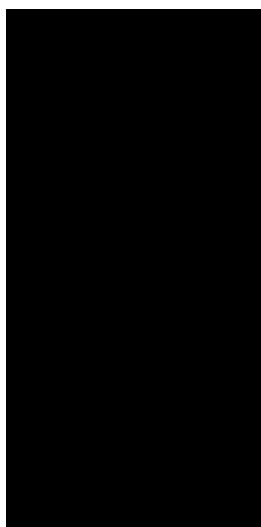


- *(Galvanised HSS) - Coating = G in above MCC matrix*



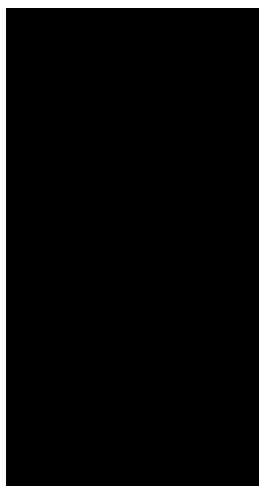
- *Taiwan*

- *(Non-Galvanised HSS) - Coating = P or N in above MCC matrix*

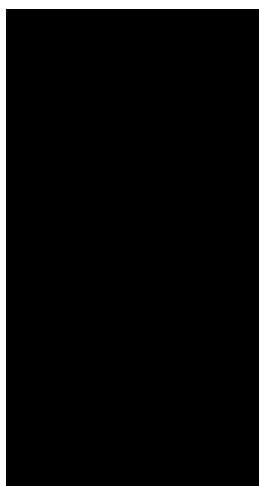


- *(Galvanised HSS) - Coating = G in above MCC matrix*

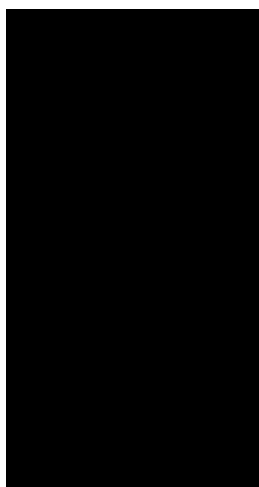
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- *Malaysia*
 - *(Non-Galvanised HSS) - Coating = P or N in above MCC matrix*

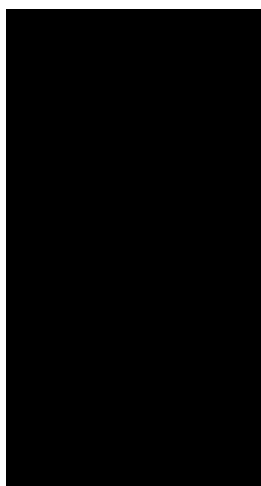


- *(Galvanised HSS) - Coating = G in above MCC matrix*

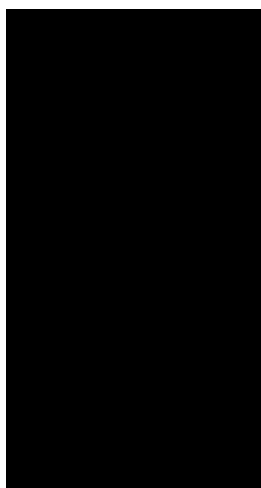


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- *Korea*
 - *(Non-Galvanised HSS) - Coating = P or N in above MCC matrix*



- *(Galvanised HSS) - Coating = G in above MCC matrix*



Particular market situation

China

The commission has previously found that a particular market situation exists in the domestic market for HSS in China.² ATM submits that a particular market situation continued to exist through the proposed inquiry period, rendering domestic sales unsuitable for determining a normal value under subsection 269TAC(1). In particular, ATM considers that the influence of the government of China over the steel industry in China has distorted hot rolled coil costs in China such that input costs for hot rolled coil in China are not suitable to use without adjustment in

² REP 590, p. 174.

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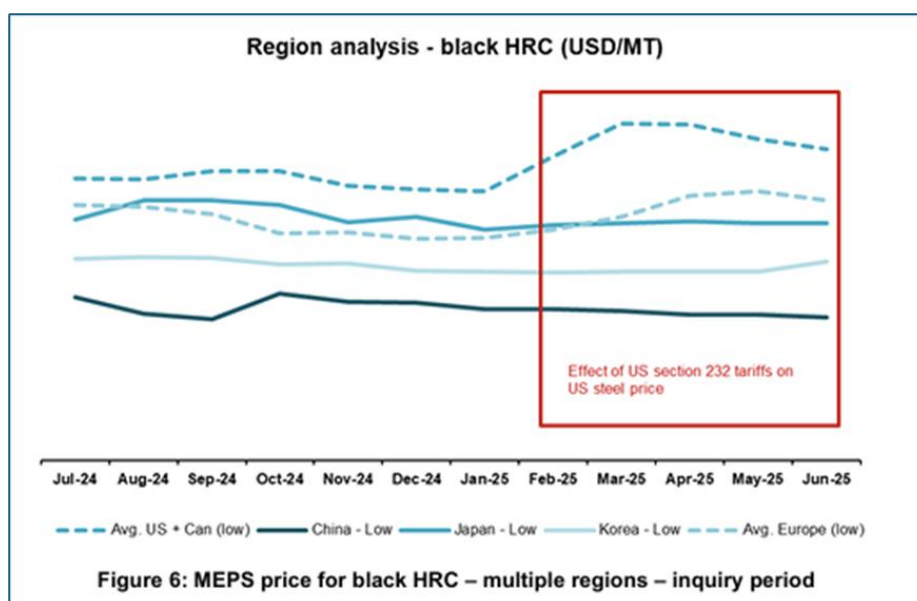
constructing a normal value for exporters from China. Specifically, ATM refers to the analysis of the commission in SEF 689³ and REP 658⁴.

Korea

ATM further submits that following the Commissioner's preliminary conclusions in his Statement of Essential Facts to *Continuation Inquiry No. 689 (SEF 689)*, that a particular market situation for hollow structural sections also exists in Korea by reason of the influence of Chinese exports of steel coil to Korea. Specifically, in SEF 689, the Commissioner observed:

...domestic Korean steel coil prices were discarded as a benchmark because information obtained in REP 658 demonstrated that Korea was the largest importer of HRC from the cooperating exporters in that investigation period. The commission's analysis at Figure 6 indicates that Korean steel prices are likely more influenced by Chinese exports of steel coils than Japan.⁵

Figure 6 referred to in SEF 689⁶ is reproduced below:



ATM submits that the presence of Chinese HRC in the Korean market has created a situation in the Korean HSS market that makes the domestic sales of HSS in Korea not suitable for use in determining a normal value under section 269TAC(1). This is because sales of HSS in Korea are unsuitable because the price does not reflect a fair price in normal market conditions caused by the cost of HRC in Korea caused by the 'the situation in the [Korean HSS] market' caused by the volumes and prices of exports of Chinese HRC to Korea. It is ATM's assertion that HRC prices are artificially low in Korea, and as the key raw material input to HSS, so are the domestic Korean prices for HSS. It is noted that neither domestic law, nor the WTO Agreement or jurisprudence requires government influence on prices or costs to be a cause of "artificially low pricing", simply that a "situation exists" that makes domestic prices "unsuitable".

³ Continuation inquiry concerning precision pipe and tube steel exported from China and Korea, 22 May 2026.

⁴ Dumping and subsidy investigation concerning hot rolled coil steel exported from China, 4 May 2026.

⁵ SEF 689, p. 48.

⁶ At p. 46.

1.1.2 Global over capacity in steel markets

Overcapacity in world steel markets has triggered an unprecedented number of global trade defence actions that include the United States' (US) Section 232 tariffs and the European Union's (EU) steel safeguard actions (note – EU safeguards expire on 30 June 2026 and will be replaced with new measures⁷).

These broad trade defence actions affect export markets for all countries including the subject countries. Export volumes displaced by the trade defence actions will likely be diverted to open markets with low tariff barriers, making Australia an attractive destination for excess capacity of HSS, particularly in the absence of continued effective anti-dumping and countervailing measures.

Ongoing excess capacity continues to be a significant challenge for the global steel industry.

On 24 June 2024, the EU extended safeguard measures⁸ for a further two years from 1 July 2024 to 30 June 2026. Reasons for the extension included:

- *continued risk of serious injury to the EU industry*
- *persistent global overcapacity*
- *EU demand had contracted, increasing pressure from imports*
- *Trade diversions from other markets (especially China) were occurring.*

In May 2026, it was announced that EU safeguard measures will be replaced by a new (stronger) measure⁹. Global overcapacity was a key reason for the introduction of this new measure, as indicated by the following quotes:

The aim is to help the EU steel industry counter the negative trade-related effects on the steel market of global overproduction once the current safeguards, in place since 2018, expire on 30 June 2026.

The sector has faced trade-related challenges, including significant and sustained import pressure in terms of volume and prices, as result of global overcapacity. It has also seen about 100,000 job losses since 2008.

Recent data unveiled by the OECD Steel Committee ¹⁰ provided worrying insights in relation to global steel capacity. Specifically:

Global steel excess capacity is expected to grow from an estimated 602 million tonnes in 2024 to 721 million tonnes by 2027 – an increase of 20 per cent. [emphasis added]

In addition to this, the *OECD Steel Outlook Report 2026*¹¹, published on 4 June 2026, identified the following concerns:

- More capacity, weak demand and **near record excess capacity** continue to threaten the steel industry
- **Countries with excess capacity are flooding world markets with steel**
- Governments are intensifying **trade measures in response to the worsening crisis**

⁷ <https://www.europarl.europa.eu/news/en/press-room/20260513IPR43305/steel-overcapacity-meps-approve-new-measures-to-protect-eu-steel-market> (accessed 25 June 2026)

⁸ Prolongation of the safeguard measure on imports of certain steel products. – EU Official Notice

⁹ <https://www.europarl.europa.eu/news/en/press-room/20260513IPR43305/steel-overcapacity-meps-approve-new-measures-to-protect-eu-steel-market> (accessed 25 June 2026)

¹⁰ <https://www.eurofer.eu/press-releases/latest-oecd-global-overcapacity-data-show-ever-worsening-trend-confirming-the-urgent-need-for-strong-eu-steel-post-safeguard-measures-says-eurofer> (accessed 25 June 2026)

¹¹ https://www.oecd.org/en/publications/oecd-steel-outlook-2026_99ab9b0c-en/full-report/disclaimer.html#disclaimer (accessed 25 June 2026)

Excess capacity of exporters that may be directed to Australia

Excess capacity of exporters subject to the measures was last reviewed in the continuation inquiry, CON 590. The report into the continuation of the measures, Report No. 590 (**REP 590**), made the following findings into excess capacity of the subject countries:

9.4.3 Excess production capacity in the domestic markets of the subject exporters

The commission analysed the excess production capacity available for each of the exporters that submitted capacity utilisation data for the inquiry period. The commission determined that excess capacity ranged between 11% and 71%.

In addition to the excess capacity evident for these exporters with historical links to the Australian market, the commission also noted, as detailed above, the number of new participants in the Australian market, particularly in regards China, Korea and Taiwan. The commission considers that the emergence of these new exporters is indicative of spare production capacity within the domestic markets of these countries.

The commission did not receive REQs from any Malaysian exporters, and therefore does not have any direct evidence in respect of individual manufacturer's surplus production capacity. Publicly available information indicates that the largest manufacturer of the goods in Malaysia, Alpine Pipe, maintains a plant capacity of 500,000 tonnes. The commission found in REP 379 that production of the goods in Malaysia amounted to approximately 842,000 tonnes in 2015. Based on the excess capacity identified in respect of the other subject countries, and in the absence of contradictory information from Malaysia manufacturers, the commission considers it is reasonable to conclude that Malaysian exporters would maintain excess production capacity.

The commission's conclusions in respect of excess production capacity of the subject countries is [sic] supported at a macro-economic level by the Organisation for Economic Co-operation and Development (OECD) September 2021 report on the latest developments in steelmaking capacity. Key findings contained in that report include:

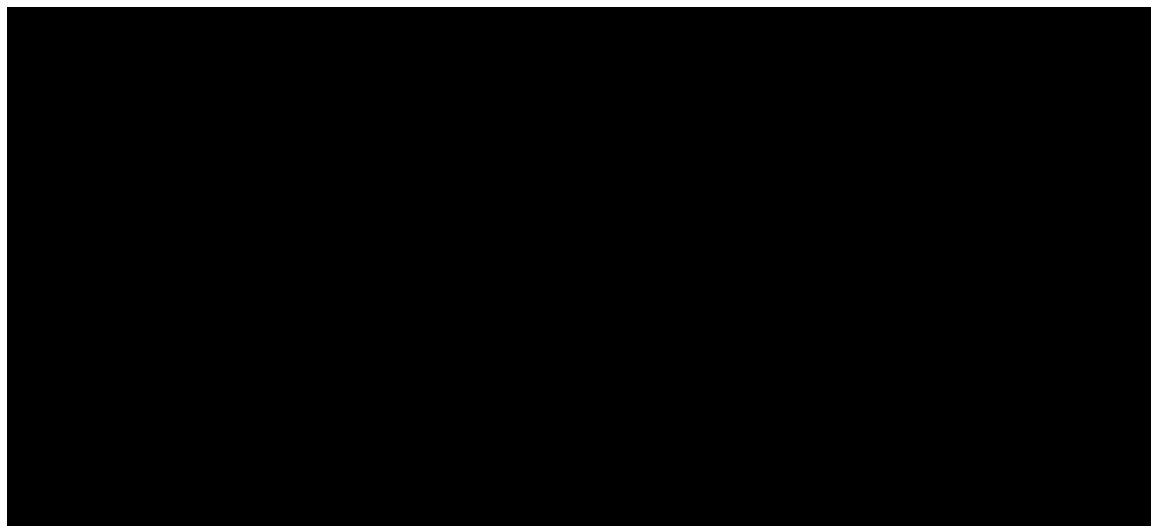
- global crude steelmaking capacity increased by 37.6 million tonnes (MMT), or 1.6%, in 2020 despite extremely weak market conditions, with Asia accounting for the vast majority of that growth
- due to falling production and demand for steel, the global capacity increase led to a worsening excess capacity situation for the world steel industry in 2020 (capacity utilisation fell from an estimated 76.5% to 74.5%)
- capacity is expected to continue expanding over the next few years, with investment projects totalling 45 MMT of additional capacity currently underway and a further 68.7 MMT in the planning stages, which in total could add 5% to global steelmaking capacity
- excess capacity pressures have emerged, and are getting worse, in regions that previously had strong steel demand and positive prospects for market growth, including Southeast Asia where foreign investment, particularly from China, supports capacity growth. Based on this analysis, the commission considers that excess production capacity exists in the domestic markets of the subject countries.¹²

Given that the OECD has recently forecast that global steel overcapacity is expected to rise by 20% between 2024 and 2027, it is highly likely that the excess capacity of exporters subject to the measures continues to have a major impact on the Australian HSS market. With this in mind, ATM firmly believe that the expiration of measures on HSS would lead or would be likely to lead to a continuation of, or a recurrence of, the dumping and subsidisation and the material injury that the anti-dumping measures are intended to prevent.

¹² REP 379, p. 51

1.1.3 The influence of the price of imported HSS from subject countries, on ATM's domestic price

The following graph shows the relationship between the price of imported HSS from Korea and China (the two largest subject country sources – by import volumes) since 2021.¹³ It shows a clear correlation between the export price of the goods at the time of importation and ATM's domestic price. In particular, when the export price of Korean and Chinese imports rose throughout 2021, ATM's domestic price also rose. Similarly, as import prices generally dropped from July 2022 to March 2026, ATM's domestic price also dropped at a similar rate.



1.1.4 Trade Remedies in other jurisdictions

A range of trade defence instruments are used internationally to regulate steel imports. These include **anti-dumping (AD) and countervailing duties (CVD)**, as well as broader measures such as **safeguards** and country-specific instruments (e.g. US Section 232 tariffs). These measures often overlap, particularly in the steel sector.

US Section 232 Measures

Following an investigation under **Section 232 of the US Trade Expansion Act of 1962**, the US Department of Commerce determined that imports of steel and aluminium threatened to impair national security, implemented as follows:

- A **25% tariff on steel imports** was imposed from March 2018.
- In April 2026, a tiered structure was introduced – **50% tariff on Primary Steel articles (including HSS)** and 25% tariff on “derivative steel” products¹⁴

¹³ Refer appendix A2.

¹⁴ <https://www.federalregister.gov/documents/2026/04/09/2026-06960/strengthening-actions-taken-to-adjust-imports-of-aluminum-steel-and-copper-into-the-united-states> (accessed 25 June 2026)

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- These measures remain in force and are a core pillar of US steel protection.

Since 2018, the regime has evolved:

- Some countries were initially exempt (e.g. Canada, Mexico, Australia), while others (e.g. Korea, Brazil, Argentina) were subject to **quota arrangements instead of tariffs**.
- Korea remains subject to a **country-specific absolute quota** limiting total steel exports (including HSS) into the U.S., rather than the ad valorem tariff.

More recent developments:

- The U.S. has progressively **tightened the regime**, including increasing tariffs on certain steel derivative products and maintaining broad coverage across product categories.
- Imports from most non-exempt countries (e.g. China, Taiwan, Malaysia) remain subject to Section 232 tariffs alongside any anti-dumping/countervailing duties.

Implication for HSS

Section 232 operates as an **additional, across-the-board barrier** affecting all steel imports (including HSS), often in combination with anti-dumping duties.

European Union (EU) Safeguard Measures

The US Section 232 tariffs on steel caused a trade diversion towards the EU. To defend against this, the EU introduced Safeguard measures in July 2018. These measures were implemented to prevent import surge and price depression, and to protect the EU steel industry from global overcapacity. The core mechanism was a Tariff Rate Quota (**TRQ**) system, with 0% duty up to the quota, then 25% duty above the quota. The system is divided into 26 product categories, of which HSS is Category 21. Each category has a volume quota (tonnes).

Extensions to the Safeguard measures:

- The EU extended the Safeguard measures in 2021 (until 30 June 2024) – with continued TRQ's and 25% duty
- In 2024 the measures were further extended to 30 June 2026, reflecting falling EU demand and persistent import pressure.

Recent developments:

EU Safeguard measures expire on 30 June 2026. However, in May 2026, it was announced that they will be replaced by a new (stronger) measure.

Extracts from a EUROFER press release¹⁵ regarding the new measures are shown below. The new measures will include a **50% tariff** above quota levels.

Europe's steel industry has welcomed today's approval by the European Parliament of the new EU steel trade measure, calling it an important step towards addressing the growing pressures facing the sector from **record imports, global overcapacity and rising international protectionism**.

After the European Parliament voted overwhelmingly in favour of the measure, with 606 MEPs voting for, 17 against and 39 abstentions, Axel Eggert, Director General of the European Steel Association (EUROFER), said:

¹⁵ <https://www.eurofer.eu/press-room/press-releases/steel-industry-welcomes-european-parliament-approval-of-new-trade-measure>

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*We welcome today's strong backing by the European Parliament for the **new EU steel trade measure**. At a time of **growing geopolitical uncertainty and market distortions**, this sends an important signal that the EU is prepared to act to defend its industrial base, security and autonomy. There must now be no delay in ensuring the measure enters into force by 1 July 2026, when the current safeguard expires.*

*The measure introduces a **reinforced tariff-rate quota (TRQ) system**, including **stronger protections against import surges**, enhanced monitoring and anti-circumvention tools, and a **50% tariff above quota levels**. EUROFER stressed that the EU will continue to remain one of the world's most open steel markets, with around 18 million tonnes of steel imports continuing to enter tariff-free each year.*

Anti-dumping actions by other countries

US Measures on HSS

The US does not maintain a single anti-dumping case specifically labelled as "HSS". Instead, HSS products are covered through a **series of overlapping anti-dumping orders on pipe and tube products**, including rectangular, square and circular sections.

These measures are long-standing and regularly reviewed. U.S. authorities (Department of Commerce and USITC) typically conclude in **five-year sunset reviews** that removal of measures would lead to renewed dumping and injury, resulting in continued measures.

a. Heavy-Walled Rectangular Hollow Sections (RHS)

The US imposed anti-dumping measures on **heavy-walled rectangular and square welded steel pipes and tubes** (RHS $\geq$ 4mm wall thickness) from Korea in 2016.

The RHS subject to the US measures are similar to the RHS subject to the Australian measures and are classified to the same six-digit tariff sub heading, 7306.61. The scope of the goods specifies RHS having a nominal wall thickness of not less than 4mm, which overlaps with the goods subject to the Australian measures.

Current status:

- The measures remain in force and are subject to ongoing administrative reviews.
- US practice involves retrospective duty assessment, meaning final duty rates vary annually based on reviewed pricing.
- While original margins were low (3.24–3.86%¹⁶), subsequent reviews have produced a wide range of margins¹⁷, depending on exporter behaviour.

These measures continue to operate in 2026 with periodic reviews, rather than fixed rates.

b. Light-Walled RHS

The US maintains anti-dumping (and countervailing) measures on **light-walled rectangular welded pipe and tube** (RHS $<$ 4 mm) from multiple countries, including Taiwan, Korea and China¹⁸.

¹⁶ <https://enforcement.trade.gov/frn/summary/korea-south/2016-17313.txt> (accessed 25 June 2026)

¹⁷ <https://www.govinfo.gov/content/pkg/FR-2020-07-10/html/2020-14918.htm> (accessed 25 June 2026)

¹⁸ Countervailing duties were imposed on China at the same time.

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The RHS subject to the US measures is similar to the RHS subject to the Australian measures and are classified to the same six-digit tariff sub heading, 7306.61. The scope of the goods specifies RHS having a nominal wall thickness of less than 4mm, which overlaps with the goods subject to the Australian measures.

Current status:

- Anti-dumping and countervailing measures have been repeatedly continued through sunset reviews, with US authorities consistently finding that removal would lead to renewed dumping and injury.
- Historical dumping margins typically remain in force:
 - China (often >200%)
 - Korea / Taiwan (generally <30%)

These anti-dumping and countervailing measures remain active and are among the most directly relevant U.S. controls on HSS products.

c. *Circular Welded Pipe (CWP)*

The US imposed anti-dumping and countervailing measures on CWP (non-alloy steel pipe) exported from China, Korea and Taiwan. The pipe in the US actions is described as circular welded non-alloy steel pipe and tube, of circular cross-section, not more than 406.4mm (16 inches) in outside diameter, regardless of wall thickness, surface finish (black, galvanized, or painted), or end finish (plain end, bevelled end, threaded, or threaded and coupled). The pipe subject to the US measures is similar to the CHS subject to the Australian measures and is classified to the same six-digit tariff sub heading, 7306.30.

Current status:

- Anti-dumping and countervailing measures were continued in 2024 sunset reviews
- Administrative reviews continue to produce updated dumping margins

CWP remains a core anti-dumping regime, capturing round HSS (specifically, CHS) products.

d. *Oil Country Tubular Goods (OCTG)*

The US has anti-dumping measures on **OCTG** exported from China¹⁹ effective from 2010 and Korea. The description of OCTG in the US actions includes hollow steel products of circular cross-section of steel (both carbon and alloy), whether seamless or welded, regardless of end finish (e.g., whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (**API**) or non-API specifications, whether finished or unfinished.

The OCTG goods includes circular welded hollow steel products regardless of end finish and finish of non-API specifications. These OCTG goods subject to the US measures are similar to the CHS subject to the Australian measures.

Current status:

¹⁹ Countervailing duties were imposed on China at the same time.

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- Anti-dumping and countervailing measures remain in force following repeated reviews, confirming continued risk of dumping and ongoing subsidisation.

Canadian Measures on HSS

Canada maintains one of the clearest **product-specific HSS anti-dumping regimes globally**.

a. Canadian Measures on HSS (Structural Tubing)

Canada has anti-dumping measures on certain structural tubing known as hollow structural sections (**HSS**) exported from Korea. The description of the goods in the Canadian action is structural tubing known as HSS made of carbon and alloy steel, welded, in sizes up to and including 16.0 inches (406.4 mm) in outside diameter for round products and up to and including 48.0 inches (1,219.2 mm) in periphery for rectangular and square products.

The HSS subject to the Canadian measures is similar to the HSS subject to the Australian measures and is classified to the same six-digit tariff sub headings, 7306.30, 7306.50 and 7306.61.

Canada's latest expiry review, concluded in 2025, found that the expiry of the order on HSS from South Korea would be likely to lead to continuation or recurrence of dumping and material injury.

b. Canadian Measures on Carbon Steel Welded Pipe (CSWP)

Canada has anti-dumping measures on CSWP exported from Korea and Taiwan. Anti-dumping and countervailing measures are in place on exports from China and were continued on Korea, Taiwan and China for a further five years in November 2018²⁰.

The description of the goods in the Canadian action includes nominal size range from 1/2 inch up to and including 6 inches (12.7 mm to 168.3 mm in outside diameter) inclusive, in various forms and finishes. The CSWP subject to the Canadian measures is similar to the CHS subject to the Australian measures and is classified to the same six-digit tariff sub heading, 7306.30.

Current status:

- Measures have been repeatedly extended through expiry reviews (most recently in 2025), with continued findings of dumping, countervailable subsidies (with respect to exports from China) and injury.

These measures overlap with **circular HSS (CHS)**, particularly at smaller diameters.

²⁰ <https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/cswp1-eng.html>

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1.1.5 Subsidisation programs in China

The Final Report for **CON 590**²¹ (HSS from China, Korea, Malaysia and Taiwan) was published on 27 May 2022. In this report, **subsidy margins of up to 51%** were calculated for Chinese exporters (refer extract REP 590, p.100, below).

The commission has found that the entities listed below received countervailable subsidies in respect of the goods exported to Australia from China during the inquiry period, at the rates set out in the table below.

Entity	Subsidy Margin
Dalian Steelforce	N/A – Dalian Steelforce is exempt from the countervailing duty notice
Huludao	N/A – Huludao is exempt from the countervailing duty notice
Hengshui Jinghua	0.0% ¹²⁰
Tianjin Ruitong	8.4%
Youfa Steel Pipe No.1	3.3%
Youfa Steel Pipe No.2	3.3%
Tangshan Youfa	3.3%
Tangshan Zhengyuan	3.3%
Non-cooperative entities	51.0%

Table 16: Summary of subsidy margins

CON 590 identified and considered **67 subsidy programs** relating to the production of HSS. These programs are listed below:

Program No.	Name	Type	Countervailable subsidy (Yes/No)
1	Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones	Tax	Yes
2	One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'	Grant	Yes
5	Matching Funds for International Market Development for Small and Medium Enterprises	Grant	Yes
6	Superstar Enterprise Grant	Grant	Yes
7	Research & Development (R&D) Assistance Grant	Grant	Yes
8	Patent Award of Guangdong Province	Grant	Yes
10	Preferential Tax Policies for Foreign Invested Enterprises– Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years	Tax	Yes
11	Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)	Tax	Yes
12	Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai	Tax	Yes
13	Preferential Tax Policies in the Western Regions	Tax	Yes
14	Tariff and VAT Exemptions on Imported Materials and Equipment	Tax	Yes
15	Innovative Experimental Enterprise Grant	Grant	Yes
16	Special Support Fund for Non State-Owned Enterprises	Grant	Yes
17	Venture Investment Fund of Hi-Tech Industry	Grant	Yes

Program No.	Name	Type	Countervailable subsidy (Yes/No)
18	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment	Grant	Yes
19	Grant for key enterprises in equipment manufacturing industry of Zhongshan	Grant	Yes
20	Hot rolled steel provided by government at less than fair market value	LTAR ¹²³	Yes
21	Water Conservancy Fund Deduction	Grant	Yes
22	Wuxing District Freight Assistance	Grant	Yes
23	Huzhou City Public Listing Grant	Grant	Yes
27	Huzhou City Quality Award	Grant	Yes
28	Huzhou Industry Enterprise Transformation & Upgrade Development Fund	Grant	Yes
29	Land Use Tax Deduction	Tax	Yes
30	Wuxing District Public Listing Grant	Grant	Yes
31	Anti-dumping Respondent Assistance	Grant	Yes
32	Technology Project Assistance	Grant	Yes
34	Balidian Town Public Listing Award	Grant	Yes
35	Preferential Tax Policies for High and New Technology Enterprises	Tax	Yes
36	Local Tax Bureau Refund	Tax	Yes
37	Return of Farmland Use Tax	Tax	Yes
38	Return of Land Transfer Fee	Tax	Yes
39	Return of Land Transfer Fee From Shiyu	Tax	Yes
40	Dining lampblack governance subsidy of Jinghai County Environmental Protection Bureau	Grant	Yes
41	Discount interest fund for technological innovation	Grant	Yes
42	Energy conservation and emission reduction special fund project in 2015	Grant	Yes
43	Enterprise famous brand reward of Fengnan Finance Bureau	Grant	Yes
44	Government subsidy for construction	Grant	Yes
45	Infrastructure Construction Costs Of Road In Front Of No.5 Factory	Grant	Yes
46	New Type Entrepreneur Cultivation Engineering Training Fee Of Jinghai County Science And Technology Commission	Grant	Yes

²¹ 590 - 041 - report - final report - rep 590.pdf

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Program No.	Name	Type	Countervailable subsidy (Yes/No)
47	Subsidy for Coal-Fired Boiler of Fengnan Subtreasury	Grant	Yes
48	Subsidy for Coal-Fired Boiler Rectification	Grant	Yes
49	Subsidy for District Level Technological Project	Grant	Yes
50	Subsidy For Pollution Control Of Fengnan Environmental Protection Bureau	Grant	Yes
51	Subsidy from Science and Technology Bureau of Jinghai County	Grant	Yes
52	Subsidy of Environment Bureau transferred from Shiyou	Grant	Yes
53	Supporting fund for exhibition from Hongqiao District Commerce Commission	Grant	Yes
54	Government subsidy for job stability	Grant	Yes
55	Commercial Committee Support Fund	Grant	Yes
56	Tianjin Municipal Bureau of Commerce July 2018-December 2018	Grant	Yes
57	Aiding fees for cases of technology information collection	Grant	Yes
58	Patent supporting fund from Science and Technology Bureau of Jinghai District 2019	Grant	Yes
59	Patent supporting fund for 2017 program	Grant	Yes
60	Subsidy for patent from Science and Technology Bureau Fengnan District, Tangshan City	Grant	Yes
61	Subsidy for Energy collection from the Tangshan Quality and Technology Supervision Bureau	Grant	Yes
62	Award to the Patent Innovation from Science and Technology Bureau Fengnan District	Grant	Yes
63	Technical innovation subsidy for deducting equipment and boiler	Grant	Yes
64	Awards to technology innovation from Bureau of Industry and Information Technology Fengnan District	Grant	Yes
65	Awards to "Well-Known Trademarks" from Hebei Province Market Supervision administration Bureau	Grant	Yes
66	Grant for Technology ERP	Grant	Yes
590-1	Hebei Province Quality Awards.	Grant	Yes

ATM has found no evidence to suggest that these subsidy programs have ceased to exist.

More recently, the Final Report for *Investigation No. 658* (Hot Rolled Coil Steel from China) (**REP 658**) was published on 2 April 2026. Given that the cost of hot rolled coil accounts for approximately █% [*majority*] of the cost to make HSS, this investigation has significant relevance to HSS. Appendix D and E of REP 658²² indicate that **179 subsidy programs** were declared and considered in this investigation and non-*de minimis* **subsidy margins of 3.4%** (all others) were calculated (refer extract from REP 658, p.191, below).

The Commissioner has found that:

- countervailable subsidies were received in respect of the goods exported to Australia from China during the period of investigation and
- the level of subsidisation received by all exporters in respect of the goods was not negligible.

The subsidy margins in respect of the goods exported to Australia from China during the investigation period is summarised in Table 34. For ease of reference, this table includes the subsidy margins for the selected exporters terminated in TER 658.

Exporter	Subsidy margin	Negligible? ³²²
Baoshan	1.7%	Yes
Zhanjiang	0.3%	Yes
Meishan	1.4%	Yes
LY Steel	1.4%	Yes
All other exporters	3.4%	No

Table 34: Subsidy margins

²² EPR 658/044.

2. WILL THE MATERIAL INJURY CONTINUE, OR RECUR?

2.1 Performance of the Australian industry

An assessment as to whether the expiration of the measures would lead, or would be likely to lead, to a continuation or recurrence of the material injury that the measures are intended to prevent involves a consideration of future outcomes based on an evaluation of the present position. In support of this analysis, the applicant presents the economic condition of the Australian industry from April 2021.

2.2.1 Appendix A-2 – Market Share Analysis

Refer to Confidential Appendix A-2 for the comprehensive breakdown of import volumes/values and market share analysis. Headlines from the A-2 worksheet are shown below:

Market Share - Indexed (quarterly):

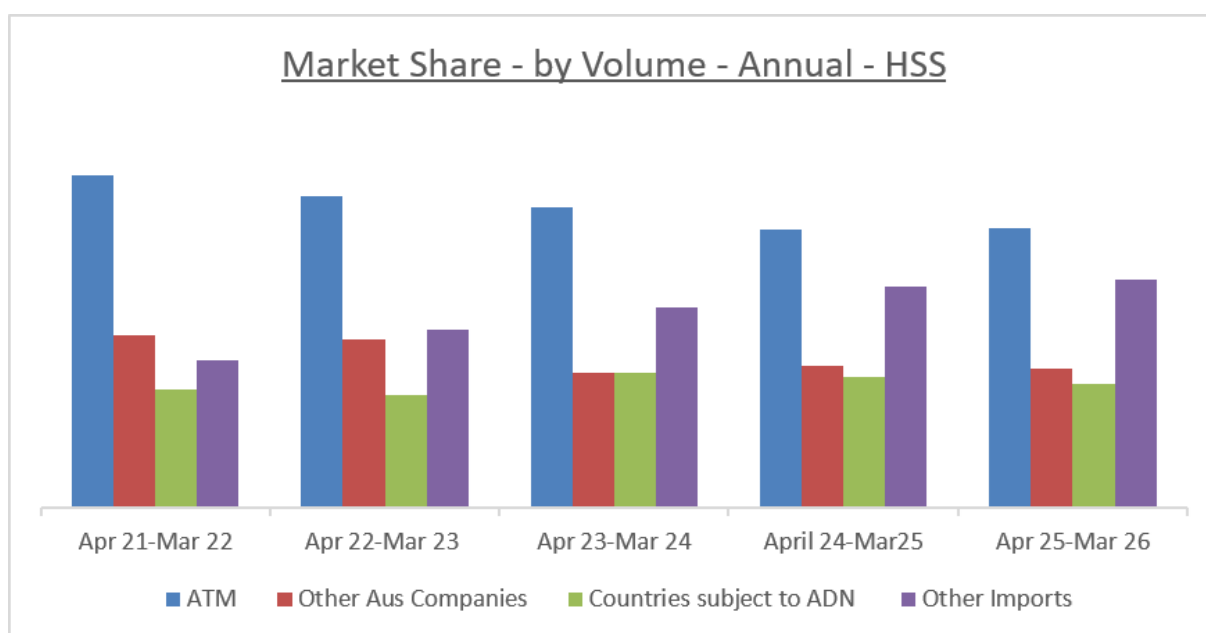
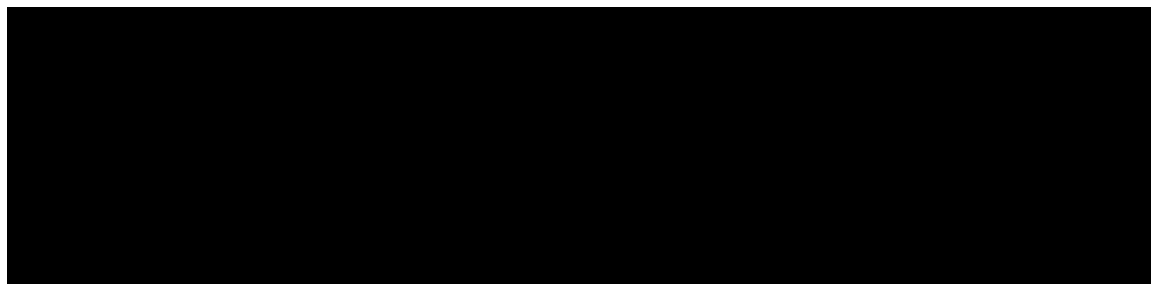
	Apr-Jun 2021	Jul-Sep 2021	Oct-Dec 2021	Jan-Mar 2022	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023
ATM	100	104	91	102	89	95	90	97	106	91
Other Aus Companies	100	90	92	91	86	86	98	95	82	70
Countries subject to ADN	100	89	108	74	86	90	90	88	87	117
Other Imports	100	117	127	134	165	144	139	128	122	151
	Oct-Dec 2023	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025	Apr-Jun 2025	Jul-Sep 2025	Oct-Dec 2025	Jan-Mar 2026
ATM	77	84	83	84	77	87	85	78	85	85
Other Aus Companies	71	72	79	76	81	71	68	70	78	86
Countries subject to ADN	120	97	101	110	102	94	101	108	91	87
Other Imports	185	190	176	170	189	184	185	197	185	174

Summary

- Quarterly market share for ATM has decreased by 15% since April-June 2021.
- Quarterly market share for other Australian companies has decreased by 14% since April-June 2021.
- Quarterly market share for the countries subject to the ADN has decreased by 13% since April-June 2021.
- Quarterly market share for other imports has increased by 74% since April-June 2021.

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Annual market share, for ATM, other Australian companies, Countries subject to the ADN and other imports, are demonstrated below. This analysis shows that ATM's annual market share has dropped 7% (from █% to █%) over the past 5 years.



This analysis shows that since April 2021, ATM and other Australian industry members' market share has fallen significantly, at a time when imports from the countries subject to measures²³ has grown from █% to █%, and imports from other countries has grown significantly (from █% to █%).

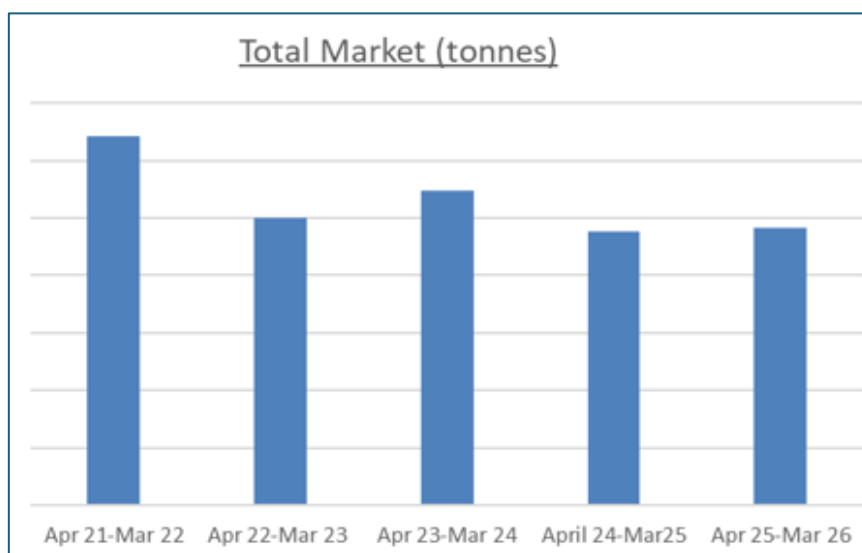
Australian Market Size – HSS

Over the past five years the size of the total Australian HSS market has declined 25%. This is demonstrated in the indexed table and graph below:

	Apr 21-Mar 22	Apr 22-Mar 23	Apr 23-Mar 24	April 24-Mar 25	Apr 25-Mar 26
Total Market (tonnes)	█	█	█	█	█
Indexed	100	78	85	74	75

²³ This includes exports from Korea by exporters not subject to measures, i.e. Kukje and Hi-Steel.

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The above analysis shows that there was a significant decline (22%) in the size of the total HSS market in the period ending March 2023. It then rose 7% in the following period, before falling 11% in the period ending March 2025, then stabilising in the most recent (proposed inquiry) period. Although the Australian HSS market has declined by 25% since April 2021, the market size for the subject countries has not declined by the same degree, and the market has grown for non-subject countries. This points to the risk of recurrence of dumping if measures cease to exist, and that the existence of measures simply prevents subject countries and exporters from exporting to Australia at dumped prices.

2.2.2 Appendix A-6 Analysis - Indexed Tables and Graphs

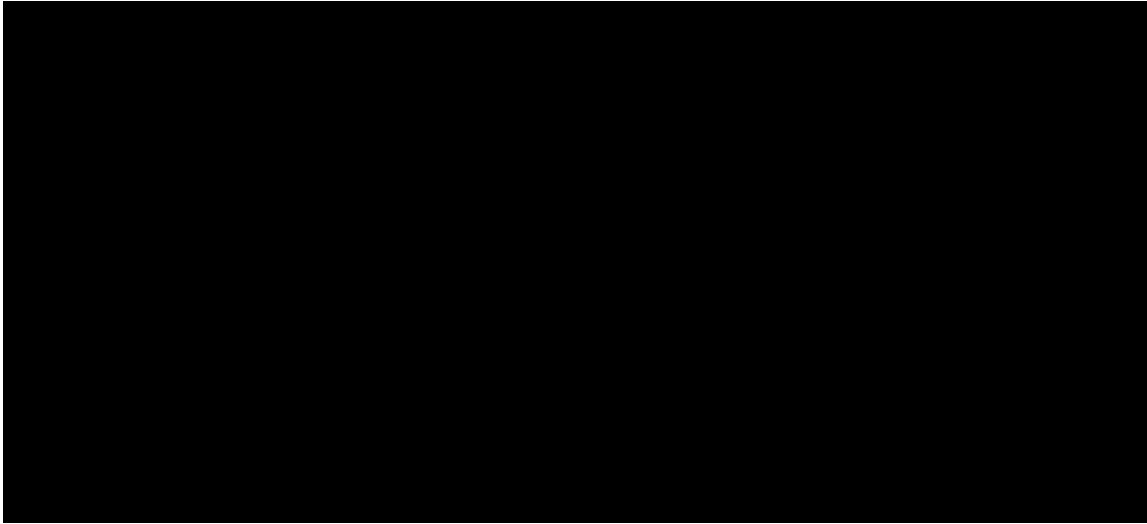
The following is an indexed table taken from information within confidential appendix A-6.1:

	12 Mths Ending Mar22	12 Mths Ending Mar23	12 Mths Ending Mar24	12 Mths Ending Mar25	12 Mths Ending Mar26
Sales quantity	100	96	75	61	58
Production quantity	100	93	72	54	53
Unit cost to make and sell (F+I)	100	125	101	102	98
Unit sales revenue (K/G)	100	119	93	88	88
Unit gain or loss (M/G)	100	69	38	-12	12
Profitability (N/L%)	100	58	41	-14	14

Sales Quantity

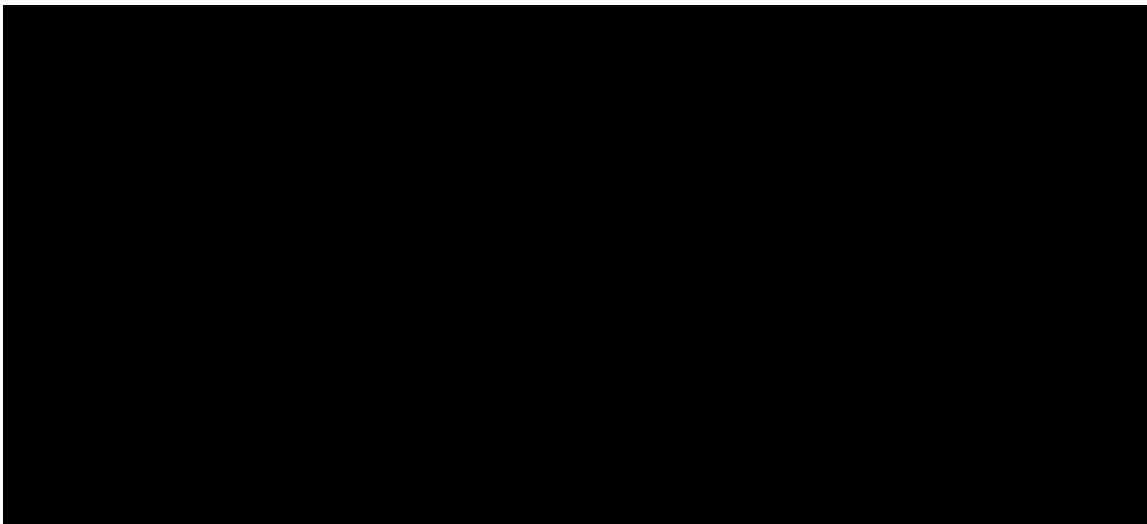
Sales quantity of HSS has fallen year on year since April 2021; from [REDACTED]; a 42% decline over the 5 year period from April 2021 to March 2026. This is demonstrated in the graph below:

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Production Quantity

Production quantity of HSS has fallen year on year since April 2021; from [REDACTED]; a 47% decline over the 5 year period from April 2021 to March 2026. This is demonstrated in the graph below:



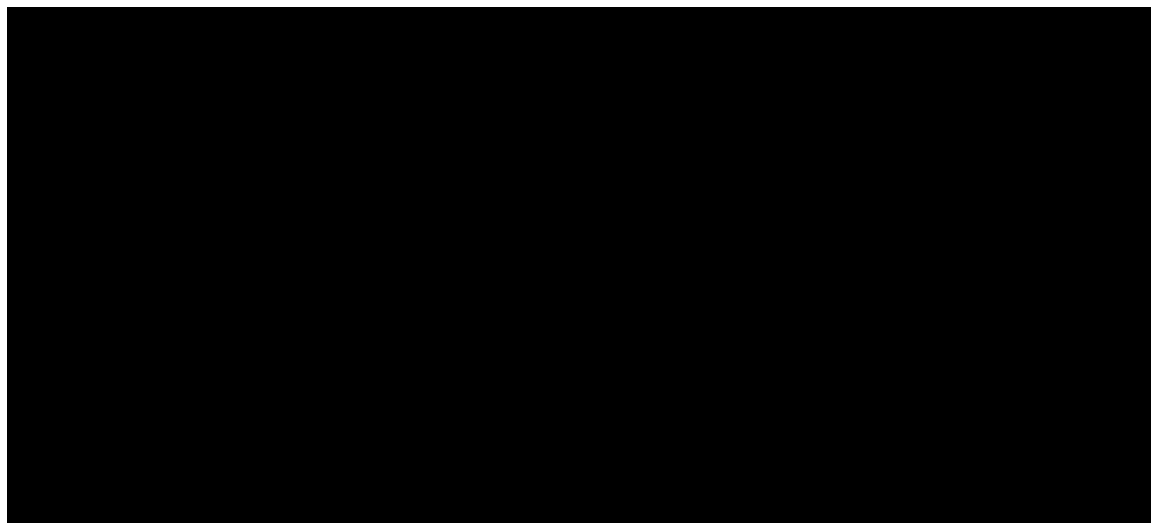
Unit cost to make and sell (CTMS)

Unit CTMS of HSS has decreased by 2% since April 2021. It increased in the period ending March 2023, but has decreased year on year since then (however it has not decreased to the same degree as unit sales revenue). This is demonstrated in the graph below.

Unit Sales Revenue

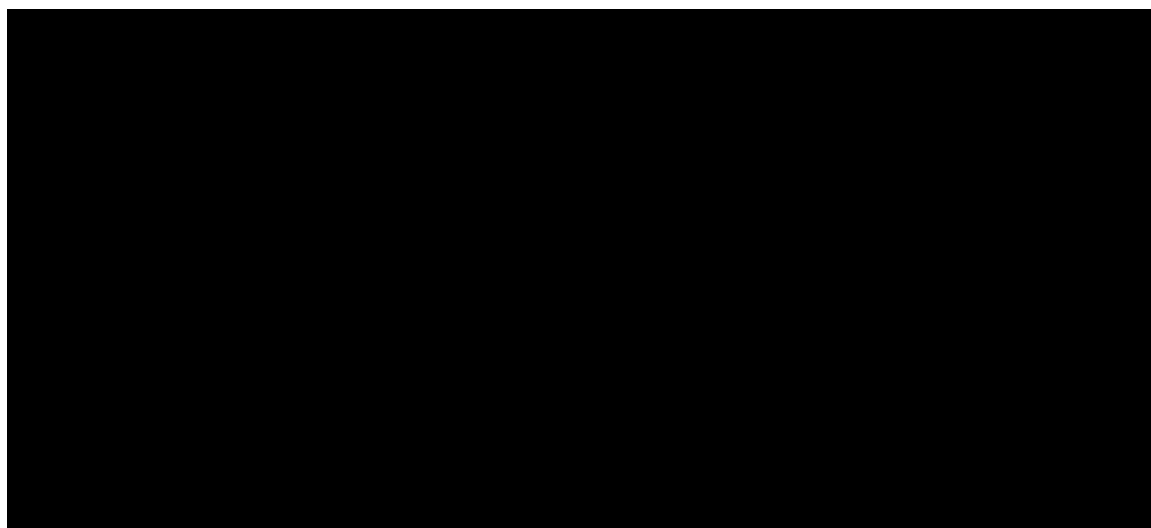
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Unit sales revenue (price) of HSS has decreased 12% since April 2021. It increased in the period ending March 2023 but has decreased year on year since then. The interaction between ATM's "unit CTMS" and "unit sales revenue" for HSS is demonstrated in the graph below:



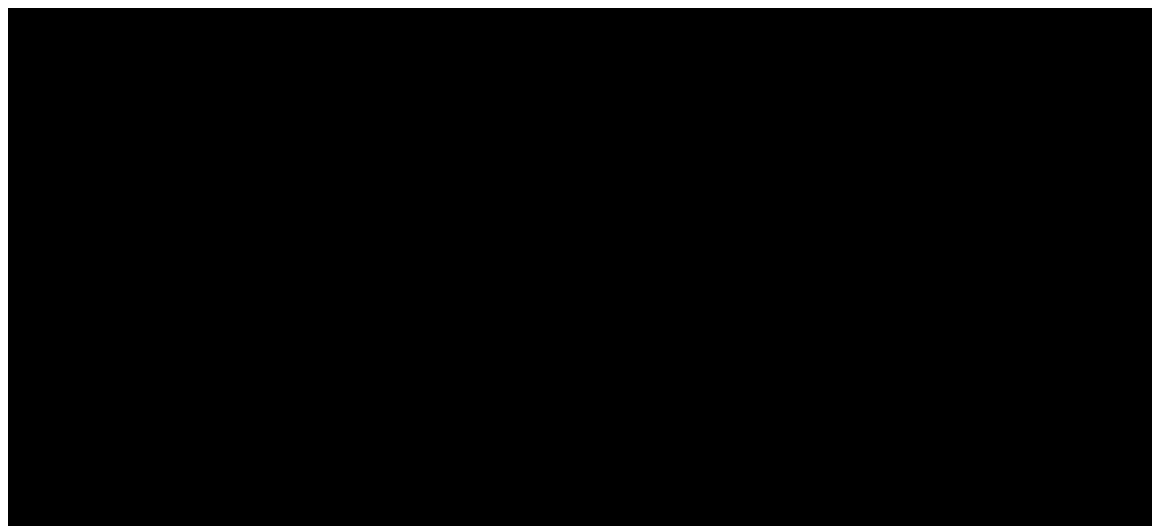
Unit Gain/loss

Unit gain/loss of HSS has decreased 88% since April 2021. It declined significantly between April 2021 and March 2025, then improved slightly in the period ending March 2026. This is demonstrated in the graph below:



Profitability

Profitability of HSS has decreased by 86% since April 2021. It declined significantly between April 2021 and March 2025, then improved slightly in the period ending March 2026. This is demonstrated in the graph below:



2.2.3 Appendix A-7 Analysis - Indexed Tables and Analysis

Index of Revenue (\$)

Period	12 Mths Ending Mar22	12 Mths Ending Mar23	12 Mths Ending Mar24	12 Mths Ending Mar25	12 Mths Ending Mar26
Revenue (\$)	100	114	70	54	51

Revenue from HSS increased slightly in the period ending March 2023, then decreased significantly between April 2023 and March 2026. It declined 49% over the 5-year period from April 2021 to March 2026.

Index of Capacity Utilisation

Period	12 Mths Ending Mar22	12 Mths Ending Mar23	12 Mths Ending Mar24	12 Mths Ending Mar25	12 Mths Ending Mar26
Capacity Utilisation (Like Goods, %)	100	99	83	54	53

Capacity utilisation for HSS has decreased year on year since April 2021, falling 47% over the 5-year period from April 2021 to March 2026. This is consistent with the decline in sales/production volumes over the same period.

Index of Return on Investment

Period	12 Mths Ending Mar22	12 Mths Ending Mar23	12 Mths Ending Mar24	12 Mths Ending Mar25	12 Mths Ending Mar26
Return on Funds Employed %	100	47	18	-5	8

Return on investment relating to HSS has declined by 92% over the 5-year period from April 2021 to March 2026.

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Index of Stock Holding

Period	12 Mths Ending Mar22	12 Mths Ending Mar23	12 Mths Ending Mar24	12 Mths Ending Mar25	12 Mths Ending Mar26
Closing Stock (Tonnes)	100	79	78	50	57

Stock holding of HSS has decreased by 43% since April 2021. This is consistent with the decline in sales/production volumes over the same period.

Index of Cash Flow

Period	12 Mths Ending Mar22	12 Mths Ending Mar23	12 Mths Ending Mar24	12 Mths Ending Mar25	12 Mths Ending Mar26
Receivables Turnover	100	201	153	149	146
Inventory Turnover	100	106	74	70	79

Following increases in the period ending March 2023, HSS inventory and receivables turnover have both declined significantly since April 2023.

Index of Headcount

Period	12 Mths Ending Mar22	12 Mths Ending Mar23	12 Mths Ending Mar24	12 Mths Ending Mar25	12 Mths Ending Mar26
Employment (headcount)	100	100	103	99	82

Headcount relating to HSS has decreased by 21% since April 2024. This is mainly due to the first phase of the Newcastle site closure, which commenced in Dec 2025.

Index of Productivity

Period	12 Mths Ending Mar22	12 Mths Ending Mar23	12 Mths Ending Mar24	12 Mths Ending Mar25	12 Mths Ending Mar26
Tonnes Per FTE	100	93	70	54	64

Productivity (tonnes produced per FTE) has decreased by 36% since April 2021. This is generally consistent with the decline in sales/production volumes of HSS over the period.

Summary

Having regard to the above injury analysis from appendices A-2, A-6.1 and A-7, ATM submits that since the last continuation inquiry (CON 590), they have suffered injury in the form of:

- **Reduced revenue**
- **Reduced return on investment**
- **Reduced cashflow**
- **Reduced headcount**
- **Lost sales volume**
- **Lost market share**
- **Price depression**
- **Price suppression**
- **Loss of profits**

- **Reduced profitability**
- **Increased stock holding**
- **Reduced capacity utilisation**
- **Reduced productivity**

2.3 Likely effect on prices, volumes and profits

The Commission has previously concluded the following in relation to the nature of the market for the goods:

The Australian industry has regard to import price offers when setting prices. Its customers have ready access to both locally produced and imported products which are essentially interchangeable, and are therefore in a position to seek the most favourable terms, including price and anticipated delivery timeframes, and frequently negotiate on this basis.²⁴

In **Section 2.2.2**, above, ATM contends that it has experienced injury in the form of price suppression in the proposed inquiry period.

In the previous continuation inquiry concerning the goods (CON 590):

Likely effect on prices, revenue and profitability

The commission considers that the Australian market for the goods is a commodity market with price the major factor in purchasing decisions.

Based on its analysis, the commission considers that if the anti-dumping measures were to expire, exporters from the subject countries would likely reduce prices to compete with the lower priced exports not currently subject to the anti-dumping measures (as well as the lower prices offered by HiSteel).

The commission considers it is reasonable to conclude that the Australian industry would respond to lower priced imported goods previously subject to the anti-dumping measures by reducing prices in order to remain competitive and maintain its sales volumes. These lower prices would be likely to lead to a recurrence of injury to the Australian industry in the form of price depression, as well as other factors related to price, including sales revenue, profit and profitability.

Likely effect on volumes

In the absence of the anti-dumping measures, the commission considers it likely that those exporters currently subject to the anti-dumping measures would reduce prices to compete with lower priced exports from other countries. The commission considers it also likely, in the event that Australian industry is unable to reduce prices in line with lower prices, that Australian industry would lose market share, which in turn would lead to a reduction in sales volume.

The commission is therefore satisfied that the expiration of the anti-dumping measures would be likely to lead to a recurrence of injury to the Australian industry in the form of reduced sales volume and market share, as well as other factors related to volume injury, such as profit, profitability and capacity utilisation.

The loss of market share and subsequent reduction in sales volume and production volume have contributed to the unfortunate decision to close ATM's Newcastle, NSW facility following 90 years of operation.

Is injury likely to be material?

The commission considers that the continuation or recurrence of dumped exports from China, Korea, Malaysia and Taiwan and subsidised exports from China would put downward pressure on prices in the Australian market. As a consequence, Australian industry would likely experience price depression and/or a material erosion in the improvements made since the measures were last continued in relation to sales volumes, market share, sales revenue,

²⁴ REP 590, p. 42 at [5.4]

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profit and profitability. The commission considers that the combination of these factors would meet the threshold of material injury.

Accordingly, the commission considers that the expiration of the anti-dumping measures as they relate to exporters from the subject countries would be likely to lead to a continuation of, or a recurrence of, the material injury that the current measures are intended to prevent, including in the form of lower sales volumes, lower market share, lower sales revenue, lower profit and lower profitability.²⁵

ATM continues to offer prices to its customers that are either directly or indirectly based on an IPP plus a premium that is based on providing local supply and customer service. Therefore, ATM competes with the imported goods and that competition with the imported goods results in ATM achieving lower prices than it otherwise would do. These price reductions bring the ATM's prices down to a level closer to those of the imported goods, but still higher than those imported prices due to the domestic price premium.

Price undercutting occurs when imported goods are sold into the Australian market for the goods at prices below those of Australian manufactured like goods, to customers at the same level of trade. ATM must compete with importers of the goods on the basis of price. As such, it must reduce its prices in order to compete with those of importers. In **Section 2.2.2**, above, ATM contends that the prices it achieved have been depressed and suppressed. As such, ATM's price undercutting margins will not capture the full extent of price undercutting, as ATM reduced prices to levels that it would not have otherwise done in order to achieve sales to its (importer exposed) Australian customers.

2.4 Factors other than dumping causing injury

Section 2.2.1, above, illustrates that imports from countries other than the subject sources continue to be present in the Australian market for the goods. It is possible that any deterioration of the Australian industry's economic indices during the proposed inquiry period may be attributable to imports from sources not subject to measures in the highly price sensitive market for the goods. ATM accepts that the presence of imports from other sources may continue to adversely influence the economic condition of the Australian industry. Indeed, the Australian industry may be affected by many factors. However, ATM does not accept that the existence of other potential causes of injury negates the injury that the Australian industry will likely experience as a result of the continuation or recurrence of dumped exports from the subject sources. While ATM accepts that injury caused by other factors should not be attributed to dumping, it is also noted that dumping need not be the sole cause of injury to the industry.²⁶

Therefore, ATM refers the Commissioner to its discussion in **Section 2.2.1**, above, on import volumes and patterns of trade changes following the measures. ATM's analysis demonstrated the price sensitive nature of the Australian market. The reduction in import volumes from subject sources evident following the imposition of effective measures indicates that the subject exporters were not able to compete in the price sensitive Australian market without the price advantage obtained by exporting at dumped prices.

ATM contends that if the measures were to expire, exporters from the subject sources would again benefit from a price advantage from dumping and subsidisation. ATM accepts that the Australian industry will still face competition from other sources, as it did during the inquiry period for CON 590. However, ATM considers that the presence of dumped and/or subsidised exports from the subject sources, if the measures were to expire, will likely result in pressure on prices across the entire market, to the material detriment of all participants, including the Australian industry.

²⁵ REP 590, pp.13-15, at [1.3.3].

²⁶ Ministerial Direction on Material Injury, 2012.

Conclusion

ATM submits that there appears to be reasonable grounds to assert that the expiration of the measures might lead, or might be likely to lead, to a continuation or recurrence of the material injury that the measures are intended to prevent.

Material injury that might likely continue, or recur, would be in the form of:

- **Lost revenue**
- **Reduced return on investment**
- **Reduced cashflow**
- **Reduced headcount**
- **Volume injury from lost sales volumes**
- **Lost market share**
- **Price depression**
- **Price suppression**
- **Lost profits**
- **Reduced profitability**
- **Increased stock holding**
- **Reduced capacity utilisation**
- **Reduced productivity**

For and on behalf of the Australian industry member, Austube Mills.