PUBLIC RECORD

Australian Government
Department of Industry, Science and Resources

Anti-Dumping Commission

*CUSTOMS ACT 1901 - PART XVB*

# REPORT
# NO. 689

## INQUIRY INTO THE CONTINUATION OF ANTI-DUMPING MEASURES ON
## PRECISION PIPE AND TUBE STEEL
## EXPORTED TO AUSTRALIA FROM
## THE PEOPLE'S REPUBLIC OF CHINA AND THE REPUBLIC OF KOREA

**23 July 2026**

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# ABBREVIATIONS

| | |
|---|---|
| ABF | Australian Border Force |
| the Act | *Customs Act 1901* |
| ADA | Anti-Dumping Agreement |
| ADN | Anti-Dumping Notice |
| ADRP | Anti-Dumping Review Panel |
| Applicant | Orrcon Manufacturing Pty. Ltd. |
| AUD | Australian Dollar |
| Austeel Trading | Austeel Trading Pty. Ltd. |
| BlueScope | BlueScope Steel Limited |
| China | the People's Republic of China |
| COGS | Cost of goods sold |
| COP | Cost of production |
| the commission | Anti-Dumping Commission |
| the Commissioner | Commissioner of the Anti-Dumping Commission |
| CRC | Cold-rolled coil |
| CTIS | Cost to import and sell |
| CTM | Cost to make |
| CTMS | Cost to make and sell |
| CY | Calendar year – 1 January to 31 December |
| Dalian Steelforce | Dalian Steelforce Hi-Tech Co., Ltd |
| Dumping Duty Act | *Customs Tariff (Anti-Dumping) Act 1975* |
| EPR | the Anti-Dumping Commission's electronic public record |
| ERW | Electric resistance welding |
| FOB | Free on board |
| FY | Financial year - 1 July to 30 June |
| GAAP | Generally accepted accounting principles |
| GOC | Government of China |
| GOK | Government of Korea |
| the goods | the goods as defined in chapter 3.3.1 (also referred to as the goods under consideration or GUC) |
| GUC | Goods under consideration |
| HRC | Hot-rolled coil |
| HSS | Hollow structural sections |
| ICD | Interim countervailing duty |
| IDD | Interim dumping duty |
| Infrabuild | Liberty Infrabuild Ltd |
| Korea | the Republic of Korea |

| | |
|---|---|
| the Manual | Dumping and Subsidy Manual (December 2021) |
| Material Injury Direction | *Ministerial Direction on Material Injury 2012* |
| MCC | Model control code |
| MEPS | MEPS International Ltd. |
| the Minister | the Minister for Industry and Innovation and Minister for Science |
| MT | Metric tonnes |
| NIP | Non-injurious price |
| Orrcon | Orrcon Manufacturing Pty. Ltd. |
| PP&T | Precision pipe and tube steel |
| RBA | Reserve Bank of Australia |
| REP 177 | *Anti-Dumping Commission Report No 177* |
| REP 419 | *Anti-Dumping Commission Report No 419* |
| REP 550 | *Anti-Dumping Commission Report No 550* |
| REP 590 | *Anti-Dumping Commission Report No 590* |
| REP 658 | *Anti-Dumping Commission Report No 658* |
| REQ | Response to exporter questionnaire |
| RHS | Rectangular or square hollow sections |
| RIQ | Response to importer questionnaire |
| RMB | Chinese Renminbi |
| ROI | Return on investment |
| SEF | Statement of essential facts |
| SEF 689 | Statement of Essential Facts No 689 |
| SIE | State-invested enterprise |
| SOE | State-owned enterprise |
| Steelforce Australia | Steelforce Australia Pty Ltd |
| the subject countries | China and Korea |
| Tariff Regulation | *Customs Tariff (Anti-Dumping) Regulation 2013* |
| TER 550 | *Anti-Dumping Commission Termination Report No 550* |
| Thailand | the Kingdom of Thailand |
| US | United States of America |
| USD | United States Dollar |
| USP | Unsuppressed selling price |
| Vietnam | the Socialist Republic of Vietnam |
| WTO | World Trade Organization |
| WTO notification | Notification by a member country to the WTO pursuant to obligations under Article XVI:1 of the *General Agreement on Tariffs and Trade 1994* and Article 25 of the *Agreement on Subsidies and Countervailing Measures* |
| VAT | Value-Added Tax |
| Yantai | Yantai Aoxin International Trade Co., Ltd |

| | |
|---|---|
| Z100 | Galvanised steel coil with zinc coating mass 100g/$m^2$ |
| Z200 | Galvanised steel coil with zinc coating mass 200g/$m^2$ |
| Z275 | Galvanised steel coil with zinc coating mass 275g/$m^2$ |

# 1 SUMMARY AND RECOMMENDATIONS

## 1.1 Introduction

This report (REP 689) concerns an inquiry regarding the continuation of the anti-dumping measures (the measures) on precision pipe and tube steel (PP&T) exported to Australia from the People's Republic of China (China) and the Republic of Korea (Korea) (the subject countries). The measures are in the form of a dumping duty notice, and a countervailing duty notice for China[1] and a dumping duty notice for Korea. The measures are due to expire on 28 September 2026.[2]

This report sets out the facts on which the Commissioner of the Anti-Dumping Commission (the Commissioner) has based their recommendations to the Minister for Industry and Innovation and Minister for Science (the Minister).

## 1.2 Recommendations

In accordance with subsection 269ZHF(2), the Commissioner is satisfied that the expiry of the measures on PP&T exported to Australia from the subject countries would be likely to lead to a continuation or recurrence of dumping and/or subsidisation of PP&T, and the material injury that the measures are intended to prevent.

The Commissioner recommends that:

- the Minister declare, in accordance with section 269ZHG(1)(b), that they have decided to secure the continuation of the measures
- the measures apply to exporters generally as if different variable factors[3] had been ascertained[4]
- the rate of interim dumping duties (IDD) and interim countervailing duty (ICD) in Table 1 apply from 29 September 2026.

[1] Dalian Steelforce Hi-Tech Co., Ltd (Dalian Steelforce) and Yantai Aoxin International Trade Co., Ltd (Yantai) from China are not subject to the countervailing duty notice.

[2] Section 269TM of the *Customs Act 1901* (the Act). All legislative references are to the *Customs Act 1901*, unless otherwise specified.

[3] The variable factors in relation to a dumping duty notice are the export price, normal value and non-injurious price (NIP). The variable factors in relation to a countervailing duty notice are the export price, amount of countervailable subsidy received and the NIP.

[4] Section 269ZHF(1)(a)(iii).

| Country | Exporter | REP 550[5] – current *ad valorem* duty measures | | | REP 689 – new combination[6] duty measures | | |
|---|---|---|---|---|---|---|---|
| | | IDD | ICD | Effective IDD + ICD | IDD | ICD | Effective IDD + ICD |
| China | Dalian Steelforce Hi-Tech Co., Ltd | 2.9% | *n/a* | 2.9% | 29.0% | *n/a* | 29.0% |
| | Yantai Aoxin International Trade Co., Ltd | 19.7% | *n/a* | 19.7% | 43.4% | *n/a* | 43.4% |
| | Uncooperative, non-cooperative and all other exporters | 19.7% | 42.7% | 62.4% | 15.6% | 72.3% | 87.9% |
| Korea | Uncooperative and all other exporters | 6.2% | *n/a* | 6.2% | 21.4% | *n/a* | 21.4% |

**Table 1: Measures resulting from this inquiry and comparison to current measures**

The rates of IDD and ICD (and effective IDD + ICD rates) for the Chinese exporters in Table 1 are different from those published in SEF 689. This is due to the commission changing the benchmark calculation used in Dalian Steelforce's normal value in response to a submission by Dalian Steelforce[7], the commission's identification of a calculation error[8] and the application of the lesser duty rule for certain exporters[9]. The changes have caused:

- a net decrease of 0.9% to Dalian Steelforce's IDD (from 29.9% in SEF 689 to 29.0% in this report)
- a net increase of 5.6% to the IDD for Yantai (from 37.8% in SEF 689 to 43.4% in this report)
- a net increase of 5.1% to the IDD for uncooperative exporters from China (from 10.5% in SEF 689 to 15.6% in this report)
- a net decrease of 0.6% to the ICD for non-cooperative and all other exporters from China (from 72.9% in SEF 689 to 72.3% in this report).

Both Dalian Steelforce and Yantai are not subject to the countervailing duty notice, and for these exporters the effective rate of duty refers to IDD only.[10]

The Commissioner has determined that Yantai is an uncooperative exporter in this inquiry. The IDD calculated for Yantai is different from the IDD calculated for other uncooperative exporters

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5 *Anti-Dumping Commission Report No 550* (REP 550).

6 The combination of fixed and variable duty method (combination) is outlined in sections 2 and 3 of *the Customs Tariff (Anti-Dumping) Regulation 2013* (Tariff Regulation).

7 For an explanation of the post-SEF 689 changes to the Chinese steel coil benchmark and how it applied to Dalian Steelforce, see chapter 6.4.8 and **Appendix A4**. For uncooperative exporters for China, chapter 6.5.2 and **Appendix A4** refers.

8 The commission identified a calculation error after SEF 689 was published. This is explained at chapter 6.4.1.

9 Chapter 9.3.3 refers.

10 The Commissioner terminated the original subsidy investigation with respect to Dalian Steelforce and Yantai (ADN 2021/111). EPR 550 – document 69 refers.

from China. This is because these other uncooperative exporters from China are also non-cooperative exporters and subject to ICD.

Because Yantai is not subject to ICD, the IDD calculation is the full dumping margin for uncooperative exporters.

As the other uncooperative exporters are also subject to ICD, the IDD calculation deducts the double count of the steel coil less than adequate remuneration (LTAR) subsidy as this amount is also used in the dumping margin calculation.[11]

## 1.3 Background to the inquiry (chapter 2)

The Commissioner initiated this inquiry on 16 October 2025 and established an inquiry period of 1 July 2024 to 30 June 2025 (the inquiry period).[12]

Orrcon Manufacturing Pty. Ltd. (Orrcon) is the applicant seeking to continue the measures.[13]

The Commissioner published Statement of Essential Facts No 689 (SEF 689) on 22 May 2026.[14] SEF 689 was published in accordance with section 269ZHE(1) and it documented the facts and reasons for the Commissioner's proposed recommendations to the Minister about continuing the measures and altering the variable factors.

Interested parties were invited to make submissions on SEF 689 by 11 June 2026.

Detailed information concerning the commission's conduct of the inquiry is provided in section 2.4 of this report.

## 1.4 Summary of key findings

The Commissioner's findings and conclusions in this report rely on the information available in SEF 689 and any submissions provided in response to SEF 689. The paragraphs below provide a summary of these findings, which are set out in further detail throughout the report.

### 1.4.1 The goods, like goods and the Australian industry (chapter 3)

The Commissioner finds locally produced goods are 'like' to the goods the subject of the application. The Commissioner is satisfied that there is an Australian industry, comprised of Orrcon, being the sole producer producing those like goods.

### 1.4.2 Australian market (chapter 4)

The Australian market for PP&T is supplied by both Australian industry and exporters. Imports are sourced from the subject countries (China and Korea) as well as the Kingdom of Thailand (Thailand) and the Socialist Republic of Vietnam (Vietnam).

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[11] This finding is discussed in further detail at chapter 10.3.1.

[12] ADN No. 2025/106 on the electronic public record (EPR) for case 689 - document 2.

[13] EPR 689 - document 1

[14] EPR 689 - document 14.

### 1.4.3 Economic condition of the Australian industry (chapter 5)

The Commissioner assessed the economic condition of the Australian industry from 1 July 2021 to analyse trends in the market for PP&T and to assess potential injury factors. The Commissioner has found that Orrcon's economic condition continues to show injury through a:

- decline in sales volume
- decline in market share
- price depression
- price suppression
- loss of profit
- loss of profitability
- loss of revenue
- reduced return on investment
- reduction of capacity
- reduced capacity utilisation
- reduced productivity
- reduction in employment numbers
- reduction in hours worked
- reduction in wages.

### 1.4.4 Dumping during the inquiry period (chapter 6)

For the purposes of this inquiry, the Anti-Dumping Commission (commission) has assessed the variable factors to determine whether exports in the inquiry period were dumped, and whether dumping is likely to continue or recur if the measures are not continued.

The commission has calculated the dumping margins set out in Table 2 below.

| Country | Exporter | Dumping margin |
|---|---|---|
| China | Dalian Steelforce Hi-Tech Co., Ltd | 29.0% |
| | Yantai Aoxin International Trade Co., Ltd | 43.4% |
| | Uncooperative and all other exporters (including Yantai) | 43.4% |
| Korea | Uncooperative and all other exporters | 21.4% |

**Table 2: Dumping margins in this inquiry period[15]**

The Commissioner has also used this information to determine that variable factors for exporters generally have changed.

### 1.4.5 Subsidisation during the inquiry period (chapter 7)

For the purposes of this inquiry, the commission has assessed variable factors to determine whether exports in the inquiry period from China (except Dalian Steelforce and Yantai) were subsidised, and whether subsidisation is likely to continue or recur if the measures are not continued.

[15] The change in dumping margins between this inquiry period and REP 550 are caused by the proportional change in the export price (which is lower in this inquiry period) with the normal value.

The commission has calculated the subsidy margin set out in Table 3 below.

| Exporter | Subsidy margin | LTAR subsidy |
|---|---|---|
| Non-cooperative and all other exporters from China | 73.4% | 27.8% |

**Table 3: Subsidy margin in this inquiry period[16]**

### 1.4.6 Likelihood of dumping, subsidisation and material injury continuing or recurring (chapter 8)

The Commissioner's view is that the expiry of the measures would lead, or would be likely to lead, to a continuation or recurrence of the dumping, subsidisation and material injury that the measures are intended to prevent.

The Commissioner has reached this view based on:

**Exports from China and Korea will likely continue, as exports have continued throughout the life of the measures (refer chapter 8.6)**

- exports from China and Korea have continued throughout the life of the measures, albeit at low volumes for Korea while the measures have been in place.
- demand for PP&T continues in the Australian markets and exporters from China and Korea have maintained distribution links.
- new exporters (predominately from China and to a lesser degree, Korea) and importers have entered the market since the measures were imposed.
- exporters in China and Korea maintain excess production capacity.
- trade measures in other jurisdictions will limit access in those markets and make Australia comparatively more attractive.

**Those exports will likely be dumped (refer Chapter 6 and chapter 8.7)**

As part of this inquiry, the commission:

- found an increase in dumping and subsidy margins during the inquiry period from the most recent assessment of whether the exported PP&T from China and Korea was dumped and/or subsidised.
- observed an increase in price competition between exporters of PP&T from the major exporting countries both during and after the inquiry period.
- the export price of the goods decreased further after the inquiry period by uncooperative exporters from Korea and Chinese uncooperative and non-cooperative exporters.

**Those exports will likely be subsidised (refer Chapter 7, chapter 8.7 and APPENDIX B)**

The commission's desktop research demonstrates ongoing subsidy programs offered by the Government of China (GOC)[17] and notified to the World Trade Organization (WTO).

[16] The change in subsidy margin between this inquiry period and REP 550 is caused by the proportional change in the amount of subsidy (described at Chapter 7 and Appendix B) and the export price (which is lower in this inquiry period).

[17] The GOC refers to all levels of government in China, unless otherwise specified.

Non-cooperative exporters from China were found to receive countervailable subsidies during the inquiry period. The amount of countervailable subsidy has increased since the original investigation.

**The dumping and/or subsidisation will likely continue to cause material injury to the Australian industry (refer chapter 8.8)**

- the price of dumped and/or subsidised Chinese PP&T has undercut the Australian industry in the inquiry period.
- the export price of the goods from uncooperative exporters from Korea was comparable to Dalian Steelforce in the inquiry period and was therefore also likely to price undercut the Australian industry.
- the commission acknowledges that the market share held by the subject countries has decreased in recent years From FY 21-22 to this inquiry period, imports from subject countries decreased from approximately 45% of imports to approximately 27% of imports.[18] This volume and corresponding market share remains influential in the market and undercut the Australian industry's prices at sufficient levels to cause continued price depression and suppression, which in turn affects Orrcon's ability to maintain or increase sales volume and market share.
- the Australian PP&T market is price-sensitive, and the un-remedied increased dumping and/or subsidisation has contributed to increased import price competition.
- the dumping and/or subsidisation creates a competitive price advantage in the Australian market – upstream direct competition with Orrcon and downstream with distributors, influencing the price that Orrcon can sell at.
- goods exported by Dalian Steelforce Hi-Tech Co., Ltd (Dalian Steelforce) and imported to Australia by ATM, with related trader Austeel Trading Pty Ltd. (Austeel Trading)[19] gained import volume based on price (observed in the verified sales data and confirmed by Austeel Trading at the verification). Austeel Trading sold the goods to unrelated distributor customers that would typically buy PP&T from Orrcon.

### 1.4.7 Non-injurious price (chapter 9)

Having regard to the available information, the commission has calculated a non-injurious price (NIP) for the goods exported to Australia, being the minimum price necessary to prevent the injury, or a recurrence of the injury, to the Australian industry caused by the dumping and subsidisation of the goods exported from the subject countries.

The Commissioner has determined that the NIP has changed for exporters of the goods from China and Korea.

For Dalian Steelforce, Yantai and uncooperative and all exporters from Korea:

- the ascertained normal value is less than the NIP and is therefore the operative measure for calculating the effective rates of duty for these exporters.
- as the Commissioner finds that the normal value is less than the NIP, the Minister is not required to consider a lesser amount of duty.

[18] Refer to further discussion at chapter 8.8. Imports from China represent approximately 25% of total imports and imports from Korea are approximately 2% of total imports and therefore smaller in volume and market share but still exist in the inquiry period.

[19] As outlined in chapter 6.4.1, Austeel Trading acts as agent within the Liberty Infrabuild Ltd Group (Infrabuild) to sell the goods into the Australian market.

For uncooperative, non-cooperative and all other exporters from China, the sum of the:

- export price of the goods
- ICD payable on the goods
- IDD payable on the goods

is greater than the NIP, and the Commissioner considers that the Minister should exercise the discretion to apply a lesser amount of duty.

To determine the NIP, the commission first calculated the unsuppressed selling price (USP) using the constructed method, which is:

- Orrcon's weighted average CTMS during the inquiry period
- a reasonable amount of profit, from a period unaffected by dumping which was calendar year 2016.

Importer costs were deducted from the USP to calculate the NIP at FOB terms.

### 1.4.8 Form of measures (chapter 10)

The Commissioner recommends that:

- IDD be worked out using the combination method for all exporters from China and Korea[20]. This method sets a variable IDD based on the ascertained export price and a fixed IDD based on an *ad valorem* percentage.[21]
- ICD for non-cooperative exporters from China be worked out as an *ad valorem* percentage (proportion of the export price).

The rationale for the form of measures is outlined at Chapter 10.

[20] This recommendation is a change from SEF 689, where the Commissioner's preliminary recommendation was to apply a combination method of IDD for Dalian Steelforce only. Refer to Chapter 10 for further details.

[21] For a detailed explanation and example of how the combination duty method applies for PP&T, refer to the Dumping and Commodity Register (DCR) available on the commission's website.

# 2 BACKGROUND

## 2.1 Legislative framework

The procedures to be followed by the Commissioner in an application for the continuation of measures are set out in Division 6A of Part XVB.

### 2.1.1 Legislative test

Under section 269ZHF(2), the Commissioner must not recommend that the Minister take steps to secure the continuation of the measures unless the Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and/or subsidisation and the material injury that the anti-dumping measure is intended to prevent.

### 2.1.2 Final report

Section 269ZHF(1) requires the Commissioner, after conducting an inquiry, to give the Minister a report which recommends that the relevant notice:

- remain unaltered
- cease to apply to a particular exporter or to a particular kind of goods
- have effect in relation to a particular exporter or to exporters generally as if different variable factors had been ascertained, or
- expire on the specified expiry day.

## 2.2 Application and initiation

On 28 July 2025, the Commissioner published a notice[22] on the commission's website inviting the following persons to apply for the continuation of the measures:

- the person whose application under section 269TB resulted in the measures,[23] or
- persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the measures.[24]

On 24 September 2025, Orrcon lodged an application for the continuation of the measures applying to PP&T exported to Australia from China and Korea.[25]

Orrcon is the person whose application under section 269TB resulted in the measures.

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[22] In accordance with section 269ZHB(1).

[23] Section 269ZHB(1)(b)(i).

[24] Section 269ZHB(1)(b)(ii).

[25] Under section 269ZHC. A non-confidential version of the application is available on EPR 689 - document 1.

The Commissioner was satisfied that:

- the application complied with section 269ZHC (content and lodgement requirements),[26] and
- there appeared to be reasonable grounds for asserting that the expiry of the measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.[27]

The Commissioner decided to not reject the application and initiated this present inquiry on 16 October 2025. The initiation notice, ADN No. 2025/106[28] advised that the SEF would be placed on the public record by 3 February 2026 and the final report would be provided to the Minister on or before 20 March 2026.

The Commissioner granted 2 extensions of time[29] to publish the SEF by 22 May 2026 and to provide the final report to the Minister by 23 July 2026.

## 2.3 Current measures

### 2.3.1 Background

The measures were initially imposed by public notice on 28 September 2021 by the relevant Minister after an original investigation (Investigation 550). The findings from that original investigation are explained in REP 550.[30]

The Anti-Dumping Review Panel (ADRP) initiated a review of the Minister's decision on 10 November 2021, following an application from Orrcon.[31] For the reasons set out in its report, the ADRP recommended that the reviewable decision be affirmed by the Minister.[32]

Table 4 below summarises the measures currently applying to exports of PP&T to Australia from the subject countries.

Further information about these measures can be found in the PP&T DCR on the commission's website.[33]

| Country | Exporter | Method | IDD rate | ICD rate |
|---|---|---|---|---|
| China | Dalian Steelforce Hi-Tech Co., Ltd | *ad valorem* | 2.9% | n/a |
| | Yantai Aoxin International Trade Co., Ltd | *ad valorem* | 19.7% | n/a |
| | All other exporters | *ad valorem* | 19.7% | 42.7% |
| Korea | All exporters | *ad valorem* | 6.2% | n/a |

**Table 4: Current measures applying to exports of the goods (REP 550)**

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[26] Section 269ZHD(2)(a).

[27] Section 269ZHD(2)(b).

[28] EPR 689 - document 2.

[29] EPR 689 - document 6 and document 8, ADN 2026/014 and ADN 2026/039 refers.

[30] EPR 550 - document 71.

[31] ADRP Review 143

[32] ADRP Report No. 143, published 6 July 2022.

[33] The DCR is available on the commission's website.

### 2.3.2 Other cases

This is the first case for PP&T since the original investigation. No other cases have occurred.

## 2.4 Conduct of the inquiry

The inquiry period for this continuation inquiry is **1 July 2024 to 30 June 2025** (the inquiry period). The commission invited exporters and importers of PP&T to provide information relevant to this period.

The performance of the Australian industry in the years before the inquiry period was examined. This period is *from* **1 July 2021** (the injury analysis period). The commission analysed this period to assess the current economic condition of the Australian industry, the Australian market characteristics and to assess the likelihood of material injury continuing or recurring from the dumped and subsidised goods from the subject countries.

### 2.4.1 Questionnaires and verification

The commission issued questionnaires to obtain relevant information from the following interested parties:

- Australian industry
- exporters
- importers
- the GOC.

Further information concerning the responses received and the commission's evaluation of these questionnaire responses is detailed below.

**Australian industry**

The Commissioner is satisfied that the applicant, Orrcon, is the sole member of the Australian industry producing like goods to the goods the subject of this inquiry.[34]

Orrcon's application provided a statement of reasons for seeking the continuation of the measures and data relevant to assessing its economic performance during the inquiry period and the injury analysis period. Orrcon also completed an Australian industry questionnaire.

The commission attended a tour of Orrcon's production facility at O'Sullivan Beach, South Australia (SA) and a verification visit to Orrcon's premises at Salisbury, Queensland (QLD) in November 2025. The findings from this verification are available on the EPR.[35]

**Importers**

The commission used the Australian Border Force (ABF) import database to identify importers of PP&T from China and Korea during the inquiry period. The commission sent importer questionnaires to all identified importers, if contact details were found. A copy of the importer questionnaire was also placed on the EPR for this inquiry.

[34] See Chapter 3.

[35] EPR 689 - document 7.

The commission received one response to the importer questionnaire (RIQ) from Austeel Trading by the due date requested.

The commission conducted a verification visit to Austeel Trading's premises in February 2026. The findings from this verification are available on the EPR.[36]

### Cooperative exporters[37]

The commission used the ABF import database to identify exporters of PP&T in the inquiry period. The commission sent exporter questionnaires to all identified exporters of PP&T from China and Korea, if contact details were found. A copy of the exporter questionnaire was also placed on the EPR for this inquiry.

The commission received one response to the exporter questionnaire (REQ) by the due date from Dalian Steelforce, a related party to Austeel Trading (the sole importer that submitted an RIQ). The non-confidential version of the REQ is available on the EPR.[38]

The commission did not verify Dalian Steelforce's REQ. The commission assessed the REQ for deficiencies and through this process, performed checks of the REQ against existing information from REP 550. The reviewed data was then accepted as submitted.

### Uncooperative and non-cooperative exporters[39]

In February 2026, Yantai contacted the commission seeking to participate in the continuation inquiry as an exporter of the goods from China. The commission advised that the due date for the lodgement of exporter questionnaires was 24 November 2025 and that it was unlikely the Commissioner could accommodate and consider a late questionnaire response as doing so would delay the progress of the inquiry and the publication of the SEF.

After having regard to sections 269T(1) and 269TAACA(1) as well as the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (Extensions of Time Direction), the Commissioner determined that Yantai is an uncooperative exporter, noting it is only subject to the dumping duty notice.

The Commissioner determined all other exporters from China, other than Dalian Steelforce and Yantai, who did not provide information requested of them through a questionnaire to be uncooperative exporters and non-cooperative exporters for the purposes of this inquiry.

Similarly, the Commissioner considered all exporters from Korea that did not provide a REQ to be uncooperative exporters for this inquiry.

[36] EPR 689 - document 11

[37] 'Cooperative exporter' is defined in section 269T(1).

[38] EPR 689 - document 5.

[39] Uncooperative exporters refer to the dumping duty notice. Non-cooperative exporters refer to the countervailing duty notice.

**Governments of China and Korea**

On 16 October 2025, the commission notified the GOC that a continuation inquiry had been initiated with respect to PP&T. A government questionnaire was also issued to the GOC on the same day. The government questionnaire sought information concerning:

- the PP&T market in China
- whether a particular market situation existed in the Chinese domestic PP&T market
- subsidies that may be received by Chinese PP&T exporters.

The government questionnaire also included an explanation of the potential consequence of not responding; including that the commission may rely on information provided by other parties (including Australian industry), findings from previous cases, any other information that the Commissioner considers relevant, and assumptions the Commissioner considers reasonable. The commission did not receive a response to the questionnaire from the GOC.

On the same day, the commission also notified the Government of Korea that a continuation inquiry had been initiated with respect to PP&T. The commission did not receive a submission from the Government of Korea.

**Statement of Essential Facts (SEF 689)**

The Commissioner published SEF 689 on 22 May 2026. This report was published in accordance with section 269ZHE(1) and it documented the Commissioner's proposed recommendations to the Minister to continue the measures and alter the variable factors.

### 2.4.2 Submissions received from interested parties

The commission received the submissions listed in Table 5 and Table 6. Non-confidential versions of these submissions are available on the EPR.

| EPR number | Interested party | Submission topics | Date published on the EPR | Chapters addressed |
|---|---|---|---|---|
| **Submissions addressed in SEF 689** | | | | |
| **3** | Orrcon | Support for continued measures | 27 October 2025 | 8.6.4 |
| **4** | Orrcon | Proposed amendments to the MCC structure | 24 November 2025 | 3.5 & 3.6 |
| **9** | Austeel Trading | Shrinking demand and contraction in Australian PP&T market | 30 March 2026 | 8.5.2 & 8.8.3 |
| **10** | Orrcon | Response to Austeel Trading's submission (EPR document 9) | 10 April 2026 | 8.5.2 & 8.8.3 |
| **13** | Austeel Trading | Submission on findings of importer verification | 12 May 2026 | 6.4.2 |

**Table 5: Submissions received and considered in SEF 689 and this report**

| EPR number | Interested party | Submission topics | Date published on the EPR | Chapters addressed |
|---|---|---|---|---|
| **Submissions received in response to SEF 689 and addressed in this report** | | | | |
| **15** | Orrcon | Broad agreements with the findings in SEF 689<br>Combination form of measures should apply to all exporters, not just Dalian Steelforce | 12 June 2026[40] | 10.2.3 |
| **16** | Dalian Steelforce | Proposal to use verified Vietnamese steel coil costs from TER 550 as an alternative cost adjustment method.<br>• Dalian Steelforce's cost records should be used<br>• Japanese domestic steel coil prices inappropriate as the base price for a benchmark | 16 June 2026[41] | 6.4.6 |

**Table 6: Submissions received in response to SEF 689 and considered in this report**

The Commissioner had regard to all submissions received in Table 5 and Table 6 in making their recommendations to the Minister.

[40] Received by the due date of 11 June 2026.

[41] A delegate of the Commissioner approved a 4-day extension until 15 June 2026 for Dalian Steelforce to make a submission to SEF 689. Dalian Steelforce's submission was received by the extended due date.

# 3 THE GOODS, LIKE GOODS AND THE AUSTRALIAN INDUSTRY

## 3.1 Finding

The Commissioner finds that:

- locally manufactured goods are 'like' to the goods subject to the measures
- there is an Australian industry, of which Orrcon is the sole member, producing like goods, and
- the like goods are wholly manufactured in Australia.

## 3.2 Legislative framework

To be satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation or recurrence of dumping and the material injury that the measure is intended to prevent, the Commissioner first determines whether the goods produced by the Australian industry are 'like' to the imported goods.

Section 269T(1) defines like goods as:

> …goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.

The definition of like goods is relevant in the context of this inquiry in determining the Australian industry and whether the expiry of the measures would lead to a continuation of, or a recurrence of, the dumping and material injury that the measures are intended to prevent. The commission's framework for assessing like goods is outlined in chapter 2 of the *Dumping and Subsidy Manual* (the Manual).[42]

Where the locally produced goods and the imported goods are not alike in all respects, the Commissioner assesses whether the respective goods have characteristics closely resembling each other. The Commissioner considers:

- physical likeness
- commercial likeness
- functional likeness, and
- production likeness.

The Commissioner must also consider whether the Australian industry manufactures 'like' goods in Australia. Section 269T(2) specifies that for goods to be regarded as being produced in Australia, they must be either wholly or partly manufactured in Australia. Under section 269T(3), to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

The following analysis therefore establishes the scope of the commission's inquiry.

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[42] Available here on the commission's website.

## 3.3 The goods subject to the measures

### 3.3.1 The goods description

As specified in the initiation notice, ADN No 2025/106, the goods subject of the measures and this application are as follows:

> *Certain electric resistance welded pipe and tube made of carbon steel, whether or not including alloys, comprising circular, rectangular and square hollow sections in metallic coated and non-metallic coated finishes. Metallic finish types for the goods include galvanised and aluminised. Non-metallic finishes include hot-rolled and cold-rolled.*
>
> *Sizes of the goods are, for circular products, those equal to or less than 21 millimetre ("mm") in outside diameter. Also included are air heater tubes to Australian Standard (AS) 2556, up to and including 101.6 mm outside diameter. For rectangular and square products, those with a thickness of less than 1.6 mm (being a perimeter up to and including 260 mm).*
>
> *Included within the goods are end-configurations such as plain, square-faced and other (e.g. threaded, swaged and shouldered). The goods include all electric resistance welded pipe and tube made of steel meeting the above description of the goods (and inclusions), including whether the pipe or tube meets a specific structural standard or is used in structural applications.*
>
> *Oval and other shaped hollow sections which are not circular, rectangular or square, are excluded from the goods.*

Certain goods are exempt from duties but are included in the measures and this inquiry. Information on these exemptions is available in the DCR for the goods.[43]

### 3.3.2 Tariff classification

The goods are generally, but not exclusively, classified according to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:[44]

| Tariff subheading | Statistical code | Description |
|---|---|---|
| **7306** | **Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed) of iron or steel** | |
| 7306.30.00 | 30 | Other, welded, of circular cross-section, of iron or non-alloy steel not exceeding 21mm external diameter |
| 7306.50.00 | 45 | Other, welded, of circular cross-section, of other alloy steel |
| 7306.61.00 | 21 | Of square or rectangular cross-section, wall thickness not exceeding 2mm |

**Table 7: Tariff classification of the goods**

43 Dumping Commodity Register.

44 These tariff classifications and statistical codes may include goods that are both subject and not subject to the measures. The listing of these tariff classifications and statistical codes is for convenience or reference only and does not form part of the goods description. Please refer to the goods description for authoritative detail about goods subject to the measures.

## 3.4 Proposed model control codes

The proposed model control code (MCC) structure described in the initiation notice (ADN No 2025/106), and in Table 8, describes the key characteristics of the goods.

Column “ADN” (at Table 8) shows the position of the MCC published in ADN 2015/106.

## 3.5 Proposed amendments to MCC structure

Orrcon proposed amendments to the MCC structure in a submission dated 24 November 2025.[45]

The suggested amendments were to re-order the MCC categories proposed in ADN 2025/106.

Orrcon submitted that the amendments are required to ensure the categories are ranked in order of significance, to distinguish higher cost and price categories from lower cost and price categories.

No new categories or additional sub-categories were proposed, and Orrcon submitted its RAQ data using the amended MCC structure.

The commission considered Orrcon’s proposal as reasonable and accepted the amended MCC structure in this inquiry. No other submissions on this topic were received.

Column “Orrcon” (at Table 8) shows Orrcon’s amended position of the MCC.

## 3.6 Amended MCC structure used in this inquiry

Table 8 below demonstrates the proposed MCC structure published at the initiation of this inquiry and the accepted amendments to the MCC structure proposed by Orrcon.

- Column “ADN” shows the position of the MCC published in ADN 2025/106.
- Column “Orrcon” shows Orrcon’s amended position of the MCC.
- ▲ symbol demonstrates the MCC categories considered more significant by Orrcon (and moved up the hierarchy in the MCC structure).
- ▼ symbol demonstrates the MCC categories considered less significant by Orrcon (and moved down the hierarchy in the MCC structure).
- No arrow demonstrates no change in position.

[45] EPR 689 - document 4.

| ADN | Orrcon | Category | Sub-Category | Identifier | Sales Data | Cost Data |
|---|---|---|---|---|---|---|
| 1 | **1** | **Prime** | Prime | P | M[46] | NA[47] |
| | | | Non-Prime | N | | |
| 6 | **2 ▲** | **Steel Base/Type**<br>**Not alloyed or alloyed** | Hot rolled - not alloyed | Hn | M | M |
| | | | Hot-rolled - alloyed | Ha | | |
| | | | Cold rolled (Semi-bright) – not alloyed | Cn | | |
| | | | Cold rolled (Semi-bright) – alloyed | Ca | | |
| 8 | **3 ▲** | **Metallic finish or coating**<br>Please specify the type of galvanising[48] | None | N | M | M |
| | | | Hot dip-galvanized (HDG) – zinc | HD(z/az/zam) | | |
| | | | Pre-galvanised (electro-galvanised) | PG(z/az/zam) | | |
| | | | Mild Steel Galvabond (MSGB) | GB | | |
| | | | Other (please specify, chrome etc.) | A | | |
| 7 | **4 ▲** | **Steel Grade – minimum yield strength** | C200 | 1 | M | M |
| | | | C250 | 2 | | |
| | | | C350 | 3 | | |
| | | | C450 | 4 | | |
| | | | Other | 5 | | |
| 10 | **5 ▲** | **Surface Protection** | Oiled | O | M | M |
| | | | Clear or painted | P | | |
| | | | No oil or paint | N | | |
| 9 | **6 ▲** | **Coating Mass** | < 20 $g/m^2$ (including none) | 1 | M | M |
| | | | ≥ 20 $g/m^2$ to < 100 $g/m^2$ | 2 | | |
| | | | ≥ 100 $g/m^2$ to < 275 $g/m^2$ | 3 | | |
| | | | ≥ 275 $g/m^2$ | 4 | | |
| 2 | **7 ▼** | **Shape** | Circular | C | M | M |
| | | | Rectangular or Square | R | | |
| 5 | **8 ▼** | **Thickness** | < 1.6 mm | A | M | M |
| | | | ≥ 1.6 mm to < 3.2 mm | B | | |
| | | | ≥ 3.2 mm | C | | |
| 3 | **9 ▼** | **Circular size – outside diameter (OD)**<br>* Products with OD >21 mm to ≤101.6 mm and are <u>not air heater tubes</u> are not the goods. | Not circular | N | M | M |
| | | | ≤ 16 mm | 1 | | |
| | | | > 16 mm to ≤ 21 mm | 2 | | |
| | | | > 21 mm to ≤ 101.6 mm (Air Heater Tubes) | 3 | | |
| 4 | **10 ▼** | **Rectangular or Square size - outside perimeter** | Not rectangular/square | N | M | M |
| | | | ≤ 40 mm | 1 | | |
| | | | > 40 mm to ≤ 80 mm | 2 | | |
| | | | > 80 mm to ≤ 260 mm | 3 | | |
| 11 | **11** | **Length** | ≤ 4 m | 1 | M | O[49] |
| | | | > 4m to ≤ 8 m | 2 | | |
| | | | > 8 m to ≤12.0 m | 3 | | |
| | | | > 12.0 m | 4 | | |
| 12 | **12** | **End configuration** | Plain end | P | O | O |
| | | | Threaded/flanged/swaged | T | | |
| | | | Other (e.g., square faced) | O | | |

**Table 8: Proposed MCC structure in ADN 2025/106 and Orrcon's subsequent amendment**

46 M = Mandatory category.

47 NA = Not applicable.

48 HDG that uses: (1) Zinc only = HDz; (2) Aluminium-zinc = HDaz; (3) Zinc-aluminium-magnesium = HDzam.

49 O = Optional category.

## 3.7 Like goods

The Commissioner is satisfied that the domestically produced goods and the goods from China and Korea are like to the goods the subject of the measures[50] because the following characteristics of each closely resemble each other:

- physical likeness
- commercial likeness
- functional likeness, and
- production likeness.

In so finding, the commission has relied on information obtained from the original investigation, as well as data and information submitted by interested parties to this inquiry.

The commission also observed Orrcon's PP&T manufacturing processes during a verification visit at its facility at O'Sullivan Beach, South Australia.

### 3.7.1 Functional likeness

The commission considers that the locally produced goods and the goods the subject of the measures perform the same function and are used in the same end-use applications.

The PP&T that Orrcon produces is interchangeable or substitutable with PP&T exported from China and Korea. PP&T (regardless of origin) is sold to the same or similar fabricator customers to produce finished goods that are used for identical or comparable end uses.

### 3.7.2 Physical likeness

The commission considers the locally produced goods are physically like to the goods the subject of the measures.

The PP&T produced by Orrcon and imported from China and Korea are physically like to the goods subject to the measures, notwithstanding variations in the technical specifications of those goods (i.e. grade or thickness). Australian produced and goods exported from the subject countries are made from the same or similar raw materials, being hot-rolled coil (HRC), cold-rolled coil (CRC) and galvanised coil (zinc and aluminium-zinc).

### 3.7.3 Commercial likeness

The commission considers the locally produced goods are commercially like to the goods the subject of the measures.

The locally produced PP&T and the PP&T exported from China and Korea are commercially like to the goods subject to the measures. In the Australian market, the PP&T that Orrcon produces and the imported PP&T from China and Korea are sold to the same or similar distribution customers. From this intermediary level of trade, PP&T is sold to similar end-user fabricators.

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[50] Section 269T(1) refers.

### 3.7.4 Production likeness

The commission considers that the locally produced goods and the goods the subject of the measures are produced using similar production processes and similar raw material inputs.

Regardless of origin, electric-resistance welded (ERW) PP&T requires coiled steel (hot-rolled or cold-rolled) as the primary raw material input. The commission observed production at Orrcon's production facility and confirmed that similar production processes were explained by Dalian Steelforce in its REQ.

### 3.7.5 Production process

The production process for PP&T is described at Table 9.

| Production stage | Process |
|---|---|
| **Stage 1: Master coil slitting** | • Master coil is slit to desired width and re-coiled and stored in preparation for rolling. |
| **Stage 2: Rolling the mother pipe** | • The slit coil is fed into the rolling mill<br>• The strip runs through a series of forming rolls that form the strip into a circular shape ready for welding<br>• The edges are scarfed to produce a 'clean' surface to enable better welding<br>• The strip is fed through an induction welder which forms the electric resistance weld<br>• After welding, the welded edge undergoes further scarfing to smoothen the exterior surface<br>• The mother pipe is then cooled through a 'cooling box'. |
| **Stage 3: Shaping the mother pipe into the final profile** | • Immediately after cooling, the mother pipe is further roll formed into the desired shape pipe and tube<br>• Once the tube forming process is complete, the tube is cut to the required size. |
| **Stage 4: Quality inspection and testing** | At pre-determined intervals, samples of finished pipes and tubes are quality tested. An example of tests is:<br>• uniformity of shape<br>• weld integrity<br>• consistency in welding |
| **Stage 5: Packing and warehousing** | Finished goods are bundled, strapped and given a final inspection and quality check. The goods are then warehoused ready for despatch. |

**Table 9: Production process for PP&T**

In the production process, scrap is an inherent by-product and cannot be avoided. Scrap occurs during the master coil slitting, referred to as edge trims, and during the scarfing process. Scrap is sold to metal recyclers. The commission understands that there are several major large scale metal recyclers operating in Australia.

In addition to scrap, finished goods that are bent, defective or non-conforming to the standards required for sale are sold as downgraded non-prime PP&T.

### 3.7.6 Conclusion – Australian industry

Based on the information obtained from Investigation 550, Orrcon’s application, industry questionnaire responses and from the production tour of Orrcon’s facility, the Commissioner is satisfied that:

- the like goods were wholly manufactured in Australia[51]
- there is an Australian industry which produces like goods in Australia.[52]

[51] Section 269T(2) refers.

[52] Section 269T(4) refers.

# 4 AUSTRALIAN MARKET

## 4.1 Finding

The Commissioner finds that the Australian industry and importers (buying from subject and non-subject countries[53]), supplied the PP&T market in Australia during the inquiry period.

In assessing the characteristics of the Australian market, the commission found that:

- the Australian market for PP&T has continued to be supplied by Orrcon and importers of PP&T from China and Korea, as well as Thailand, Vietnam.
- the market dynamics in Australia are broadly consistent with the original investigation, although the Australian market contracted by 53% since the original investigation and by approximately 28% over the injury analysis period.

## 4.2 Approach to analysis

The analysis in this chapter is based on:

- information submitted by Australian industry
- data from the ABF import database
- information from importer and exporter questionnaire responses
- information obtained from REP 550,[54] and
- submissions from interested parties.

The period 1 July 2021 to 30 June 2025 (the injury analysis period) was examined for the purpose of describing relevant aspects of the Australian PP&T market and for comparison to the original investigation.

## 4.3 Market structure

Orrcon, the sole member of the Australian industry, as well as manufacturers from other countries who export to Australian customers directly, or through intermediaries and distributors, supply the Australian market for the goods. The Australian market consists of PP&T fabricators and end users.

The ease with which a customer can change supplier is dependent on the nature of the customer and their business. This is discussed below.

### 4.3.1 Distribution and supply to intermediary distributors

Orrcon's PP&T was sold indirectly to the Australian market via related and unrelated distributors. Most of Orrcon's PP&T was sold via its related distributors in the BlueScope Distribution (BSD) group. This distribution structure broadly resembles the structure used by exporters of PP&T to Australia. Dalian Steelforce (via ATM and Austeel Trading) also sold PP&T to Infrabuild Distribution entities (Infrabuild) (related distributors) and unrelated distributors in Australia, and these distributors sold the goods to the same downstream market segments as BSD.

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[53] For clarity, non-subject countries are all countries, other than China and Korea.

[54] EPR 550 - document 71.

The commission considers this supply chain is a common method for supplying and distributing PP&T in Australia.[55]

Larger distributors who buy from Orrcon, import directly from an exporter or via a trader can more readily change suppliers. They also demonstrate agility to buy from other distributors in the Australian market if needed. Smaller distributors are more likely to buy PP&T from larger distributors. This approach favours a “just in time” ordering method to minimise warehouse costs.

### 4.3.2 Downstream fabrication of PP&T

Distributors will typically sell the goods to fabricators who use PP&T to make products such as fences, gates, patios, auto-aftermarket products used to enhance vehicles (for example). In this inquiry period, fabricator sales were approximately 85% of the sales made by BSD and Infrabuild.

Downstream fabricators can source PP&T directly from exporters, but this is dependent on the fabricator being able to manage the cash flow and minimum volume order requirements that an exporter would typically require.

The commission found that the largest source of demand is fence and gate fabricators, accounting for approximately 65% of the fabrication market for PP&T. The remaining fabrication market is made up of a range of downstream industries, notably industrial equipment fabricators at approximately 11% and residential structure fabricators at approximately 7% of the market.

## 4.4 Market demand

Orrcon and Austeel Trading both stated at their respective verifications that demand for PP&T in Australia is declining. Both explained that downstream fabricators that use PP&T are experiencing import competition from importers and sellers of completed fabricated goods.

This means less customer orders/volume for downstream fabricators and lower demand for PP&T sold upstream. As most of the PP&T sold by distributors (and originating from Orrcon and exporters) is to downstream fabricators, declining demand downstream has a significant impact on the upstream manufacture, import and sale of PP&T. The impact of lower demand in the Australian PP&T market is demonstrated as a contracting market in chapter 4.6.

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[55] The commission identified the same distribution structure in REP 550, EPR 550 – document 71 refers.

## 4.5 Market pricing

PP&T pricing is set by reference to steel coil raw material inputs and competitor pricing. Both Orrcon and Austeel Trading set monthly prices.

### 4.5.1 Product differentiation and price

Domestic and imported PP&T is substitutable, with few product differentiations that provide a product range advantage to one seller over other sellers in the Australian market. Low product differentiation means that price is competitive and based on factors such as steel coil type and cost.

Other PP&T specifications, which are non-standard to the product range, such as tighter tolerances may incur a higher price.

### 4.5.2 Competition and price

Orrcon competes directly with imports of PP&T but is also affected by downstream competition between distributors. This is because distributors are competing for sales to fabricators (which comprise 85% of BSD and Infrabuild sales in the inquiry period). Price competition occurs at 2 levels, which are:

- upstream level – between Orrcon, Austeel Trading and other traders competing for sales to distributors, which also compete with direct importing distributors
- downstream level – distributors such as BSD and Infrabuild compete for sales to fabricators (which was 85% of BSD and Infrabuild sales in the inquiry period). This level of competition flows upstream to Orrcon and Dalian Steelforce/Austeel Trading.

Part of Orrcon and Austeel Trading's monthly price setting process is to engage with its related distributors to obtain market intelligence on downstream pricing. The distributor level of competition flows upstream to Orrcon and Dalian Steelforce/Austeel Trading. In essence, price setting is based on a balance of upstream and downstream competitive factors.

## 4.6 Market size

The commission estimated the size of the Australian market using Orrcon and Austeel Trading's verified sales data and data from the ABF import database.

Figure 1 below shows the commission's estimate of the size of the Australian market over the injury analysis period. Figure 1 and the underlying data show:

- since the original investigation period in calendar year 2019 (CY19), the Australian market has contracted approximately 53%.
- the Australian market size has contracted by approximately 28% over the injury analysis period.
- imports from the subject countries continued since the imposition of the current measures and comprised approximately 27% of all imports in the inquiry period. While this remains a substantial market share for the subject countries, it represents a decline from approximately 45% in FY 21-22.
- imports from China comprise most of the import volume from the subject countries (approximately 25%) in the inquiry period. Imports from Korea are smaller in volume and market share (approximately 2%) but still exist in the inquiry period.

- non-subject countries account for the remaining volume of imports into the Australian market, with imports from Thailand and Vietnam accounting for the highest volume and increased market share over the injury analysis period.
- the market size contracted sharply during the inquiry period, although the Australian industry volumes fell more sharply than import volumes.

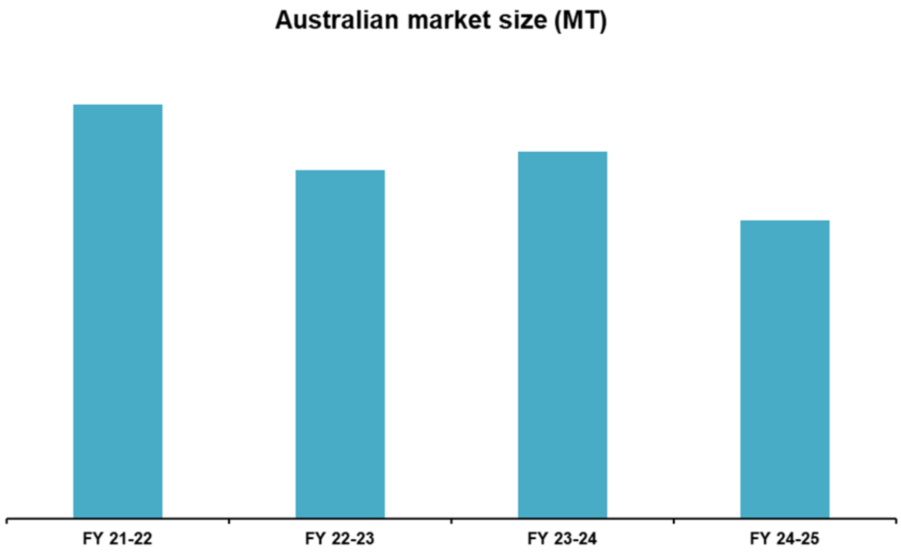


**Figure 1: Australian market size for the goods**

The commission's assessment of the size of the Australian market is contained in **Confidential attachment 1: The Australian Market**.

# 5 ECONOMIC CONDITION OF THE INDUSTRY

## 5.1 Finding

The Commissioner finds that the Australian industry experienced a further decline of its economic condition since the original investigation period. In this inquiry, the commission has observed a:

- decline in sales volume
- decline in market share*
- price depression
- price suppression
- loss of profit
- loss of profitability
- loss of revenue
- reduced return on investment
- reduction of capacity*
- reduced capacity utilisation*
- reduced productivity*
- reduction in employment numbers
- reduction in hours worked*
- reduction in wages*

The injury factors marked with an (*) list factors in Orrcon's economic condition that show injury in this inquiry period, but not in the original investigation period. This represents additional economic factors that have been injured in the inquiry period. Some economic factors that showed injury during the original investigation period have declined further and others, while still demonstrating injury have improved. In total there has been a further decline in Orrcon's economic condition.

## 5.2 Approach to analysis

This chapter considers the economic condition of the Australian industry over the injury analysis period, 1 July 2021 to 30 June 2025.

The commission has assessed the economic condition of Australian industry, using the verified information provided by Orrcon in this inquiry, the original investigation, and data from the ABF import database.

This examination provides the basis for the commission's analysis in Chapter 8 of whether material injury is likely to continue or recur.

The commission's assessment of the economic condition of Australian industry is contained in **Confidential attachment 2: Economic condition of the Australian industry**.

## 5.3 Findings in the original investigation

REP 550 found that the Australian industry had experienced injury in the form of:

- reduced sales volume
- price depression
- price suppression
- reduced profit
- reduced profitability
- reduced revenue
- reduced employment numbers
- reduced ROI
- reduced inventory turnover

Other than reduced inventory turnover, the commission identified injury to the same economic factors in this inquiry period.

## 5.4 Volume effects

### 5.4.1 Sales volume

The commission finds that Orrcon experienced sales volume injury over the injury analysis period, with the lowest annual sales volume occurring in the inquiry period (refer Figure 2 below).

Orrcon experienced the greatest decline in sales volume in 2 periods of the injury analysis period - in FY 22-23 and again in the inquiry period, FY 24-25 (the inquiry period).

Figure 2 below demonstrates Orrcon's Australian sales volume for PP&T in the period FY 21-22 to FY 24-25.

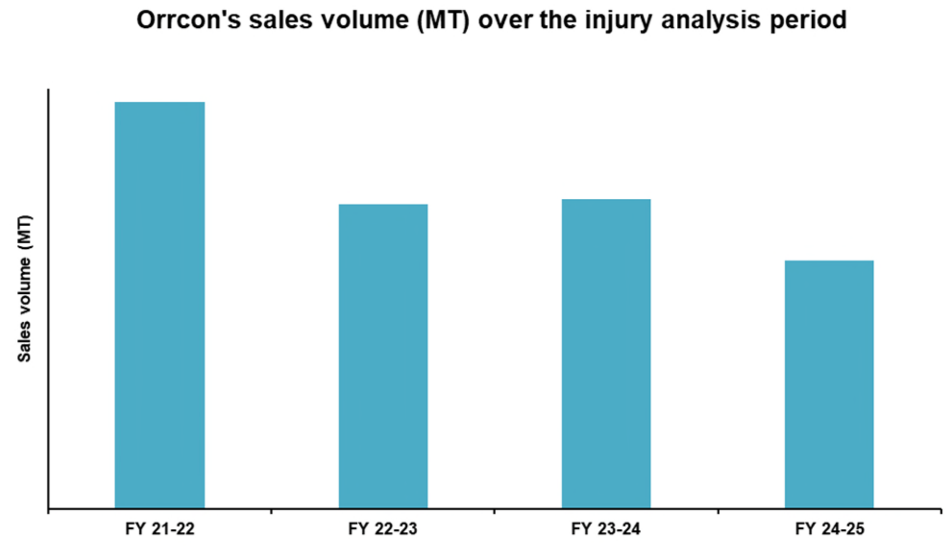


**Figure 2: Australian industry sales volume (MT)**

The commission's assessment of sales volume injury is at **Confidential attachment 1: The Australian Market** and **Confidential attachment 2: Economic condition of the Australian industry**.

### 5.4.2 Market share

The commission finds that Orrcon experienced market share injury over the injury analysis period, with the lowest market share proportion experienced in the inquiry period (refer Figure 3 below).

Imports from Korea have consistently held a small market share in each year of the injury analysis period.

Data available to the commission indicates that imports from non-subject countries had continued to increase their market share through the injury analysis period. Market share of Chinese imports decreased in FY 22-23 compared to the prior year, remained relatively stable in FY 23-24 and declined in the inquiry period, while Orrcon's volumes had remained relatively flat in the period FY 22-23 to FY 24-25.

Figure 3 demonstrates the market shares for PP&T in the injury analysis period.

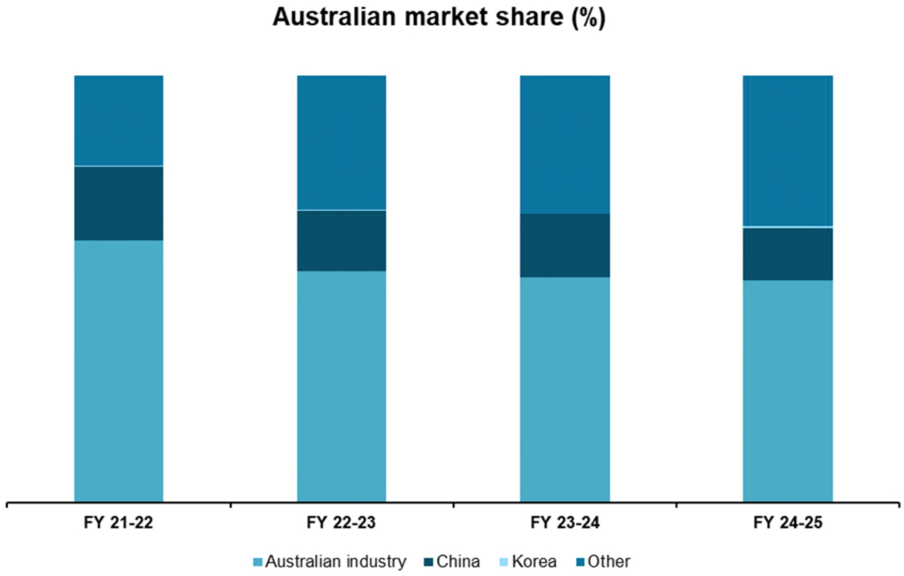


**Figure 3: Australian market shares of PP&T**

The commission's assessment of market shares is at **Confidential attachment 2: Economic condition of the Australian industry**.

## 5.5 Price effects

The commission finds that Orrcon experienced price depression and price suppression over the injury analysis period (refer Figure 4 below).

Price depression occurs when a company, for some reason, lowers its prices.

Price suppression occurs when price increases, which otherwise might have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs.

The commission observes from Figure 4 below, the Australian industry's price of PP&T progressively decreased in each year of the injury analysis period with the steepest rate of decline in from FY 22-23 to FY 23-24.

The Australian industry's price of PP&T declined further in the inquiry period, but not at the same rate as the previous years in the injury analysis period.

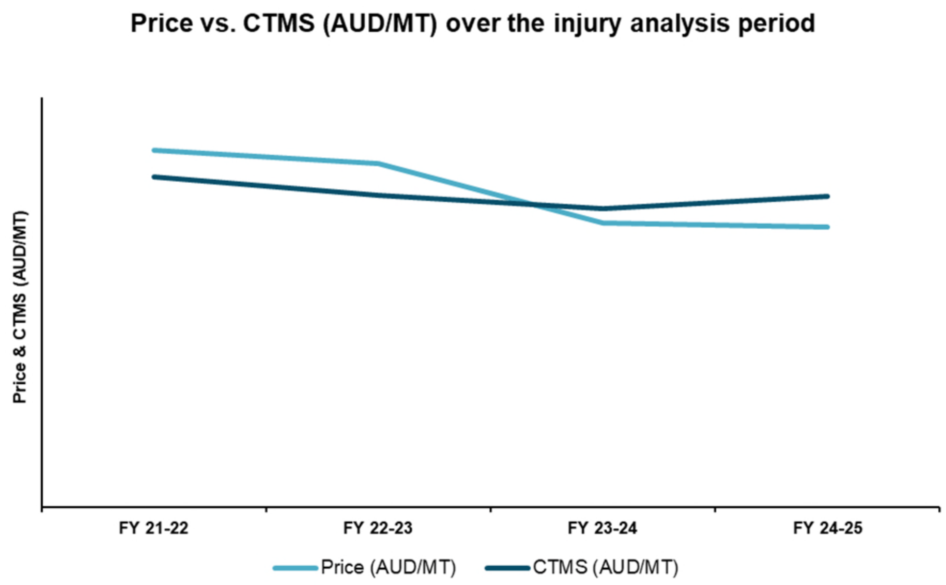


**Figure 4: Price and unit CTMS (AUD/MT)**

The commission's assessment of price injury is at **Confidential attachment 2: Economic condition of the Australian industry**.

## 5.6 Profit effects

The commission finds that Orrcon experienced a decline in profit and profitability over the 4 years of the injury analysis period (refer Figure 5 below).

In the first 2 years of the period (in FY 21-22 and FY 22-23), Orrcon was profitable, despite prices decreasing.

In the third year of the injury analysis period (FY 23-24), Orrcon became unprofitable because the price of PP&T declined by a much greater degree than its CTMS and price became lower than CTMS.

In the inquiry period, a further deterioration of profit and profitability occurred due to an increase in CTMS (to approximately the same CTMS in FY 22-23), but with a further depression in price.

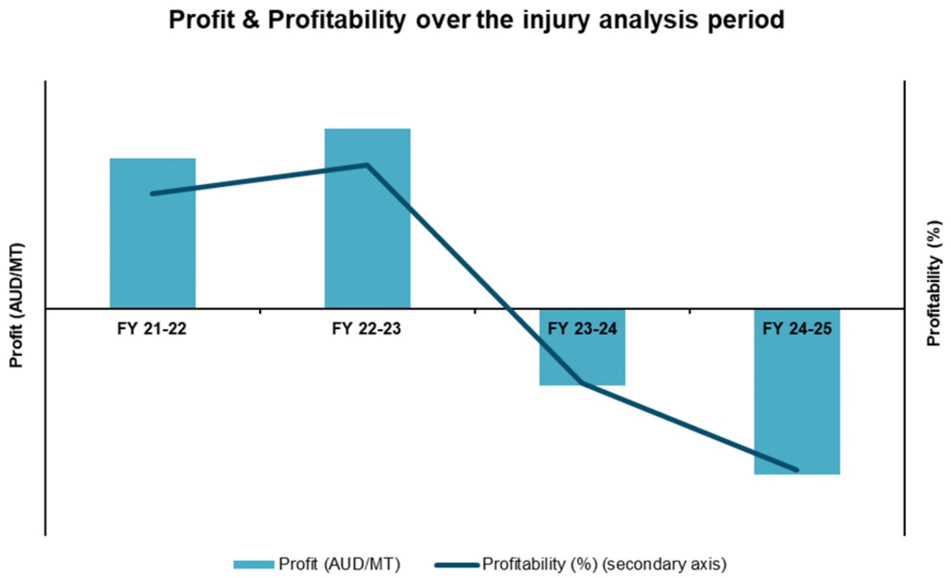


**Figure 5: Profit (AUD/MT) and Profitability (%)**

The commission's assessment of profit injury is at **Confidential attachment 2: Economic condition of the Australian industry**.

## 5.7 Other economic factors

The commission finds that Orrcon experienced injury in a range of other economic factors.

Orrcon provided data for the injury analysis period[56]. Table 10 shows the change in Orrcon's other economic factors over the injury analysis period indexed relative to FY 21-22. The commission observed the following:

- revenue declined over the injury analysis period, caused by a decline in sales volume (see chapter 5.4.1) and price (chapter 5.5).
- asset value increased due to an increase in capital investment, but as revenue declined, so did the return on that capital investment.
- productivity measures such as capacity utilisation, employment and hours worked also declined in the injury analysis period. Lower staff number and hours worked to produce the declining production volumes of PP&T has caused a decline in capacity utilisation.

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[56] Orrcon did not claim and did not provided data for the economic factor Research and Development (R&D).

| Economic factor | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 |
|---|---|---|---|---|
| Revenue (AUD) | 100 | 72 | 62 | 49 |
| Assets (AUD) | 100 | 139 | 320 | 412 |
| Capital investment (AUD) | 100 | 500 | 1,531 | 1,169 |
| Return on investment (%) | 100 | 19 | -3 | -6 |
| Capacity (MT) | 100 | 100 | 100 | 100 |
| Capacity utilisation (%) | 100 | 75 | 76 | 61 |
| Employment (persons) | 100 | 84 | 87 | 79 |
| Hours worked | 100 | 82 | 94 | 77 |
| Wages (AUD) | 100 | 65 | 75 | 61 |
| Average wage (AUD per person) | 100 | 77 | 87 | 78 |
| Productivity (MT per person) | 100 | 89 | 88 | 77 |
| Inventory turnover (COGS) | 100 | 72 | 102 | 114 |
| Stock turnover days | 100 | 132 | 92 | 82 |

**Table 10: Economic factors indexed over the injury analysis period for SEF 689**

The commission’s assessment of the economic condition of Australian industry is contained in **Confidential attachment 2: Economic condition of the Australian industry**.

# 6 DUMPING DURING THE INQUIRY PERIOD

## 6.1 Finding

The Commissioner has determined that the variable factors for all exporters have changed.

The commission examined if exports from China and Korea were dumped in the inquiry period, with the dumping margins summarised in Table 11.

| Country | Exporter | REP 689 Dumping margin |
|---|---|---|
| China | Dalian Steelforce Hi-Tech Co., Ltd | 29.0% |
| | Yantai Aoxin International Trade Co., Ltd | 43.4% |
| | Uncooperative and all other exporters (including Yantai) | 43.4% |
| Korea | Uncooperative and all other exporters | 21.4% |

**Table 11: Summary of dumping margins in this inquiry**

The dumping margins for all Chinese exporters in Table 11 were revised after SEF 689 was published. This revision was caused by the commission's consideration of a submission from Dalian Steelforce (chapter 6.4.6), along with the correction of a calculation error for Austeel Trading's CTIS (chapter 6.4.1) and reconsideration of how the HDG steel coil benchmark applied in 1 month of the inquiry period (chapter 6.4.8).

## 6.2 Legislative framework

Under section 269ZHF(2), the Commissioner must not recommend that the Minister take steps to secure the continuation of measures (including a dumping duty notice) unless the Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, dumping. The existence of dumping during the inquiry period may be an indicator of whether dumping may occur in the future.

Dumping occurs when a product from one country is exported to another country at a price less than its normal value.

- **Export price** is determined under section 269TAB. Section 269TAB(1)(a) provides that the export price of any goods exported to Australia is the price paid or payable for the goods by the importer where the goods have been exported to Australia otherwise than by the importer and have been purchased by the importer from the exporter in arm's length transactions.

- **Normal value** is determined under section 269TAC. Section 269TAC(1) states that the normal value of any goods exported to Australia is the price paid or payable for like goods sold in the ordinary course of trade (OCOT) for home consumption in the country of export in sales that are arms length transactions by the exporter, or, if like goods are not so sold by the exporter, by other sellers of like goods.

- **Dumping margins** are worked out under section 269TACB.
- **Uncooperative exporters:** Section 269TACAB(1) sets out the provisions for calculating export prices and normal values for uncooperative exporters. Export prices are to be worked out under section 269TAB(3), and normal values are to be calculated under section 269TAC(6).

## 6.3 Submissions on variable factors

The commission received 2 submissions regarding the calculation of Dalian Steelforce's variable factors.

The first submission[57] was made by Austeel Trading on 8 May 2026. Austeel Trading responded to the commission's Austeel Trading verification file note that contained a finding that ATM (a related party) and not Austeel Trading appears to be the importer of PP&T from Dalian Steelforce.

This submission was addressed in SEF 689 and is at chapter 6.4.2 below.

A second submission from Dalian Steelforce was submitted in response to SEF 689 and was received on 15 June 2026.[58] Dalian Steelforce claimed that its cost records should be used in the calculation of its normal value and in the alternative, if a benchmark should be used, Vietnam was preferable as the base price instead of Japan.

On one particular point, Dalian Steelforce submitted that it buys galvanised steel coil with lower zinc coating of 200g/m$^2$ (Z200) or 100g/m$^2$ (Z100) compared to the coating mass in the Chinese galvanised steel coil benchmark, which has a zinc coating mass of 275g/m$^2$ (Z275) and that the commission should adjust for this. The commission identified reasonable evidence and information to support a zinc coating adjustment, and this was applied to the Chinese galvanised steel coil benchmark.

The method and value of the zinc coating adjustment is explained at **APPENDIX A**, Table 22.

The evidence relied on for the zinc coating adjustment and the consideration of the remainder of Dalian Steelforce's submission is addressed in this report at chapter 6.4.6 below.

## 6.4 Variable factors – Dalian Steelforce

The commission assessed the variable factors and dumping margin for Dalian Steelforce. The Commissioner is satisfied that the information provided by Dalian Steelforce in its REQ is accurate and reliable for the purpose of ascertaining the variable factors applicable to it. The Commissioner has also had regard to information from Dalian Steelforce's related party, Austeel Trading, who submitted a response to an importer questionnaire. The information in both questionnaire responses was used to determine Dalian Steelforce's variable factors (explained below).

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[57] EPR 689 – document 13.

[58] EPR 689 – document 16.

### 6.4.1 Export price

The commission calculated Dalian Steelforce's export price according to section 269TAB(1)(c).

The commission cannot calculate the export price of the goods under sections 269TAB(1)(a) or 269TAB(1)(b), as both sections require that the goods have been purchased by the importer from the exporter (see below).

The commission considers that these sections do not apply in this instance because:

- there are 2 entities performing different functions of the importation process; Austeel Trading and Austube Mills Pty Ltd (ATM), a related party of Austeel Trading.
- ATM, on balance appears to be the beneficial owner of the goods at the time of their arrival within the limits of the port or airport in Australia and is likely to be the importer.
- because the commission has identified ATM as the importer, but the goods are purchased from Dalian Steelforce by Austeel Trading then the goods are not purchased by the importer from the exporter (Dalian Steelforce) and sections 269TAB(1)(a) and 269TAB(1)(b) cannot be used.

Therefore, the commission has calculated Dalian Steelforce's export price according to section 269TAB(1)(c). This section provides that the export price is the price determined having regard to all the circumstances of the exportation.

Those circumstances of exportation are:

- Dalian Steelforce is the exporter of PP&T. It exported the goods to Australia for sale into the Australian market by related and unrelated distributors in Australia, via related parties, Austeel Trading and ATM.
- Dalian Steelforce, Austeel Trading, ATM and the related Australian distributors of PP&T are all part of the Infrabuild group of companies.
- Austeel Trading submitted an RIQ to the inquiry, but the commission considers that Austeel Trading is not the beneficial owner of the goods at the time of importation and is therefore not the importer of PP&T (see discussion below).
- the transactions from Austeel Trading to related and unrelated distributors, exclude operating, SG&A and staff expenses. These expenses are incurred by ATM. The full cost to import and sell (CTIS) are the costs incurred by both Austeel Trading and ATM.
- the commission examined a sample of sales (of import) transactions and when the full CTIS is included and accounted for, the combined related and unrelated distributor sales of Dalian Steelforce's goods by Austeel Trading and ATM were unprofitable. When the supply chains were considered separately (sales of imports to related distributors and sales of imports to unrelated distributors), the commission identified from the sample transactions, a small amount of profit was achieved on the sales of imports to related distributors.[59]
- the commission considered that the amount of profit from the related party sale of imports sample was incidental (as it was small) and when the full CTIS was considered for all transactions in the inquiry period, the sales were also not profitable and were not recoverable. The relationship between the related Infrabuild group entities creates a supply chain where importation costs are shared and the value of the goods from Austeel Trading/ATM does not generate profit for the inquiry period.

[59] The commission identified this calculation error in Austeel Trading's CTIS assessment, after SEF 689 was published.

- the importation and price-setting process is the same for sales to related and unrelated distributors in Australia, and therefore the same relationship within the Infrabuild group affects the CTIS and price of goods sold to both related and unrelated distributors.

The commission considers that a deductive export price calculation method under section 269TAB(1)(c) is appropriate given the circumstances of the exportation in this inquiry period. Such a method ensures that the full CTIS (both Austeel Trading/ATM) and the effect on price and profit through the supply chain (resulting from the Infrabuild group relationship) is considered.

The commission considers that the price of the export transactions was influenced by the commercial or other relationship between the Infrabuild group entities in the supply chain. This means that the price of the goods to related and unrelated distributors in Australia, from Dalian Steelforce, via Austeel Trading/ATM is not arms length (section 269TAA(1)(b) refers).

This is a relevant circumstance to consider in determining the export price under section 269TAB(1)(c) and supports the use of a deductive export price as it allows the export price to be based on an arms length price.

The commission used the following base prices as the starting price for calculating Dalian Steelforce's export price, using a deductive method under section 269TAB(1)(c):

- Related distributors - the base price for calculating an export price using this deductive method is the first arms length price in the supply chain from Infrabuild distributors sales to unrelated Australian customers in the inquiry period
- Unrelated distributors – the base price from Austeel Trading/ATM to unrelated distributors in the inquiry period (even though the commission considers that this price is also influenced by the same Infrabuild group relationship and importation process, the commission does not have access to the subsequent sales data from these distributors).

The following deductions to the base prices were applied:

- Related distributors – net profit, freight and extra charges, overheads, Austeel Trading's profit, importation costs (inland freight, port and handling, IDD, marine insurance, ocean freight) and ATM's SG&A.
- Unrelated distributors – Austeel Trading's importation costs[60] (inland freight, port and handling, IDD, marine insurance, ocean freight) and ATM's SG&A.

The commission's export price calculations are at **Confidential attachment 3: Austeel Trading – CTIS and profitability**, **Confidential attachment 4: Dalian Steelforce – Export price** and **Confidential attachment 5: Dalian Steelforce – Deductive export price**.

[60] As the price from Austeel Trading/ATM was unprofitable, there was no profit deduction included in the part of the calculations using sales to unrelated distributors.

**Who is the exporter?**

Dalian Steelforce exported the goods to Australia via its related party, Austeel Trading. The commission found that Dalian Steelforce is:

- the manufacturer of PP&T
- named on the commercial invoice and packing lists
- named as consignor on the bill of lading
- a principal in the transaction located in the country of export from where the goods were shipped and who knowingly placed the goods in the hands of a carrier, courier, forwarding company, or their own vehicle for delivery to Australia.[61]

**Who is the importer?**

Identification of the importer is relevant to the determination of export price and is significant for duty assessments.[62]

The commission finds[63] that Austeel Trading plays an administrative role in the importation of PP&T from China. Acting as an agent within the Infrabuild Group, Austeel Trading has a role in the importation process, but the commission does not consider it to be the entity which is the "beneficial owner" of PP&T as required by the Act[64]. The beneficial owner of the PP&T, on balance, appears to be ATM, who take on more of the commercial and economic risk in relation to the importations.[65]

The commission's *Dumping and Subsidy Manual, December 2021* (the Manual)[66] describes the definition of 'Importer' at section 269T(1):

> the beneficial owner of the goods at the time of their arrival within the limits of the port or airport in Australia at which they have landed.

The beneficial owner is considered to be the one who was entitled to all the benefits associated with ownership even though they may not be the legal owner of the goods.[67]

In other words, the beneficial owner assumes the economic benefit, control, risk and entitlement of ownership of the imported goods at the time of entering Australia. To make the assessment of beneficial ownership, the commission considered the intent and operations of Austeel Trading and if it had an interest in acquiring and disposing of the goods for commercial benefit.

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61 The Dumping and Subsidy Manual (the Manual), p.23 refers to the commission's definition of the exporter.

62 Under section 269V, only the importer of the goods is eligible to apply for duty assessments.

63 The commission published these findings in a verification file note. EPR 689 - document 11 refers.

64 Refer to definition of "importer" in section 269T.

65 Although the commission considers ATM to be the importer for the inquiry period, the assessment at any point in time will be based on the facts. The commission considers this assessment is, in this instance, complex due to the nature of the related party dealings and could be subject to change depending on the role of any one party, The commission considers that for any duty assessment application, participation would likely be required from various entities within the InfraBuild Group.

66 Available on the commission's website.

67 The Manual, p.23 refers.

Some factors indicate that Austeel Trading may be the beneficial owner and importer of PP&T. These factors include identifying Austeel Trading as:

- the buyer of PP&T on commercial invoices between it and Dalian Steelforce Hi-Tech Co., Ltd (Dalian Steelforce).[68] Austeel Trading pays Dalian Steelforce for the goods.
- the consignee of the goods on the Bill of Lading and the responsible party for paying the invoices for ocean freight, port and handling expenses, interim dumping duty (IDD) and inland freight expenses from the port of arrival to the distributor customer in Australia.
- the importer of PP&T as self-declared in the ABF import database.

Austeel Trading is also responsible for:

- managing the broker/freight forwarder relationship and being the point of contact for the goods while they are on the water.
- performing administrative functions such as compiling and maintaining price lists for the goods.

These factors are not determinative and identify Austeel Trading having a role in facilitating the *process* of importing the goods, but not necessarily of having an *economic interest in the goods*. For example.

<u>Austeel Trading does not appear to control the supply chain.</u>

Austeel Trading does not appear to control or benefit from the end customers or distribution channels, as it did not direct where the PP&T is delivered or how the PP&T is sold in Australia. ATM enter the price-setting arrangement with Dalian Steelforce, in order to provide the goods for distribution by the related and unrelated party distributors in Australia.

<u>Austeel Trading does not appear to control the terms of the sale:</u>

- between it and Dalian Steelforce
- between it and related and unrelated distributors in Australia.

In other words, Austeel Trading does not have an interest in the price or the benefits of price-setting (i.e. profit).

Austeel Trading did not make decisions about the price it paid for PP&T - it did not assess or agree to Dalian Steelforce price offers – this task was performed by ATM. ATM is also an importer of hollow structural sections (HSS) from Dalian Steelforce.

The price of PP&T from Austeel Trading to related and unrelated distributors is not set according to market conditions in Australia (including an amount for profit). The price is set by reference to the cost of the goods from Dalian Steelforce and (some of) the importation expenses.

Austeel Trading is not economically independent, as it did not pay for or account for its staff and operating costs – these were paid and accounted for by ATM. As such, it does not assume the financial and commercial risks for the importation.

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[68] Dalian Steelforce is the related exporter of PP&T from China.

**Austeel Trading/ATM's purchases of like goods from China are not arms length**

The commission finds Austeel Trading/ATM's purchases of PP&T from Dalian Steelforce are not arms length. The commission considers that the price appeared to be influenced by the commercial or other relationship between Austeel Trading and Dalian Steelforce in the inquiry period.

The commission found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price.

The commission examined the price-setting evidence between Dalian Steelforce and ATM (which is the price that is recorded on the invoices to Austeel Trading) and found that:

- there was little price variation per product per price-setting email during the inquiry period
- the information suggests that real bargaining does not occur between Dalian Steelforce and ATM as the price is fixed, regardless of product specification. The price does not appear to consider the cost to make and sell (CTMS) or changes in raw material costs over time. This is despite the emails between Dalian Steelforce and ATM that appeared to show price consideration. As Dalian Steelforce exclusively export PP&T to related parties in the Infrabuild group, the commission considers that this price-setting mechanism occurs because of the commercial or other relationship between Dalian Steelforce and its related parties in the Infrabuild group.

The commission's export price calculations are at **Confidential attachment 4: Dalian Steelforce – Export price** and **Confidential attachment 5: Dalian Steelforce – Deductive export price**.

The commission's assessment of price-setting in the Infrabuild group is at **Confidential attachment 6: Infrabuild group – PP&T price-setting**.

### 6.4.2 Austeel Trading submission on export price findings (addressed in SEF 689)

On 8 May 2026, Austeel Trading made a submission in response to the commission's Austeel Trading verification file note that contained a preliminary finding that ATM (a related party) and not Austeel Trading appears to be the importer of PP&T from Dalian Steelforce. This preliminary finding was also made in SEF 689.

Austeel Trading contested this finding and submitted[69] that it, and not ATM is the beneficial owner and therefore importer of PP&T from Dalian Steelforce. No submissions in response to SEF 689 were received on this issue from Austeel Trading, Dalian Steelforce or any other entity in the Infrabuild Group.

The commission explained in the Austeel Trading verification file note[70] that Austeel Trading performed certain, but not all, activities that are consistent with the activities of an importer.

Austeel Trading claimed that it controlled the vast majority of the importation process. Austeel Trading stated that it engaged a broker to perform certain functions, but it was entitled to the

[69] EPR 689 – document 13.

[70] EPR 689 – document 11.

benefits associated with ownership of the goods, in particular, control over delivery and title, which it later disposed for consideration.

Austeel Trading claimed that the commission's description of some of these activities in the Austeel Trading verification file note was inaccurate and had been resolved during the verification process. Austeel specifically refer to:

- a formula error that identified ATM as the customer in Dalian Steelforce's export sales data.
- certain inland freight invoices in Australia that were addressed to ATM and not Austeel Trading.

The commission confirms that the formula error that led to Dalian Steelforce's export sales data[71] incorrectly identifying ATM as the customer was corrected and accepted by the commission. The commission also accepted evidence that Austeel Trading provided that its broker costs, including the relevant inland freight invoices addressed to ATM were accounted for in Austeel Trading's income statement and that there was an administrative error in the invoicing by the freight provider.

The file note acknowledges that these activities are indicative of Austeel Trading acting as an importer consistent with Austeel Trading's submission on this point. However, as noted in the Austeel Trading verification file note, these factors alone are not determinative. The commission's overall finding was formed having weighed up additional factors not mentioned in Austeel Trading's submission. For example, Austeel Trading's submission did not address:

- the commission's preliminary findings that Austeel Trading did not appear to have an economic or commercial interest in the goods
- Austeel Trading does not appear to control the supply chain
- Austeel Trading does not control the terms of sale, including the price from Dalian Steelforce and the price from it to distributors in Australia
- Austeel Trading are not economically independent on the Infrabuild Group.

Austeel Trading also submitted that the commission made several factual errors in the verification file note that in turn, have caused an inaccurate finding that Austeel Trading's PP&T purchases from Dalian Steelforce are not arms length.

Austeel Trading stated (in disagreement with the commission):

- <u>Section 2.1 of its submission:</u> the unit price (AUD/MT – FOB) listed on the Dalian Steelforce commercial invoice is identical to the unit price agreed on the monthly price-setting emails between ATM and Dalian Steelforce. Austeel Trading provided an example of this in its submission[72] and the commission notes that this information was submitted to the commission in the RIQ and was verified.
- <u>Section 2.2 of its submission:</u> there is product price variation on the price-setting emails and Dalian Steelforce's commercial invoices. Austeel Trading also explain that the price observed by the commission in the ordering system is nominal and because of system limitations, the price observed is not intended to function as a true commercial price.[73]

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[71] Appendix B-2 – Exports sales, submitted by Dalian Steelforce in its confidential REQ.

[72] EPR 689 – document 13, pp.2 - 4.

[73] EPR 689 – document 13, p.4.

The commission's response is as follows:

The commission confirms (in response to section 2.1 of Austeel Trading's submission) that the unit price for the goods listed on the 'hard copy' Dalian Steelforce commercial invoices submitted by Austeel Trading during the verification is the same price listed on the price-setting emails – this agrees with Austeel Trading's submission. In SEF 689[74], the commission's analysis showed a material price difference between the 'hard copy' commercial invoice and the export data submitted by Dalian Steelforce. This issue was left unresolved in SEF 689 as it required Austeel Trading and/or Dalian Steelforce to submit additional information.

Austeel Trading submitted information and calculations[75] in response to the commission's analysis to confirm the price difference resulted from the Value-Added Tax (VAT) liability on exports of the goods from China. The VAT was inclusive in the price set out in the price-setting emails and the 'hard copy' invoice but was excluded from the invoice value in Dalian Steelforce's data (which is standard practice for the REQ template). The commission is now satisfied there are no price variances between information sets provided by Austeel Trading and Dalian Steelforce.

In response to Austeel Trading's submission at section 2.2 that product price variations exist on the price-setting emails (and Dalian Steelforce's 'hard copy' invoices), the commission disagrees. For PP&T, the price does not identify the subset characteristics of the goods. In other words, there is a single price for painted or black PP&T and a second price for galvanised. These also do not reflect the price and characteristics that Austeel Trading lists in its price list and does not reflect the price and characteristics of the PP&T sold by the Australian distributors in the Infrabuild group.

The commission also confirms that it misunderstood the information provided, with respect to the nominal price in the ordering system. Austeel Trading explained system limitations in the sales system, but it was not clear to the commission during verification that a similar system limitation also existed in the ordering system (which is a different system).

Whilst this finding on the price in the ordering system is amended in this SEF, it does not detract from the finding overall that the price between Austeel Trading and Dalian Steelforce is not an arms length price. The file note describes that ATM and Dalian Steelforce set the price of PP&T that is transacted via Austeel Trading. This is the same process that was identified in REP 590 and the commission found in that continuation inquiry[76] that whilst the price-setting process did demonstrate some price discussion, it was insufficient to demonstrate genuine price bargaining. The commission considers the factual scenario is the same in this inquiry period and that the relationship between the parties (Dalian Steelforce, ATM and Austeel Trading) allows prices to be set, without negotiation.

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[74] The commission clarified the evidence relied on in SEF 689 and noted that the revenue reported by Dalian Steelforce in its REQ reconciled to its financial statements.

[75] Austeel Trading emailed the commission on 27 May 2026.

[76] EPR 590 – document 41.

### 6.4.3 Normal value - framework

The commission has calculated Dalian Steelforce's normal value according to section 269TAC(2)(c). The method is a constructed normal value with a raw material cost adjustment applied.

The normal value cannot be calculated according to section 269TAC(1) because Dalian Steelforce did not sell like goods in the OCOT for home consumption in sales that are arms length transactions during the inquiry period (in accordance with section 269TAC(2)(b)).

Dalian Steelforce is the sole cooperating Chinese exporter in this inquiry and it is not practicable to obtain, within a reasonable time, information in relation to sales by other sellers of like goods that would be relevant for the purpose of determining a price under section 269TAC(1).

Dalian Steelforce did not sell like goods to countries other than Australia (to 'third countries'), so the commission is unable to determine the normal value under section 269TAC(2)(d).

Under section 269TAC(2)(c), the normal value of the goods is:

- section 269TAC(2)(c)(i) - such amount as the Minister determines to be the cost of production or manufacture of the goods in China (*refer chapters 6.4.4 to 6.4.8 for cost of production inputs*)
- section 269TAC(2)(c)(ii) - on the assumption that the goods, instead of being exported, had been sold for home consumption in the OCOT in China -- such amounts as the Minister determines would be the administrative, selling and general costs associated with the sale and the profit on that sale (*refer chapter 6.4.8 for SG&A and profit inputs*).

The amount determined to be the cost of production or manufacture of the goods in China must be worked out in such a manner and taking account of such factor as provided for by the regulations for the purposes of section 269TAAD(4).[77] Section 43(2)(b) of the *Customs (International Obligations) Regulation 2015*[78] (the Regulation) requires the Minister to use an exporter's records where the records are in accordance with the generally accepted accounting (GAAP) principles in the country of export and reasonably reflect competitive market costs.

Where the criteria in section 43(2)(b) of the Regulation are not met, the commission will calculate the cost of production under section 269TAC(2)(c)(i). The Minister is neither required to, nor prohibited from, using an exporter's records to determine normal values under section 269TAC(2)(c)(i), however, the Minister is to exercise their discretion in section 269TAC(2)(c)(i) in accordance with the requirements of the *Anti-Dumping Agreement (Implementation of Article VI of the GATT)*[79] (ADA).

Article 2.2.1.1 of the ADA provides a presumption in favour of using the information in an exporter's records where an exporter keeps information relating to the production of like goods and:

- the records are kept in accordance with GAAP of the exporting country, and
- the records reasonably reflect the costs associated with production of the like goods.

[77] Section 269TAC(5A).

[78] Available on the commission's website at Anti-Dumping and countervailing system key legislation, directions and policy

[79] World Trade Organization (WTO) website refers.

Article 2.2.1.1 does not mandate the use of the information in an exporter's records when the above conditions are met. It only provides that where these conditions are met, costs 'shall normally' be calculated based on the exporter's records.

Where circumstances that are not normal and ordinary affect the exporter's records, the obligation to "normally" use the exporter's records may not apply even if the records are in accordance with the GAAP of the exporting country and reasonably reflect the costs associated with production.

The commission considers the GOC's significant influence in the Chinese domestic steel and specifically the steel coil market[80] has materially altered market prices (refer Figure 6). This in turn, means that Dalian Steelforce's purchase of steel coils (the major input material to produce PP&T) is also altered, such that Dalian Steelforce's costs are not 'normal and ordinary'.

A reference to steel coils is a collective reference to hot-rolled coil (HRC), galvanised (zinc or aluminium-zinc) hot-rolled coil (HDG) and cold-rolled coil (CRC).

### 6.4.4 Raw material cost adjustment – Particular market situation

The commission has not assessed if there was a particular market situation in China for PP&T in this inquiry period. Instead, the commission has relied on current and previous findings in relation to a particular market situation for steel in China broadly, and specifically with respect to steel coil.

These current and previous findings are relevant as:

- Dalian Steelforce did not sell the goods domestically in China in the OCOT during the inquiry period. Dalian Steelforce was the sole cooperating exporter for this inquiry. The lack of cooperation by other Chinese exporters of PP&T has prevented the collection Chinese domestic PP&T sales data which is relevant to the conduct of a proper comparison of export and domestic PP&T prices in the inquiry period.
- the GOC did not submit a response to the Government Questionnaire.[81] The GOC's lack of cooperation has also constrained the commission's ability to verify whether prices of PP&T in China are market determined and reflect prices at a competitive fair market value.
- on the basis that the normal value cannot be determined pursuant to section 269TAC(1) because of the absence of sales of like goods in the OCOT in China (*refer chapter 6.3.3*), the commission has not considered whether a particular market situation exists in the Chinese domestic PP&T market and whether sales in that market are or are not suitable for use in determining a normal value based on domestic selling prices.
- the commission's findings in *Anti-Dumping Commission Report No 658* (REP 658)[82] – the most current case, re-affirm the commission's previous findings (refer Table 12) that the role and impact of GOC interventions in Chinese steel markets cause the price of steel coils to be uncompetitive.

The framework for calculating the steel coil cost adjustment is based on a finding that the circumstances of Dalian Steelforce's raw material costs are not normal and ordinary because there is a particular market situation for the steel coils used to make PP&T in China.

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80 Refer chapter 6.4.5, Table 12.

81 The commission sought a variety of information and evidence from the GOC, including information on GOC involvement and policies in the steel market generally and the steel coil industry in particular, the operation of price signals in these sectors, and GOC measures that may or may not be affecting these sectors. The GOC did not cooperate with this request for information.

82 EPR 658 – document 44 refers.

### 6.4.5 Steel coil cost adjustment – Coil costs are not 'normal and ordinary'

The commission finds that:

- Dalian Steelforce's records were kept in accordance with GAAP and that
- the records reasonably reflected the cost of production and sale of the goods.

**What are the circumstances that are not normal and ordinary?**

The commission's assessment of the circumstances in which steel coil input costs were formed and the impact this had on Dalian Steelforce's recorded costs is informed by two key factors.

1. the GOC has intervened extensively in the markets for steel coils in China. This has resulted in lower prices than what would have otherwise prevailed in the absence of GOC intervention.
2. as steel coils represent most of the cost to produce PP&T, the effect of the GOC interventions on the price of steel coil have also flowed through to Dalian Steelforce's recorded cost of production.

The cumulative effect of these factors is that the circumstances in which Dalian Steelforce's cost were incurred or formed cannot be considered normal and ordinary.

Dalian Steelforce submitted[83] there were insufficient grounds for the commission's finding that its cost records cannot be used, as one of the commission's findings on the market support adjustment was inaccurate (refer 6.4.6 below). The commission considered this submission point below, but it did not alter the commission's other findings and conclusion to use a competitive steel coil benchmark.

To make this assessment, the commission considered previous findings on the effect of the GOC's influence on Chinese steel markets and compared Dalian Steelforce's purchase of steel coils in China to the domestic price of steel coils in other countries.

| Report no. | Goods investigated |
|---|---|
| REP 658[84] | Hot-rolled coil (HRC) exported to Australia from China – see Appendix A to D |
| REP 611[85] | Zinc coated (galvanised) steel (HDG-Zn HRC) exported to Australia from China, Korea and Taiwan – see Appendix A to D |
| REP 610[86] | Aluminium zinc coated steel (≥ 600mm) (HDG-AlZn HRC) exported to Australia from China – see Appendix A and B |
| REP 590[87] | Hollow structural sections (HSS) exported to Australia from China, Korea, Malaysia and Taiwan – see Appendix A to D |
| REP 550[88] | Precision pipe and tube steel (PP&T) exported to Australia from China, Korea – see Appendix A and B |

**Table 12: Relevant cases that describe the not normal and ordinary market conditions for steel coils in China**

[83] EPR 689 – document 16.

[84] EPR 658 – document 44 refers, REP 658 (dated 2 April 2026).

[85] EPR 611 – document 29 refers, REP 611 (dated 22 June 2023).

[86] EPR 610 – document 12 refers, REP 610 (dated 22 June 2023).

[87] EPR 590 – document 41 refers, REP 590 (dated 27 May 2022).

[88] EPR 550 – document 71 refers, REP 550 (dated 27 August 2021).

Steel coil costs in China make up a major proportion of the total costs of production of PP&T and these costs are distorted by GOC influence. The commission has previously found that the GOC's involvement and influence over the steel industry is a primary cause of the prevailing structural imbalances within both the broader steel industry and the steel coil markets.

The commission's previous consideration of the GOC's historic and continued involvement in the Chinese steel industry, through its policies, planning guidelines, plans and directives has materially contributed to its steel industry's overcapacity, over supply and distorted structure during the relevant examination periods. This finding was re-affirmed recently in REP 658 which has an overlapping investigation period with this inquiry period.[89]

The conditions created by the GOC significantly affect the dynamics and price setting in the Chinese domestic steel market. These findings relate to the Chinese steel market as a whole and include both upstream and downstream steel products. Specifically, the Chinese market for HRC, (and by extension the other steel coils used to produce PP&T) has substantial government intervention that has caused distorted prices through the various price setting measures, overcapacity, stockpiling and GOC directives and policy regarding tariff and arrangements. The commission considers that these arrangements cause the entire market, irrespective of the number of private or public entities present in the steel coil market, to be not normal and ordinary.

Excess capacity (resulting from the GOC's support mechanisms) have insulated the Chinese steel market and distorted market conditions by creating an oversupply of steel. This in turn causes lower prices and profitability of steelmakers.

The commission notes that many of the GOC's recent plans aimed at reducing capacity and addressing carbon emissions[90] have had little success, with excess capacity causing several distortive effects in Chinese steel markets. The Global Forum on Steel Excess Capacity (GFSEC) notes that where excess capacity exists, it results in a situation where steel is oversupplied and prices and profitability are lower than what normal market conditions would dictate.[91] In other words, the excess capacity is market distorting.

The GOC recognises the slow transition on steel capacity replacement, with all new steelmaking production projects suspended in August 2024[92] to provide the GOC with time to review its policies aimed at reducing overcapacity.

The commission has previously found that the price of steel coils was influenced by the GOC. Interventions by the GOC occurred directly in the form of imposition of taxes, tariffs, export quotas, direct and indirect financial support and indirect measures including the GOC's overarching macroeconomic policies and plans to specifically apply to the steel industry:

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[89] The investigation period for Investigation 658 is 1 October 2023 to 30 September 2024. The last quarter of this period (1 July 2024 to 30 September 2024) is the first quarter of this inquiry period.

[90] The GOC plans include reducing the number or closing blast furnace-basic oxygen furnace (BF-BOF) plants and replacing them with electric arc furnace (EAF) plants.

[91] GFSEC (2024), Steel exports, trade remedy actions and sources of excess capacity, p.6.

[92] J Zhang (29 August 2024), China's latest steel capacity swap move not enough to curb industry expansion, S&P Global.

- Special Action Plan for Energy Conservation and Carbon Reduction in the Steel Industry (2024-2030)[93]
- Work Plan for Stabilising Growth in the Steel Industry (2025-2026)[94]
- Work Plan for Stable Growth in the Steel Industry (2023-2024)[95]
- Guiding Opinion on Promoting High-Quality Development of the Iron and Steel Industry (2022)[96]
- 14th Five-Year Plan for the Development of Raw Materials Industries (2021-2025) [97]

These plans (and others not specifically mentioned in this report) have resulted in excess capacity in the Chinese steel industry in the following ways:

- a restriction of free-market forces to influence development of the Chinese steel industry.
- a contradiction between the stated aims of the plans, and the actual effect of the plans.

The number and size of State-owned Enterprises and State-invested Enterprises (SOE)[98] in China's steel markets is also significant. REP 658 stated that:

> …the support provided to SOEs in the Chinese steel industry has, and continues to, contribute to excess capacity. GOC support allows SOEs to operate in non-commercial ways, which results in SOEs continuing when they may otherwise have been shuttered in a more competitive market. This results in the non-commercial capacity remaining, despite the GOC's plans to reduce capacity.[99]

The commission analysed the impact of the GOC's market interventions on the price of steel coil in China. Using data from MEPS International Ltd (MEPS)[100] the commission's analysis (at Figure 6) shows a comparison of the domestic price of steel coil in several countries.

The analysis at Figure 6 shows the variation in the price of black HRC (USD/MT) across different global regions, with the price of black HRC consistently higher in the United States of America (US) and Canada (compared with Europe and select countries in Asia).

China in contrast, consistently has the lowest domestic price for black HRC. In the July 2024 to October 2024 period, the domestic Chinese price demonstrated a concave trend, when other markets demonstrated the opposite price movement.

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[93] GOC (27 May 2024), Notice from the National Development and Reform Commission and other departments on Issuing the "Special Action Plan for Energy Conservation and Carbon Reduction in the Iron and Steel Industry", GOC website (Google translate).

[94] Ministry of Industry and Information Technology (MIIT) (22 September 2025), Notice from Five Departments on Issuing the "Work Plan for Stabilizing Growth in the Steel Industry (2025-2026)", MIIT website (Google translate).

[95] MIIT (25 August 2023), Notice from Seven Departments on Issuing the "Work Plan for Stabilizing Growth in the Steel Industry", MIIT website (Google translate).

[96] National Development and Reform Commission (NDRC) (25 March 2022), China issues roadmap for high-quality development of iron and steel industry, NDRC website.

[97] EPR 658 – document 8 refers to the 14th Five-Year Plan. This is the plan in force during the inquiry period.

[98] SOE refers to a Chinese state-owned or state-invested enterprise.

[99] EPR 658 – document 44, pp. 142-143.

[100] The subscription data from MEPS is provided to the commission under license, and under the conditions of that license is not available for further distribution. See the MEPS website for further information about the type of data subscriptions offered.

For the remainder of the inquiry period (between October 2024 and June 2025), the Chinese domestic black HRC price decreased at a greater rate than the price in other Asian countries such as Japan and Korea.

This indicates that the Chinese domestic market operates differently than other markets in both the difference in price and price movement.

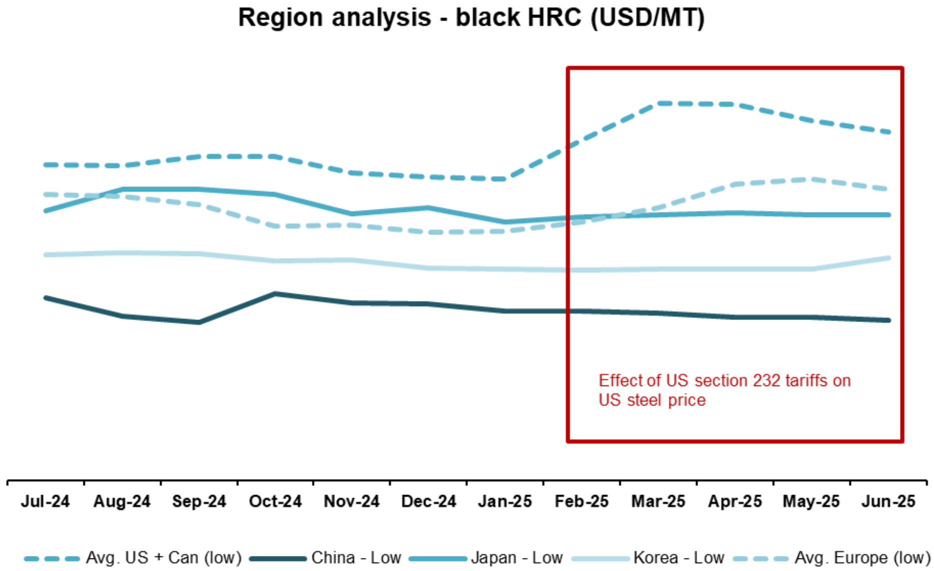


**Figure 6: MEPS price for black HRC – multiple regions – inquiry period**

Dalian Steelforce's steel coil purchases are comparable with the MEPS data for Chinese steel coil.

The commission's analysis of steel coil prices for the purpose of calculating the Chinese benchmark are at **Confidential attachment 8: China – Steel coil benchmark assessment**.

**Should the information in the exporter's records be used?**

The commission considers there are compelling reasons for determining that circumstances in which Dalian Steelforce's cost were formed are not 'normal and ordinary' such that using its cost records to construct a normal value is not appropriate. This is despite the commission's finding that Dalian Steelforce's records comply with Chinese GAAP and reasonably reflect actual costs incurred in the production of the goods. A cost of steel coils in China without the effects of the not normal and ordinary circumstances created by the influence of the GOC should be used.

**Benchmark selection**

In this case, the commission considers that the domestic price of steel coils in Japan (adjusted for Chinese comparative advantages or disadvantages) is a suitable benchmark for competitive market costs for Chinese steel coils, absent the not normal and ordinary circumstances created by the GOC interventions for steel coils.

Dalian Steelforce claimed[101] there were problems with using Japanese inputs in the benchmark (refer chapter 6.4.6 below). Dalian Steelforce proposed Vietnam as an alternate benchmark. The commission considered these claims but views that they fail to address the totality of the commission's reasons for selecting Japanese inputs in the benchmark as outlined in SEF 689.

The commission's steel coil benchmark assessment for China is at **Confidential attachment 8: China – Steel coil benchmark assessment**.

The commission considers that domestic prices for steel coils in Japan (adjusted for Chinese comparative advantages or disadvantages) are preferable as benchmark competitive market costs for Chinese steel coils because:

- selecting a domestic steel coil price in a proximal region near China has potential to reflect a price in China absent GOC influence. Market conditions, and the degree to which Chinese exports of steel coil (with distorted prices) affect the domestic price of a trading partner are relevant to whether an external domestic price is considered a competitive price that is formed under normal and ordinary conditions.
- in this case, Japan was not listed in the top 20 importers of steel in 2024[102] and imported 2.3 million MT less steel than China did in the same period. This is relevant[103] because lower import penetration, relative to domestic production means it is less likely for the Japanese domestic price to be materially affected by import prices. Furthermore, this is a point of similarity with the Chinese steel market because China is known to have lower steel imports generally and relative to its production[104].
- Nippon Steel Corporation also positively responded to the deterioration of spread between price and raw material cost in Asian HRC markets in its 2025 Integrated Report:

    > "…we have consistently achieved high profit margins compared to other steelmakers worldwide, demonstrating earning power, particularly in recent challenging conditions." [105]

  The (relatively) small import volume and Nippon Steel's earning power, indicates that the price of steel coil in Japan does not appear to be materially affected by Chinese steel coil in the inquiry period.
- Japan is proximal to China; there is reliable data on Japanese domestic steel coil prices, and Japan is also the world's third largest producer of steel while China is the largest[106]. Japan's status as the world's third largest steel producer is relevant[107] as it means the scale and competition of the Japanese steel industry is more similar to China's than the countries with lower steel output (ranked by World Steel)[108] such as Korea (6$^{th}$), Vietnam (11$^{th}$) and Taiwan (13$^{th}$). With the available data, it is the commission's preference is to use Japanese inputs because its steel output is larger than other steel producing nations.

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101 EPR 689 – document 16.

102 World Steel Association (4 June 2025), 2025 World Steel in Figures, p.27.

103 The commission adds this clarification in response to a submission from Dalian Steelforce on this point. Chapter 6.4.6 refers.

104 The US International Trade Administration (2024), China Steel Imports Report, p. 5. The analysis shows that China consistently has (over the decade analysed) low import penetration with the lowest import penetration of 0.96% occurring in 2024.

105 Nippon Steel Corporation (2025), Nippon Steel Integrated Report 2025, pp.69-70.

106 Ibid (102), 2025 World Steel in Figures, p.9.

107 The commission adds this clarification in response to a submission from Dalian Steelforce on this point. Chapter 6.4.6 refers.

108 *Op cit* (102), 2025 World Steel in Figures, p.9.

- Japanese producers of steel coils have economies of scale that are comparable with (and in some cases, exceed) Chinese producers of steel coil. Nippon Steel Corporation and JFE Steel Corporation (Japanese steel coil producers, ranked number 4 and 14 by steel output respectively in 2024)[109] had similar crude steel production as 5 of Dalian Steelforce's steel coil suppliers in this inquiry period. This is relevant[110] for the reason that Dalian Steelforce identified in its submission - that Japan's steel output is 8.3% of China's in 2024. The purpose of the commission's finding on this point is to explain that even though China's steel output as a whole is considerable when compared to other steel producing nations, there are individual entities in Japan that have comparable output to Dalian Steelforce's individual suppliers for the purpose of comparing price and performing comparative advantage/disadvantage adjustments.

  Dalian Steelforce also noted that Nippon Steel Corporation includes non-Japanese production. Again, the commission confirms that the World Steel data used to identify Nippon Corporation as the world's 4th largest steel producer is a reference to Nippon Steel Corporation's Japanese domestic production. The commission verified the information from World Steel to Nippon Steel's information at Figure 7.


**Figure 7: Snip from Nippon Steel's website[111]**

  Dalian Steelforce's dispute of the commission's observation that *both individually* of Nippon Corporation and JFE Corporation (not combined) have comparable steel output to some of its suppliers, is unfounded. The commission made this comparison using World Steel analysis[112] and the information submitted by Dalian Steelforce.

The following was considered and discarded as an appropriate steel coil competitive cost benchmark:

- a benchmark price based on the price of steel coil from Dalian Steelforce's private suppliers in China was discarded as the circumstances in which Dalian Steelforce's costs were formed are not 'normal and ordinary'. These circumstances arise because of the GOC's prevailing interventions in the Chinese steel industry have materially distorted the entire steel coil market. In other words, private enterprises and SOEs operate under the same market conditions.
- an import price of steel coil into China was discarded as there is limited information available and the commission was unable to adequately assess if import prices would reflect steel coil prices absent the GOC's distortions or influence.
- 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.

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[109] *Op cit* (102106), 2025 World Steel in Figures, p.9.

[110] The commission adds this clarification in response to a submission from Dalian Steelforce on this point. Chapter 6.4.6 refers.

[111] Nippon Steel's website at https://www.nipponsteel.com/en/ir/at-a-glance/

[112] *Op cit* (102), 2025 World Steel in Figures, p.8.

### 6.4.6 Dalian Steelforce submission on the benchmark (responding to SEF 689)

**Dalian Steelforce's submission point (1): Insufficient grounds for not using its costs**

Dalian Steelforce submitted[113] there are insufficient grounds for not using its recorded steel coil costs, citing a contradiction in the commission's finding on the market support adjustment it received.

In the alternative, Dalian Steelforce claimed that if a benchmark must be used, the commission should use the steel coil costs of Vietnamese exporters from the original investigation and apply a timing adjustment to those costs which is based on movements in steel prices between that period and this inquiry period. Dalian Steelforce stated this is preferable because:

- the commission found in the original investigation period (1 January 2019 to 31 December 2019) there was no particular market situation for PP&T in Vietnam[114]
- Vietnam is a significant importer of steel coils (black and galvanised) from Japan.

<u>The commission's response to Dalian Steelforce's submission on its claim there are insufficient grounds for not using its recorded steel coil costs the market:</u>

Dalian Steelforce's submission advised the commission that the market support adjustment it received was not an adjustment received just because the steel coil supplier was an SOE. Dalian Steelforce explained that the market support adjustment was a commercial adjustment that adjusted the price of steel coils from a standard to actual price and was based on the terms of trade between it and 2 suppliers. Dalian Steelforce stated that its other SOE suppliers of steel coils did not provide the market support adjustment in the inquiry period.

Further, Dalian Steelforce explained that the market support adjustment generated both positive and negative adjustments. The commission also confirms that on a transaction level, this is the case and the market support adjustment for the inquiry period resulted in a small net discount to the invoice value of the steel coils purchased.

The commission set out several reasons in SEF 689 and in this report for not using Dalian Steelforce's cost records. The reasons relied on findings relevant to the inquiry period and from previous investigations about the role of the GOC in Chinese steel markets and how the GOC's influence had an effect on the function of the Chinese domestic steel market. Specifically, the commission stated the "…cumulative effect of these factors is that the circumstances in which Dalian Steelforce's cost were incurred or formed cannot be considered normal and ordinary."[115]

The market support adjustment[116] recorded in Dalian Steelforce's steel coil purchase records was *in addition to* those well-established findings. The commission noted it was a small discount and

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[113] EPR 689 – document 16.

[114] The Commissioner terminated the investigation with respect to Vietnam. Findings in relation to Vietnam are in *Anti-Dumping Commission Termination Report No 550* (TER 550). EPR 550 – document 67 refers.

[115] Chapter 6.4.5 of this report refers.

[116] The commission noted an additional feature of Dalian Steelforce's recorded costs in the inquiry period. SEF 689 explained that Dalian Steelforce received a "market support adjustment" from SOE suppliers of steel coils in the inquiry period. The market support adjustment was not provided by the Chinese private suppliers of steel coils. The market support adjustment is a small discount applied to the invoice value for steel coils, and it does not arise from contracts or price negotiations.

The commission asked Dalian Steelforce (during the REQ deficiency check process) to clarify the meaning of market support adjustment and provide evidence of the support payable. At that time, Dalian Steelforce explained that the market support adjustment "is a discount applied on the invoice and is not contained in contract[s] or negotiations".

as stated, did not rely solely on the existence of the market support adjustment to establish that Dalian Steelforce's steel coil costs were formed in not normal and ordinary circumstances.

**Dalian Steelforce's submission point (2): Problems with the benchmark selection**

Dalian Steelforce also submitted there were problems with the commission's selection of Japanese steel coil domestic prices as the basis for the competitive cost benchmark, these problems are:

**2.1** Domestic Japanese steel coil prices are not "...absent the [alleged] GOC influence' or reflect 'a competitive price that is formed under normal and ordinary conditions'."

- on 1 June 2026, the Japanese Ministry of Economy, Trade and Industry (METI) and the Japanese Ministry of Finance (MOF) initiated an anti-dumping investigation on hot-rolled steel coil, sheet and strip, exported to Japan from Korea, China, and Taiwan.
- the investigation period for this anti-dumping investigation is 1 October 2024 to 30 September 2025, which is a similar period to this inquiry period.

<u>The commission's response:</u>

SEF 689 was published 10 days before METI and MOF announced the initiation of the anti-dumping investigations into black steel coils[117] and HDG steel coils[118]. As of the date of this report, the relevant Japanese authorities have not completed their investigations. There are no findings of dumping or material injury caused by dumping, that can be relied on for the purpose of Dalian Steelforce's submission.

The commission considers that the evidence and information at this point in time and explained in this report, supports the finding that Japanese domestic steel coil prices are an appropriate basis for the benchmark.

**2.2** Korean domestic steel coil prices in Figure 6 do not appear changed by Chinese exports of black steel coil to Korea. Dalian Steelforce provided a graph of black and HDG steel coil prices in the period.

<u>The commission's response:</u>

Figure 6 shows Korean domestic prices are more similar to Chinese domestic prices than Japanese domestic prices in the inquiry period. The commission considers that this (along with the evidence from REP 658 and the volume of black HRC exports from China to Korea) indicates that Chinese exports of black HRC to Korea influence the domestic Korean price of HRC more. The point is not that Korean domestic prices track Chinese domestic prices exactly.

**2.3** Dalian Steelforce was unclear on the reasons for the commission selecting Japanese domestic steel coil prices as the basis for the benchmark, over other domestic prices. Dalian Steelforce stated:

- it is not clear how Japan not being in the top 20 importers of steel in 2024 is relevant to its domestic steel price being formed under normal and ordinary circumstances. The relevance of Japan importing less steel than China was not explained.
- there are other regionally relevant steel producing nations that are proximal to China, such as Korea, Vietnam and Taiwan with reliable MEPS data available. It is also unclear what conclusion can be drawn on Japan's status as the world's third largest steel producer when its steel production output is 8.4% of China's in 2024.

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[117] The goods under consideration are described at https://www.customs.go.jp/english/traderemedy/netsuen_e.html

[118] The goods under consideration are described at https://www.customs.go.jp/english/traderemedy/youyuuaen_e.html

- combining the steel production output of Nippon Steel (assuming that all of Nippon's production is in Japan and excludes its global operations) and JFE Steel Corporation is not representative of any economies of scale to any single one of Dalian Steelforce's steel coil suppliers.

The commission's response:

The commission clarified the relevance of these matters at page 52-53 of this report.

**Dalian Steelforce's submission point (3): Issues with the cost adjustment method**

Dalian Steelforce also submitted there are issues with the commission's method to calculate the benchmark and the cost adjustment. Dalian Steelforce stated the commission's entire approach to calculating the benchmark and the adjustment is flawed as it has no Chinese benchmark adjusted for comparative advantage and disadvantage has no common physical point of reference, or relevance to PP&T.

**3.1** The benchmark is based on black steel coils, when Dalian Steelforce also uses HDG steel coils. In addition, the cost adjustment calculation was applied to all of Dalian Steelforce's steel coil purchases, not just those used to produce PP&T.

The commission's response:

The commission used black HRC domestic prices and costs in Japan as the basis for calculating a benchmark cost for China, that is absent the not normal and ordinary circumstances caused by GOC influence.

As HDG HRC requires black HRC, the commission adjusted the Chinese benchmark cost for black HRC, using the market price movement in Japan between black and HDG HRC. This method is described in Table 20 and Table 22 at **APPENDIX A**.

The commission also calculated a cost adjustment based on all Dalian Steelforce's steel coil purchases because Dalian Steelforce did not comply with the MCC structure for PP&T and presented its costs as a combined CTM of all pipe and tube (hollow structural sections, which are not the goods and PP&T). The only product identifier in the CTM was the finish (black or HDG). As its CTM includes the cost of these different coil types, the cost adjustment must also include all the black and HDG steel coil purchases made by Dalian Steelforce.

The commission also classified Dalian Steelforce's steel coil costs according to groups, based on grade and gauge. This method allowed a direct adjustment to be calculated for its steel coil purchases that were similar to the specifications outlined in the MEPS classification. For other groups of steel coils purchased, the commission considered the difference in price caused by the different specification of the coil.

**3.2** The commission should not have relied on MEPS data as the basis for the benchmark as it generic and does not factor in the unique properties of steel coils used to manufacture PP&T. For example, the coating mass for Japan, Korea and Taiwan MEPS HDG HRC is greater than the coating mass of the HDG HRC purchased by Dalian Steelforce.

Additionally, Dalian Steelforce claims the upward adjustment to the Chinese MEPS index price has inflated Dalian Steelforce's costs and does not account for the premium that Dalian Steelforce pays for its material purchases above the MEPS index price.

The commission's response:

Dalian Steelforce did not provide the coating mass for the HDG steel coils it purchased. Its submission made a broad statement about the (galvanising) coating mass based on the gauge of the steel coil, simply noting that any coil less than 1.5mm thick has a coating mass of Z100 g/$m^2$, which is a thinner coating than the MEPS data. Dalian Steelforce did not provide data or evidence for the commission to assess the value of a coating mass adjustment, or whether a coating mass adjustment was applicable to it.

The commission expects interested parties to provide or refer to evidence and information to support their claims.

In this instance, the commission identified information submitted by Dalian Steelforce in another inquiry for HSS (REP 590) that supported its claim in this inquiry; that it purchased Z100 and Z200 zinc coated HDG steel coils. Additionally, the information from REP 590 also confirmed that Z100 coating applied to steel coil gauge < 1.5mm and Z200 coating applied to coil gauge ≥ 1.5mm.

Dalian Steelforce provided the gauge of its purchased steel coils in its REQ for this inquiry, and accordingly the commission considered it had reasonable and contemporary information to support Dalian Steelforce's claim that it purchased galvanised steel coil with a lower coating mass than the Chinese galvanised steel coil benchmark.

The commission also performed desktop research to identify the value of the coating mass adjustment. The commission's research showed that galvanised steel coil prices have an additional premium set by the steel coil manufacturer. This premium accounts for the processing overheads (from HRC to CRC), zinc costs and value of galvanised steel coil over black steel coil. The commission adjusted the value of the zinc.

The commission used the value of zinc coating reported by steelonthenet[119] (the same source as the HRC cost models used to calculate the Chinese steel coil benchmark price, adjusted for comparative advantage/disadvantage). The amount used for the zinc coating mass adjustment was 8 USD/MT for every 25g/$m^2$ of galvanising.

Dalian Steelforce submits that the commission "appl[ied] the upward adjustment to the Chinese MEPS index price but [did] not account[] for the premium that Dalian Steelforce is already paying for its material purchases above the [Chinese] MEPS index price". The commission did not adjust Dalian Steelforce's costs by reference to the Chinese MEPS price. The method used (and described at **APPENDIX A** explains that the Chinese steel coil benchmark price, is a price in China adjusted for Chinese comparative advantage and disadvantage and without the effects of GOC influence.

Regardless, any price premium paid by Dalian Steelforce is captured in the cost adjustment calculation. This is because the cost adjustment calculation is the difference between the Chinese steel coil benchmark calculated by the commission and Dalian Steelforce's purchases. The cost adjustment did not use the Chinese MEPS price at all. Dalian Steelforce was provided a copy of this calculation, which was reviewed by Infrabuild representatives and also discussed with the commission.

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[119] https://www.steelonthenet.com/essentials/flat-rolled-steel.html - refer subheading "What coating weights are specified for different applications?"

Also, as Dalian Steelforce did not provide the coating mass of its steel coil purchases, it is unknown if the premium paid by Dalian Steelforce above the Chinese MEPS price is caused by a coating mass that is thicker than the MEPS reference price, or for some other reason.

**Dalian Steelforce's submission point (4): verified costs from Vietnamese exporters from the original investigation should be used**

Dalian Steelforce submitted that Vietnam is an appropriate base price for the steel coil benchmark, citing:

- the costs are specific to PP&T
- a particular market situation was not found in the original investigation for Vietnam
- Vietnam is a significant importer of Japanese steel coils

Dalian Steelforce submitted steel coil import data into Vietnam to support its claim.

<u>The commission's response:</u>

Dalian Steelforce have not provided persuasive reasons why its proposed benchmark using Vietnamese inputs is more appropriate than the benchmark used by the commission to yield a cost of production in China, absent the not normal and ordinary circumstance of the GOC interventions. Dalian Steelforce did not address:

- a domestic price for steel coils is preferable for the base price and not an import price from other countries. This is one reason why the Japanese steel market was a preferable base price because it reflects higher domestic production with lower import penetration, similar to the Chinese steel market. This is unlike Vietnam, which is a significant steel importer as noted in Dalian Steelforce's submission, but has lower steel production than Japan.
- the issue of import penetration, particularly steel coils from China. Dalian Steelforce noted that Japan was a significant exporter of steel coils to Vietnam, but so is China. Based on the import data submitted by Dalian Steelforce with its submission, approximately 25% of black steel coils and 53% of HDG steel coils were exported to Vietnam from China in the inquiry period.
- replacing Dalian Steelforce's steel coil costs would mean that the coil costs are specific to PP&T, but the remainder of Dalian Steelforce's CTM is not. Dalian Steelforce did not submit a CTM specific to PP&T.
- the commission selected the Japanese steel market due to its better comparability with China and made COP and price adjustments to consider specific Chinese advantages and disadvantages, in order to calculate a cost of production in China absent the GOC interventions. Dalian Steelforce did not identify or propose any comparative advantage or disadvantage adjustments that would apply to the Vietnamese costs, that would reflect the cost of steel coil in China.

### 6.4.7 Steel coil cost benchmark – Method to adjust for comparative advantages and disadvantages

The commission applied comparative advantage and disadvantage adjustments to the steel coil benchmark to reflect any comparative advantages and disadvantages experienced by the domestic Chinese producers of steel coil.[120] These adjustments are explained in Table 20, Table 21 and Table 22, and they seek to:

- identify and quantify comparative advantages and disadvantages of the domestic Chinese market, distinct from any advantages and disadvantages that are a result of the GOC influence creating not normal and ordinary circumstances
- identify and quantify the comparative disadvantages and disadvantages of the Chinese domestic market
- only adjust for those comparative advantages and disadvantages which are distinct from the not normal and ordinary circumstances.

This method is designed to adjust the steel coil benchmark so that it reflects the cost of steel coil in China absent the not normal and ordinary circumstances affecting Dalian Steelforce's recorded costs.

The commission has set out the method and data sources in **APPENDIX A** of this report.

### 6.4.8 Normal value – Calculation under section 269TAC(2)(c)

The commission calculated Dalian Steelforce's normal value in accordance with section 269TAC(2). The normal value is calculated under the constructed method and comprises:

- such amount as the Minister determines to be the cost of production or manufacture of the goods in the country of export
- on the assumption that the goods, instead of being exported, were sold for home consumption in the OCOT in the country of export such amounts as the Minister determines would be the administrative, selling and general (SG&A) costs associated with the sale and profits on that sale.

The commission's cost to make and sell (CTMS) calculations are at **Confidential attachment 7: Dalian Steelforce – Cost to make and sell (CTMS)**.

The commission's steel coil cost adjustment calculation for Dalian Steelforce is at **Confidential attachment 9: Dalian Steelforce – Steel coil cost adjustment calculation**.

[120] Steelforce Trading Pty Ltd Parliamentary Secretary to the Minister for Industry, Innovation and Science [2018] FCAFC 20 [118], [125] (Perram J).

### The cost to make PP&T in China

The commission has described the method for calculating steel coil costs at **APPENDIX A**.

The commission amended (after SEF 689 was published):

- the method for calculating the value of the HDG steel coil benchmark for a specific type of steel coil purchased by Dalian Steelforce in 1 month of the inquiry period. This amendment caused an increase in the cost adjustment (difference between the HDG steel coil benchmark and Dalian Steelforce's purchase value).
- the value of the steel coil benchmark for Dalian Steelforce in response to its claimed zinc coating mass adjustment for HDG steel coils. This amendment caused a decrease to the value of the HDG steel coil benchmark and a decrease to the cost adjustment overall.

For the other components of PP&T cost of production, the commission has used Dalian Steelforce's records.

### An amount for domestic SG&A

The commission has calculated an amount for domestic SG&A for Dalian Steelforce in accordance with section 44(2) of the Regulation. That amount is the SG&A recorded in Dalian Steelforce's records.

The commission found that Dalian Steelforce:

- keeps records relating to the like goods and the records
- are in accordance with GAAP in the country of export and
- reasonably reflect the SG&A associated with the sale of the like goods

### An amount for domestic profit

The commission cannot work out the profit under section 45(2) of the Regulation using data relating to the production and sale of like goods by Dalian Steelforce, because Dalian Steelforce did not make a profit on the production and sale of like goods in the OCOT.

Where the commission is unable to work out an amount under section 45(2), the commission can determine an amount for profit under either:

- section 45(3)(a) of the Regulation, identifying the actual amounts realised by the exporter or producer from the sale of the same general category of goods
- section 45(3)(b) of the Regulation, identifying the weighted average of the actual amounts realised by other exporters or producers from the sale of like goods in the domestic market
- section 45(3)(c) of the Regulation, using any other reasonable method and having regard to all relevant information.

The commission can use any of these three methods as there is no hierarchy.

The commission calculated an amount for profit under section 45(3)(c) of the Regulation – using any other reasonable method and having regard to all relevant information.

The relevant information in this case, is the weighted average profit of all other exporters selling HSS in China in *Anti-Dumping Commission Report No 529* (REP 529).[121]

**Normal value adjustments**

In constructing a normal value under section 269TAC(2)(c), the Commissioner considers that certain adjustments under section 269TAC(9) are necessary to ensure that the normal value is properly comparable with the export price.

The normal value adjustments applied are described in Table 13.

| Adjustment type | Adjustment deduction or addition |
|---|---|
| Export inland freight and port and handling expenses | Add an amount for export inland freight and port and handling expenses |
| Export packaging | Add an amount for export packaging |
| Export other expenses | Add an amount for export other expenses |
| Export credit terms | Add an amount for export credit terms |

**Table 13: Section 269TAC(9) adjustments applied to Dalian Steelforce's normal value**

The commission's normal value calculations are at **Confidential attachment 10: Dalian Steelforce – Normal value**.

### 6.4.9 Dumping margin

The dumping margin for the goods exported to Australia by Dalian Steelforce for the inquiry period is **29.0%**.

The commission compared the weighted average export price with the weighted average normal value according to section 269TACB(2)(a).

The commission's dumping margin calculations are at **Confidential attachment 11: Dalian Steelforce – Dumping margin**.

## 6.5 Variable factors – Uncooperative and all other exporters – China

### 6.5.1 Export price

The export price for uncooperative and all other exporters from China was determined having regard to all relevant information under section 269TAB(3), at FOB terms.

The commission used data from the ABF import database to calculate a quarterly weighted average export price for uncooperative and all other exporters from China. The export price excluded exports of the goods by Dalian Steelforce.

[121] EPR 529 – document 81 refers.

### 6.5.2 Normal value

The normal value for uncooperative and all other exporters from China was determined having regard to all relevant information under section 269TAC(6), at FOB terms.

To calculate a quarterly weighted average normal value for uncooperative and all other exporters from China, the commission used Dalian Steelforce's:

- CTM, adjusted with the black and Z275 HDG steel coil benchmark prices in China[122]
- unit SG&A
- normal value adjustment amounts under section 269TAC(9).

### 6.5.3 Dumping margin

The dumping margin for the goods exported to Australia by uncooperative and all other exporters from China for the inquiry period is **43.4%**.

The commission compared the weighted average export price with the weighted average normal value according to section 269TACB(2)(a).

The commission's dumping margin calculations are at **Confidential attachment 12: China uncooperative – Dumping margin**.

## 6.6 Variable factors – Uncooperative and all other exporters – Korea

### 6.6.1 Export price

The export price for uncooperative and all other exporters from Korea was determined having regard to all relevant information under section 269TAB(3), at FOB terms.

The commission used data from the ABF import database to calculate a weighted average export price for uncooperative and all other exporters from Korea.

### 6.6.2 Normal value

The normal value for uncooperative and all other exporters from Korea was determined having regard to all relevant information under section 269TAC(6), at FOB terms.

The commission used data from *Anti-Dumping Commission Report No 590* (REP 590) to calculate a weighted average normal value for uncooperative and all other exporters from Korea.

[122] The zinc coating adjustment was made for Dalian Steelforce only. The commission did not receive submissions or information that all exporters in China exclusively used Z100 and/or Z200 HDG coils in the inquiry period.

A constructed normal value was calculated using cost and sales information from a Korean HSS producer, adjusted to reflect the different periods between that inquiry and this inquiry. Those adjustments include:

- using the MEPS Korean price for steel coils (black and HDG) in this inquiry period
- adjusting all other costs of production by assessing the percentage increase in costs for other Korean producers of steel products in the same periods as the REP 590 inquiry period and this inquiry
  adding a higher amount of profit to reflect the higher price of PP&T, compared with HSS.
- amounts for SG&A, credit terms, and other export expenses (from REP 590) were also added.

### 6.6.3 Dumping margin

The dumping margin for the goods exported to Australia by uncooperative and all other exporters from Korea for the inquiry period is **21.4%**.

The commission compared the weighted average export price with the weighted average normal value according to section 269TACB(2)(a).

The commission's dumping margin calculations are at **Confidential attachment 13: Korea uncooperative – Dumping margin**.

# 7 SUBSIDISATION DURING THE INQUIRY PERIOD

## 7.1 Finding

The Commissioner finds:

- countervailable subsidies were provided to non-cooperative exporters for goods exported to Australia from China during the inquiry period
- the variable factors relevant to the determination of countervailing duty payable have changed.

Based on these findings and the findings set out in **Appendix B**, the Commissioner recommends to the Minister that the countervailing duty notice have effect as if different variable factors (export price and the amount of countervailable subsidy received) had been ascertained.

The revised variable factors have resulted in a different subsidy margin relevant to the imposition of ICD. These are summarised at Table 14 below.

| Exporter | Subsidy margin | LTAR subsidy |
|---|---|---|
| Non-cooperative and all other exporters from China | 73.4% | 27.8% |

**Table 14: Subsidy margins and portion of LTAR margin**

The LTAR subsidy is listed separately in Table 14, as this amount will be deducted from the dumping margin for uncooperative and all other exporters from China (excluding Dalian Steelforce and Yantai) listed at Table 11 (at Chapter 6). The deduction of the LTAR subsidy from the dumping margin avoids any double counting that arises from the cost adjustments applied to the exporter's CTMS which is then used to calculate the normal value.

The effect of the 'double count' deduction is described at Chapter 10.

There was a revision to the subsidy margin for non-cooperative Chinese exporters after SEF 689 was published. This revision was caused by the commission's consideration of a submission from Dalian Steelforce (chapter 6.4.6) and reconsideration of how the HDG steel coil benchmark applied in 1 month of the inquiry period (chapter 6.4.8).

## 7.2 Legislative framework

### 7.2.1 Continuation test

Section 269ZHF(2) provides that the Commissioner must not recommend that the Minister take steps to secure the continuation of measures (including a countervailing duty notice) unless the Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, subsidisation. The existence of subsidisation during the inquiry period may be an indicator of whether subsidisation may occur in the future.

### 7.2.2 Subsidisation

Subsidisation occurs when a financial contribution or income or price support by a government, public body, or private body entrusted or directed by a government or public body to carry out a governmental function confers a benefit (whether directly or indirectly) in relation to goods exported to Australia.[123] A subsidy is countervailable if it is specific.[124] The amount of a countervailable subsidy is an amount determined by the Minister.[125]

Further information is found at **APPENDIX B**.

### 7.2.3 Non-cooperative entities

Section 269TAACA(1) provides that, in determining whether a countervailable subsidy has been received in respect of particular goods, or the amount of a countervailable subsidy in respect of particular goods, the Commissioner may act on the basis of all the facts available and may make such assumptions as the Commissioner considers reasonable when an entity:

- has not given the Commissioner information the Commissioner considers to be relevant to the inquiry within a period the Commissioner considers to be reasonable, or
- has significantly impeded the inquiry.

Section 269TAACA(2) provides that section 269TAACA(1) applies to the following entities:

- any person who is or is likely to be directly concerned with the import or export into Australia of the goods to which the inquiry relates
- the government of the country of export of goods to which the inquiry relates.

### 7.2.4 Information considered in this inquiry

The Commissioner finds it reasonable to conclude, based on the facts available, that non-cooperative exporters of PP&T from China continue to benefit from countervailable subsidies.

Under section 269TAACA, the Commissioner has acted based on all the facts available and has made such assumptions as the Commissioner considers reasonable.

In this inquiry, the commission sent a questionnaire requesting information from exporters relevant to the assessment of previously identified countervailable subsidy programs. The commission did not receive questionnaire responses from any exporter of PP&T from China (this excludes Dalian Steelforce as it is not subject to the subsidy notice). The Commissioner has determined all exporters of PP&T other than Dalian Steelforce and Yantai as non-cooperative entities.

The commission also sent the GOC a questionnaire requesting information relevant to the assessment of previously identified countervailable subsidy programs. The GOC did not respond to this questionnaire. Given the non-cooperation in the inquiry from the GOC and exporters, the commission has determined whether a countervailable subsidy has been received in respect of the goods, and the amount of the countervailable subsidy, in accordance with section 269TAACA(1).

In accordance with section 269TAACA, the Commissioner has relied upon the previous subsidisation findings, most recently from REP 529 (in relation to a similar product, HSS) and in REP 550 (the original investigation), and any relevant information obtained by the commission in this inquiry.

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[123] Sections 269T(1) (definition of ‘subsidy’) and 269TACC refer.

[124] Section 269TAAC refers.

[125] Section 269TACD(1).

## 7.3 Assessment of subsidy programs

In REP 550 (original investigation that imposed measures), the commission considered 45 subsidy programs relevant to exports of PP&T from China. Of the total, 44 programs considered were identified from previous investigations involving Chinese subsidies received for goods manufactured from steel coils in China, namely HSS. In addition to the 44 programs, one further program was identified in Investigation 550, totalling 45 programs that were considered in REP 550.

An additional 15 programs from *Anti-Dumping Commission Report No 529* (REP 529)[126] were also considered in this inquiry, aggregating to a total of 60 programs reviewed and considered from both REP 529 and REP 550.

Using publicly available information, the commission identified that 6 of the 60 programs were no longer available in the inquiry period. For the remaining programs, there was no new information that would cause reconsideration of previous findings and accordingly, these programs remain countervailable.

The programs that the commission considered during this inquiry are set out in Table 15.

| Program Number | Program Name | Program type | Countervailable? (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 | No |
| 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 | No |
| 6 | Superstar Enterprise Grant | Grant | Yes |
| 7 | Research & Development (R&D) Assistance Granti-tech 2017 innovation promotion fund | Grant | Yes |
| 8 | Post-technical transformation award | Grant | Yes |
| 10 | High growth enterprise award | Tax | No |
| 11 | Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area) | Tax | No |
| 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 | Pre-tax deduction for enterprises of R&D expenses | 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 |
| 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 |

126 EPR 529 – document 81 refers.

| Program Number | Program Name | Program type | Countervailable? (Yes/No) |
|---|---|---|---|
| 20 | Steel Coils (incl. HRC) Provided by Government at LTAR | LTAR | 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 Shiyou | 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 | No |
| 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 | No |
| 46 | New Type Entrepreneur Cultivation Engineering Training Fee of Jinghai County Science and Technology Commission | Grant | Yes |
| 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 |

| Program Number | Program Name | Program type | Countervailable? (Yes/No) |
|---|---|---|---|
| **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** | Technological Innovation Subsidy for Dedusting 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 |
| **550-2** | Loan Interest Subsidy | Preferential Loans | Yes |

**Table 15: Subsidy programs considered in this inquiry**

A detailed assessment of each program is available in non-confidential **APPENDIX B**.

## 7.4 Calculation of subsidy margin – non-cooperative exporters

The commission had regard to section 269TAACA with respect to non-cooperating exporters.

The subsidy margin for these non-cooperative exporters has been determined using all facts available and having regard to reasonable assumptions pursuant to section 269TAACA.

The countervailable subsidy for program 20 has specifically been determined based on the cooperating exporter in this inquiry, Dalian Steelforce’s data, being contemporary information relating to the inquiry period. The rationale for this is further explained in **Appendix B4.1**.

The commission also performed desktop research and identified some programs that were no longer in operation. These programs were removed from the assessment. The desktop research also identified some programs that were still operating and these were included in the assessment. For the remaining programs, no contemporary information is available relevant to the inquiry period. In determining the countervailable subsidies for non-cooperative exporters in relation to those programs, it is the commission’s practice to calculate the amount of countervailable subsidy on the assumption that those non-cooperative exporters may have received the highest level of subsidisation received by the cooperating exporters, (in this instance from previous cases, REP 529 and REP 550), under each of the countervailable programs. In this regard, the commission has included all national programs and programs that were received in the Guangdong province, to avoid the duplication of similar programs offered in other provinces in China.

Based on the available information, the commission has calculated a subsidy margin of **73.4%** for non-cooperative and all other exporters.

The commission’s subsidy margin calculations for non-cooperative and all other exporters are at **Confidential attachment 14: China non-cooperative – Subsidy margin**.

# 8 LIKELIHOOD THAT DUMPING, SUBSIDISATION AND MATERIAL INJURY WILL CONTINUE OR RECUR

## 8.1 Finding

The Commissioner is satisfied that the expiration of the measures applying to PP&T exported to Australia from China and Korea would lead, or would be likely to lead, to a continuation of, or recurrence of the dumping and subsidisation and the material injury that the measures are intended to prevent.

This finding considers the commission's analysis and conclusions on the evidence obtained during this inquiry.

### 8.1.1 Exports from China and Korea will likely continue (refer chapter 8.6)

- exports from China and Korea have continued throughout the life of the measures, albeit at low volumes for Korea while the measures have been in place.
- demand for PP&T continues in the Australian markets and exporters from China and Korea have maintained distribution links.
- new exporters (predominately from China and to a lesser degree, Korea) and importers have entered the market since the measures were imposed.
- exporters in China and Korea maintain excess production capacity.
- trade measures in other jurisdictions will limit access in those markets and make Australia comparatively more attractive.

### 8.1.2 Those exports will likely be dumped (refer Chapter 6 and chapter 8.7)

- the commission found an increase in dumping and subsidy margins during the inquiry period from the most recent assessment of whether the exported PP&T from China and Korea was dumped and/or subsidised.
- the commission observed an increase in price competition between exporters of PP&T from the major exporting countries both during and after the inquiry period.
- the export price of the goods decreased further after the inquiry period by uncooperative exporters from Korea and Chinese uncooperative and non-cooperative exporters.

### 8.1.3 Those exports will likely be subsidised (refer Chapter 7, chapter 8.7 and APPENDIX B)

The commission's desktop research demonstrates ongoing subsidy programs offered by the GOC and notified to the WTO.

Non-cooperative exporters from China were found to receive countervailable subsidies during the inquiry period. The amount of countervailable subsidy has increased since the original investigation.

### 8.1.4 The dumping and/or subsidisation will likely continue to cause material injury to the Australian industry (refer chapter 8.8)

- the price of dumped and/or subsidised Chinese PP&T has undercut the Australian industry in the inquiry period.
- the export price of the goods from uncooperative exporters from Korea was comparable to Dalian Steelforce in the inquiry period and was therefore also likely to price undercut the Australian industry.

- the commission acknowledges that the market share held by the subject countries has decreased in recent years. From FY 21-22 to this inquiry period, imports from subject countries decreased from approximately 45% of imports to approximately 27% of total imports.[127] This volume and corresponding market share remains influential in the market and undercut the Australian industry's prices at sufficient levels to cause continued price depression and suppression, which in turn affects Orrcon's ability to maintain or increase sales volume and market share.
- the Australian PP&T market is price-sensitive, and the un-remedied increased dumping and/or subsidisation has contributed to increased import price competition.
- the dumping and/or subsidisation creates a competitive price advantage in the Australian market – upstream direct competition with Orrcon and downstream with distributors, influencing the price that Orrcon can sell at.
- Austeel Trading gained import volume based on price (observed in the verified sales data and confirmed by Austeel Trading at the verification). Austeel Trading sold to unrelated distributor customers that would typically buy PP&T from Orrcon.

## 8.2 Legislative framework

Under section 269ZHF(2) the Commissioner must not recommend that the Minister take steps to secure the continuation of measures unless they are satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and the material injury that the measure is intended to prevent.

The commission notes that its assessment of the likelihood of certain events occurring and their anticipated effect, as is required in a continuation inquiry, necessarily requires an assessment of a hypothetical situation. The commission must consider what will happen (or what would be likely to happen) in the future should a certain event, being the expiry of the measures, occur. However, the Commissioner must nevertheless base their conclusions and recommendations on facts.[128]

## 8.3 The commission's approach

The commission considered several relevant factors, outlined in the Manual,[129] to assess the likelihood that dumping, subsidisation and material injury will continue or recur. The commission's view is that the relevance of each factor varies depending on the nature of the goods and the market into which the goods are sold. In this instance, no one factor can provide decisive guidance. The following analysis therefore examines a range of factors that the commission considers relevant to this inquiry.

The commission's analysis for this chapter is at **Confidential attachment 15: Continuation or recurrence of exports, dumping and/or subsidisation** and **Confidential attachment 16: Continuation or recurrence of injury**.

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[127] Refer to further discussion at Chapter 8. Imports from China represent approximately 25% of total imports and imports from Korea are approximately 2% of total imports and therefore smaller in volume and market share but still exist in the inquiry period.

[128] ADRP Report No. 44 (Clear Float Glass)

[129] The Manual, pp 137-138

## 8.4 Australian industry claims

Orrcon made the below claims in its application[130] on the continuation or recurrence of dumping, subsidisation and injury in the absence of measures. The commission has considered Orrcon's claims in further detail at chapters 8.6 to 8.8.

- exports from the subject countries have continued, and in some instances increased, indicating that Australia is an attractive market for exporters of PP&T
- established distribution links between the subject countries and Australia presents an opportunity for exporters to increase export volumes if measures are removed
- excess steelmaking capacity for the goods in China and Korea, coupled with trade measures in other jurisdictions, makes Australia a comparatively attractive market for exporters of PP&T. Orrcon also made a subsequent submission on the effect of trade measures in other jurisdictions
- if the measures were to expire, the competitiveness of exported PP&T from China and Korea would increase, incentivising importers to purchase PP&T at dumped and subsidised prices
- should the measures expire, Orrcon forecast that a substantial increase in exports from the subject countries would cause volume, price and profit injury to Australian industry.

## 8.5 Submissions about the continuation or recurrence of dumping and/or subsidisation and injury

The commission received 3 submissions from Orrcon and Austeel Trading relating to the assessment of dumping, subsidisation and material injury.

The commission received 2 submissions from Orrcon and Austeel Trading, which were addressed in SEF 689. A further submission from Orrcon[131] was received in response to SEF 689. In that submission, Orrcon supported the SEF 689 reasons and findings for continuing the measures. As Orrcon's submission on these points does not raise new or different information for consideration, the commission has not summarised or addressed this part of Orrcon's submission.

### 8.5.1 Orrcon submission on continuation of measures (addressed in SEF 689)

Orrcon made a submission dated 27 October 2025,[132] where it reiterated claims from its application.

Orrcon submitted that should the measures expire, its economic condition would decline further as subject export volumes increased.

Orrcon described some of the retaliation measures imposed by jurisdictions responding to the US section 232 measures on steel and aluminium, concluding that these markets, along with jurisdictions that have imposed their own tariffs, quotas and safeguard measures would effectively divert export trade to Australia.

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[130] EPR 689 – document 1 (Attachment A).

[131] EPR 689 – document 15.

[132] EPR 689 – document 3.

### 8.5.2 Austeel Trading and Orrcon submissions on market contraction (addressed in SEF 689)

Austeel Trading submitted[133] that the cause of the contraction of the Australian PP&T market is caused by downstream industry downsizing which is unrelated to import pricing. Austeel Trading further claimed that Orrcon's declining sales result from contracting demand and not because of dumped imports.

Orrcon replied to Austeel Trading in a submission dated 9 April 2026[134].

Orrcon agreed with Austeel Trading that PP&T demand had contracted but disagreed that this alone is the cause of the decline in Orrcon's economic condition. Orrcon submitted that the effect of dumped imports in a market with declining demand is the relevant consideration, not the demand itself.

## 8.6 Are exports likely to continue or recur?

The commission considers that, should the measures expire, exports of PP&T from China and Korea are likely to continue.

This finding is based on the following factors:

- Chinese and Korean exporters of the goods have continued to supply PP&T to the Australian market.
- Chinese and Korean exporters of the goods have maintained and will continue to have distribution links to the Australian market. Several new exporters have emerged (or re-entered the Australian market) since the imposition of measures in 2021.
- Chinese and Korean exporters will likely continue to have excess production capacity for the goods and can increase the production and export of PP&T to Australia.
- the presence of tariff and trade measures by other jurisdictions would likely make the Australian market comparatively more attractive if the measures expired.

To form this view, the commission has assessed Chinese and Korean import volumes, maintenance of distribution links, production capacity and trade measures imposed by other jurisdictions, as outlined in the sections below.

The commission's assessment is contained in **Confidential attachment 15: Continuation or recurrence of exports, dumping and/or subsidisation**.

[133] EPR 689 – document 9.

[134] EPR 689 – document 10.

### 8.6.1 Import volumes

Orrcon claimed that exports from the subject countries have continued, and in some instances increased, indicating that Australia is an attractive market for exporters of the goods.

- imports from China have continued in material volumes during the injury analysis period
- imports from Korea have similarly continued in material volumes across the same period
- imports from other countries, not subject to measures, accounted for the largest volumes of the goods (albeit declining) across the period

**Orrcon's claim 1: Continuing exports of PP&T from the subject countries**[135]

The commission considers that imports of the goods from China and Korea will continue and are likely to increase market share should the measures expire.

The commission's analysis of the ABF import database shows that during the injury analysis period:

- import volume (total MT) from all countries declined by approximately 10% over the injury analysis period, however due to a contraction in the size of the Australian PP&T market, import volume from all countries gained market share of approximately 9%.
- import volume from Korea increased in the injury analysis period to approximately 2%, with the inquiry period volume almost double the import volume at the start of the injury analysis period, albeit from a small base, resulting in a small market share increase.
- import volume from China declined over the injury analysis period and the inquiry period volume is approximately half the volume compared with the start of the injury analysis period, but Chinese imports still held approximately 25% of the Australian market in the inquiry period.
- import volume from non-subject countries increased over the injury analysis period, with Thailand and Vietnam contributing the greatest portion of that volume. The market share of imports from non-subject countries also increased over the injury analysis period.

The commission's assessment of import volumes is at **Confidential attachment 1: The Australian Market**.

### 8.6.2 Maintenance of distribution links

Orrcon claimed that established and well-utilised distribution links between the subject countries and Australia presents an opportunity for the exporters subject to measures to quickly increase export volumes if measures are removed.

**Orrcon's claim 2: Maintenance of distribution links between the subject countries and Australia**[136]

The commission considers that distribution links between the subject countries and Australia are well established. Demand for PP&T continues in the Australian market and provides an opportunity to increase the distribution network and volumes for existing supply chains or create new supply chains should the measures expire.

[135] EPR 689 - document 1 (Attachment A) p.2

[136] EPR 689 - document 1 (Attachment A) p. 3

The commission analysed the ABF import database for the injury analysis period and identified the distribution links between Australia and the subject countries. This analysis shows:

- exporters from China and Korea identified in the original investigation period continued to export to Australia in the injury analysis period and after the inquiry period
- new exporters from China and Korea emerged in the inquiry period, particularly exporters from China, a trend which continued after the inquiry period
- there were new importers of the goods from China and Korea identified in the inquiry period
- several importers sourced the goods from multiple Chinese and/or Korean exporters or swapped suppliers during and after the injury analysis period.

### 8.6.3 Excess production capacity

Orrcon claimed that demand for steel has decreased at a time when global steelmaking capacity has grown steadily. Despite lower demand, capacity additions continue.

- China contributes to a significant share of global steelmaking capacity.
- Its steel industry is heavily export oriented with a large proportion of crude steel production being exported as pipe & tube steel products.
- slowing domestic demand has led to an increase in exports from China.
- there is high excess steelmaking capacity in Korea due mainly to slowdown in domestic demand and competition from imports.

**Orrcon's claim 3: Excess production capacity in the subject countries**[137]

The commission considers that growing steelmaking capacity in China and Korea in a declining global demand for steel, is contributing to global excess capacity which would likely make Australia an attractive market for exporters to direct excess steel to in the event the measures are removed.

For Chinese PP&T production, the commission considered the REQ information provided by Dalian Steelforce. That information demonstrated that it continued to operate with excess production capacity in the inquiry period.

For Korean PP&T production, the commission did not have cooperation from Korean exporters in this inquiry and so, has had regard to the production capacity of Korean exporters of HSS (similar product to PP&T). The commission identified from previous reviews and inquiries that Korean exporters of HSS also operated with excess capacity and infers from this that Korean producers of PP&T would operate in the same manner.

The commission calculated the amount of excess capacity available in China and Korea as a portion of the Australian market in REP 550 and this inquiry period. Those calculations demonstrate that excess capacity in China and Korea could serve twice the size of the Australian market in CY19 and 4 times the Australian market for the goods in this inquiry period.

The commission has also had regard to publicly available information to assess if the excess production capacity found for PP&T producers in China and Korea in the inquiry period will extend beyond the inquiry period.

[137] EPR 689 - document 1 (Attachment A), pp.3-6

The *OECD Steel Outlook 2025* (OECD 2025 Report)[138] states the following regarding the continuation of excess steel production capacity in China and Korea, which the commission considers is relevant to the continuing excess production capacity of PP&T.

- capacity utilisation rates in the steel markets have been typically below the healthy benchmark rate of 80% in recent periods
- excess capacity globally is projected to rise by 2027, being driven by continued capacity expansion
- the Chinese steel industry has the largest proportion of steelmaking capacity, accounting for 46% of the world's total capacity in 2024. The *Resource and Energy Quarterly*[139] (Resources Quarterly) report published by DISR shows that in 2024 China accounted for 53.3% of world crude steel production, this is forecast to decline to 50.6% in 2027.
- excess capacity and decreasing steel demand in China caused a rise in Chinese steel exports, which more than doubled between 2020 and 2024[140]. The Resources Quarterly forecasts a continued decline in Chinese domestic steel consumption through 2027, increasing the volume of steel production relative to steel consumption, indicating continued surplus steel available for export
- Korea accounted for 3.3% share of global steelmaking capacity in 2024, and it also faces excess capacity pressures
- Korea's steelmaking capacity remained flat from 2020 to 2024,[141] and a surge in steel exports from other countries and weak domestic demand have depressed utilisation rates and contributed to excess steelmaking capacity.

### 8.6.4 Availability of other markets

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| Orrcon claimed that the presence of anti-dumping measures and varying trade defence mechanisms to protect domestic steel industries in other jurisdictions are affecting global steel trade by altering comparative access to markets. This makes Australia an attractive market if measures were removed. |

**Orrcon's claim 4: Trade diversion due to measures in other jurisdictions[142]**

PP&T is used in numerous downstream fabrication markets (refer Chapter 4) that are not exclusive to Australia. This means that globally, there is demand for PP&T and other markets that PP&T is exported to. The commission considers that these other markets have implemented various tariffs and trade measures to steel in general and specifically, pipe and tube (including PP&T), that may limit market access.

These tariffs and trade measures can have the effect of making these other markets less attractive to Chinese and Korean PP&T exporters if they seek:

- alternative export markets if they do not currently supply Australia with PP&T, expiration of the measures will make Australia an attractive market
- increased PP&T volume to the Australian market, whether an existing or new exporter.

The commission considers that should the measures expire; Australia will be a comparatively attractive market for Chinese and Korean exporters of the goods.

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[138] OECD (2025), OECD Steel Outlook

[139] Department of Industry, Science and Resources (DISR), December 2025, The Resources and Energy Quarterly

[140] OECD data shows an increase of 119.7% between 2000 to 2024.

[141] Ibid (138), OECD Steel Outlook, Table 2.1 refers

[142] EPR 689 - document 1 (Attachment A) p.6.

## 8.7 Will dumping and subsidisation continue or recur?

The commission considers that the expiry of the measures would be likely to lead to a continuation or recurrence of dumping and subsidisation of PP&T from Korea and China.

This finding is based on the following factors:

- Dalian Steelforce and uncooperative exporters from China and Korea were found to have exported the goods at dumped prices during the inquiry period
- non-cooperative exporters from China were found to have exported the goods at subsidised prices during the inquiry period
- the commission found an increase in dumping and subsidy margins during the inquiry period from the most recent assessment of whether the exported PP&T from China and Korea was dumped and/or subsidised:
    - Dalian Steelforce was found to have a dumping margin for the inquiry period of 29.0%, up from 2.9%
    - uncooperative exporters from China were found to have a dumping margin of 43.4%, up from 19.7%
    - uncooperative exporters from Korea were found to have a dumping margin of 21.4%, up from 6.2%
    - non-cooperative exporters from China were found to have a subsidy margin of 73.4%, up from 42.7%
- the commission observed an increase in price competition between exporters of PP&T from the major exporting countries both during and after the inquiry period
- the commission identified that major exporters have maintained their distribution channels to the Australian market, and that several new Chinese exporters entered the Australian market during the inquiry period
- the commission found that countervailable subsidies throughout the life of the measures and consider that these countervailable subsidies will likely continue to be received by Chinese manufacturers
- anti-dumping duties apply to steel pipe and tube exported from China and Korea in numerous other jurisdictions, indicating a propensity for Chinese and Korean exporters to export at dumped and subsidised prices.

The commission's assessment is contained in **Confidential attachment 15: Continuation or recurrence of exports, dumping and/or subsidisation**.

### 8.7.1 Dumping and subsidy margin analysis

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| In its application, Orrcon estimated the level of dumping for all exporters of the goods from:<br>• China - 13% during the inquiry period which exceeds the level of measures currently imposed for Dalian Steelforce<br>• Korea - Orrcon estimate of 21% during the inquiry period exceeds the level of measures currently imposed<br>On subsidisation, and according to the OECD, China's steel subsidisation rate is five times higher than the average for other 'partner' economies, which are in turn double the rate of subsidisation of OECD countries. |

**Orrcon's claim 5: Dumping and subsidisation will continue**[143]

143 EPR 689 - document 1 (Attachment A), p.8

The Commissioner has found that the goods from Dalian Steelforce and uncooperative and non-cooperative exporters in China and uncooperative exporters from Korea have continued to be dumped and/or subsidised during the inquiry period.

These dumping and subsidy margins have increased since the original investigation (REP 550). Table 16 summarises the commission's assessment of dumping and subsidy margins during the inquiry period relating to exports from China and Korea, and a comparison with the existing rates of duty on the goods.

The commission notes that there has been no review of measures since the original investigation and no completed duty assessments. The assessment of dumping and/or subsidisation in this inquiry period is made with the only point of comparison, which is the original investigation.

| | | REP 550[144] – current measures | | REP 689 – margins | |
|---|---|---|---|---|---|
| **Country** | **Exporter** | **IDD rate** | **ICD rate** | **Dumping margin** | **Subsidy margin** |
| China | Dalian Steelforce Hi-Tech Co., Ltd | 2.9% | *n/a* | 29.0% | *n/a* |
| | Yantai Aoxin International Trade Co., Ltd[145] | 19.7% | *n/a* | 43.4% | *n/a* |
| | All other exporters (uncooperative and non-cooperative) | 19.7% | 42.7% | 43.4% | 73.4% |
| Korea | All exporters (uncooperative) | 6.2% | *n/a* | 21.4% | *n/a* |

**Table 16: Comparison of dumping and subsidy margins in REP 689 to the measures in REP 550**

In this inquiry period, the commission found that:

- dumping of PP&T continued and the margins increased for all exporters of the goods from China and Korea
- subsidisation of PP&T continued, and the margins increased for non-cooperative exporters from China. The commission assessed 60 countervailable programs from past investigations (refer Chapter 7 and **APPENDIX B**) and found that all but 6 of the existing programs were still available. The commission also notes that 5 programs identified in the most recent GOC notification to the WTO[146] were in operation during the 2023-24 period and either did not include an expiry date for the specific program, or in the case of program 13, provided a current expiry date of 31 December 2030. This indicates the ongoing existence of subsidy programs in China and the likelihood these will continue.

On the available information and in the absence of a response from the GOC (in the form of a questionnaire response or submission), the commission considers that subsidisation of exports from China will continue.

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144 Due to expire on 28 September 2026

145 Yantai is an uncooperative exporter in this inquiry (refer chapter 2.4.1).

146 GOC notification to the WTO, New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the SCM Agreement, G/SCM/N/430/CHN, 26 August 2025.

### 8.7.2 Estimate of competitiveness of non-subject country prices in Australia

Orrcon claimed that the expiration of anti-dumping measures would improve the competitiveness of the goods exported to Australia from China and Korea, and that this would encourage importers to acquire the goods from China at dumped and subsidised prices

**Orrcon's claim 6: the expiry of measures will increase price competition among exporters[147]**

The commission finds that export prices from non-subject countries and subject countries are highly price competitive.

The commission did not have access to actual data to show the Australian price of PP&T imported from non-subject countries. To estimate the competitiveness of other prices from non-subject countries, the commission analysed FOB export prices sourced from the ABF import database for the injury analysis period and after the inquiry period.

Figure 8 and Figure 9 at chapter 8.8 shows that export prices from non-subject countries and subject countries are highly price competitive as:

- there is little difference in FOB export price over the injury analysis period and in the inquiry period.
- export prices from all countries declined in the injury analysis period and declined further after the inquiry period.
- during the inquiry period in the Dec-24 and Mar-25 quarters, export prices converge; meaning that the export price from subject countries declined, but the export price from non-subject countries increased.
- exports from subject countries are approximately 27% (by quantity, MT) of all PP&T imports to Australia, compared with the remaining 73% from non-subject countries. These non-subject countries include Thailand and Vietnam, that collectively account for 57% of the PP&T exports to Australia. It appears that regardless of the volume exported, price competition between exporters results in similar export prices.

The commission also compared the FOB export prices of PP&T from China, Thailand and Vietnam. This analysis is at Figure 8 below, demonstrating that:

- FOB export prices from Thailand were lower than China over the entire inquiry period.
- on average, Vietnamese FOB export prices were lower than China over the entire period, but prices were more expensive than China in the second quarter of the inquiry period.
- there was a high level of price competition between exporters of PP&T, particularly between China and Vietnam.

The commission similarly compared FOB export prices during the inquiry period to the FOB export price in the seven months following the inquiry period. This analysis showed that:

- price competition between exporters of PP&T continued after the inquiry period
- during the inquiry period, the average monthly export price of PP&T exported from China was approximately 6% higher than Vietnam and 15% higher than Thailand.
- in the seven months after the inquiry period, the monthly average of Chinese export prices was approximately 3% higher than Vietnam and 13% higher than Thailand.

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[147] EPR 689 - document 1 (Attachment A), p.10

The narrowing export price differences indicates that price competition intensified between exporters of PP&T after the inquiry period and highlights that exports of PP&T from China became more price competitive in the Australian market after the inquiry period.

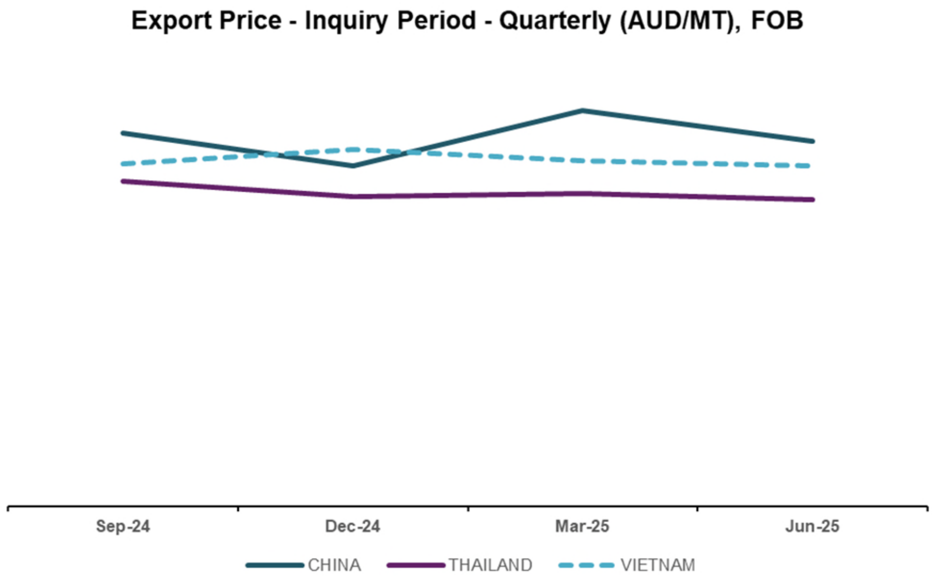


**Figure 8: Weighted average quarterly export price of major export countries during the inquiry period**

The commission considers that, if the measures were removed, price competition between exporters of PP&T in the Australian market would incentivise dumping and subsidisation to continue or recur.

### 8.7.3 Anti-dumping actions in other jurisdictions

The commission considers that the number of trade measures imposed on exports of steel pipe and tube from China and Korea in other jurisdictions indicates that Chinese and Korean exporters show a propensity to export at dumped and/or subsidised prices to multiple export markets. Orrcon made a submission[148] on this point.

Various WTO member countries have imposed trade measures on the export of steel pipe and tube[149], which is likely to affect exporters from China and Korea. Orrcon claimed that a total of 120 anti-dumping and countervailing measures are imposed on WTO member countries as classified to the tariff subheadings 7306.30, 7306.5 and 7306.61.[150] The commission has assessed the WTO trade data and found that there are an estimated 40 anti-dumping measures in force on the export of steel pipe and tube specifically. Within this total, 8 of the measures apply to exports of pipe and tube from China and 6 measures apply to exports of pipe and tube from Korea. Furthermore, should the measures expire, the commission considers that excess steelmaking capacity in China and Korea, along with trade measures affecting supply chains, that PP&T exported at dumped and/or subsidised prices is likely to continue.

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[148] EPR 658 – document 3.

[149] EPR 689 - document 1.

[150] EPR 689 - document 1

## 8.8 Will material injury continue or recur?

Orrcon's sales volume declined by approximately 65%[151] in the inquiry period, when compared to the original investigation period )calendar year 2019).

The commission considers that should the measures expire, and in a contracting Australian PP&T market, Orrcon is likely to experience a continuation or recurrence of volume injury, price injury (through price depression and suppression), profit injury and injury to other economic factors as:

- 27% of imports are at dumped and/or subsidised prices which contributes to the lowering of the competitive import price level. As observed at chapter 8.7.2, there was a high degree of price competition between exports of the goods from all countries.
- imports from China and Korea increased over the inquiry period
- market share of imports from China and Korea increased by 4% in the inquiry period compared to CY19 (the original investigation period)
- sales of dumped and/or subsidised Chinese PP&T have undercut the Australian industry's prices in the inquiry period.
- the Australian PP&T market is price-sensitive, and the increase of un-remedied increased dumping and/or subsidisation has contributed to the import price competition observed.
- the dumping and/or subsidisation creates a competitive price advantage in the Australian market – upstream direct competition with Orrcon and downstream with distributors, influencing the price that Orrcon can sell at.
- Austeel Trading gained import volume based on price (observed in the verified sales data and confirmed by Austeel Trading at the verification). Austeel Trading sold to unrelated distributor customers that would typically buy PP&T from Orrcon.
- exporters maintained distribution channels into the Australian market and new exporters from China and Korea emerged in the injury analysis period.

The commission's assessment of the likelihood of injury continuing or recurring from dumped and/or subsidised exports is at **Confidential attachment 16: Continuation or recurrence of injury**.

### 8.8.1 Volume, price and profit injury - upstream

The commission considers that should the measures expire, and in a contracting Australian PP&T market, Orrcon is likely to experience a continuation or recurrence of volume injury through declining sales volume and loss of market share.

Competition in a contracting market is intense, as sellers are competing for sales volume from a smaller customer volume base year-on-year. Domestic and imported PP&T is substitutable, with few product differentiations that provide a product range advantage to one seller over other sellers in the Australian market. Low product differentiation in a contracting market means that sales volume is highly dependent on competition between decreasing prices.

That competition occurs:

- downstream level – between Orrcon, Austeel Trading and other traders competing for sales to distributors, which also compete with direct importing distributors
- upstream level – distributors such as BSD and Infrabuild competing for sales to fabricators (which was 85% of BSD and Infrabuild sales in the inquiry period).

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[151] REP 689 - **Confidential attachment 1: The Australian Market r**efers.

The commission analysed the price competition of PP&T exports between subject and non-subject countries at chapter 8.7.2. In addition to that analysis, the commission also included PP&T prices from Austeel Trading and Orrcon to assess the impact of market contraction on export price competition and the effect of dumping and/or subsidisation. Figure 9 (and the underlying data demonstrate that:

- dumped and/or subsidised goods undercut Orrcon's prices and goods from non-subject countries will also likely undercut Orrcon's prices. PP&T price has consistently declined in each year of the injury analysis period
- the Australian PP&T market contracted over the injury analysis period and this contraction correlates with the decline in price and the high degree of price competition observed between exporters of PP&T to Australia.
- the dumped and/or subsidised prices from China and Korea encourage low level prices that are competitive between exporters, and this has the effect of lowering the price that Orrcon directly competes with.
- for example, if Austeel Trading sold PP&T at an undumped price and did not make profit (i.e. "broke even"), it would sell at prices above Orrcon's price in the inquiry period.

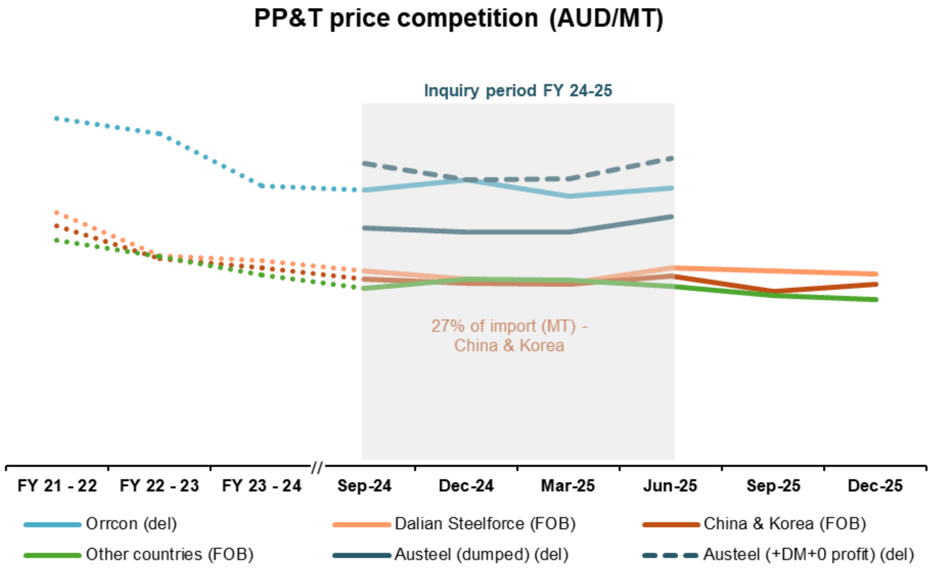


**Figure 9: PP&T price competition between exporters of PP&T and Orrcon**

### Examples of where Orrcon directly lost sales volume and market share

In a contracting market, there is downstream price competition for sales to distributors. In the inquiry period, the commission observed that Orrcon lost sales volume to unrelated distributors that it ordinarily would have made. This volume was obtained by Austeel Trading at a dumped and unprofitable price that undercut Orrcon by 25% for one unrelated distributor customer and 29% for another.

In another example, Austeel Trading obtained volume for a third unrelated distributor, which neither it nor Orrcon appear to have previously supplied. The dumped export price of the goods from Dalian Steelforce at that time was approximately 10% higher than the weighted average export price from other countries in the inquiry period. If Austeel Trading had sold at an undumped and profitable price, Orrcon may have been price competitive with Austeel Trading and secured this volume.

The commission estimates that Orrcon's actual lost volume from the two unrelated distributors and the potential volume foregone from the third unrelated distributor would have improved (albeit slightly) Orrcon's market share in the inquiry period compared to the previous year (FY 23-24).

The examples demonstrate how a small increase in sales volume can improve market share in a contracting market and how price undercutting from dumped imports continue to cause volume injury to the Australian industry.

Orrcon's foregone revenue was also examined to assess the impact of this lost actual and potential sales volume. The commission used 2 prices - Orrcon's existing price and Austeel's undumped "break even" price". In both instances, the commission found the total amount of revenue foregone was material to the total revenue Orrcon received for sales to unrelated distributors, and both had the effect of improving (albeit marginally) Orrcon's profit and profitability of sales to unrelated distributors.

The commission has preliminarily found that dumped and/or subsidised imports in the inquiry period undercut Orrcon's price. This price undercutting had the direct effect of causing Orrcon to lose actual sales volume and be uncompetitive on potential (available) volume.

### 8.8.2 Volume, price and profit injury - downstream

Orrcon competes directly with imports of PP&T but is also affected by downstream competition between distributors. This is because distributors are also competing for sales to fabricators (which comprise 85% of BSD and Infrabuild sales in the inquiry period). Dumped and/or subsidised PP&T prices influence this level of competition as well, which in turn flows upstream to Orrcon.

In other words, if BSD is competing against distributors that sell low priced goods (caused by dumping and/or subsidisation) (e.g. Infrabuild), then BSD must compete with that dumped and/or subsidised price, which then affects BSD's price negotiation with Orrcon.

During the inquiry period, the commission observed that downstream sales between BSD and Infrabuild were at near identical prices to Australian fabricators (the weighted average price difference for the inquiry period was less than 1%).

The competitive advantage of dumped goods for Infrabuild is that it can sell at a lower price in Australia and make a profit. The commission found that the PP&T profit achieved by Infrabuild in the inquiry period was sufficient to recover the losses made on Austeel Trading's sales of PP&T.

On the other hand, BSD made a profit on sales of Orrcon PP&T, but the amount of profit was lower than what Infrabuild achieved and was insufficient to cover the losses incurred by Orrcon.

### 8.8.3 Other causes of injury

The commission considers that the *Ministerial Direction on Material Injury 2012* (the Material Injury Direction)[152] is relevant to addressing the effect of other causes of injury on Orrcon's economic condition.

[152] Australian Customs Dumping Notice No 2012/24 refers. Available on the commission's website.

The Ministerial Direction explains:

- dumping or subsidisation need not be the sole cause of injury to the industry
- … the greater impact of injury during periods of economic downturn and reduced rates of growth as an element of injury.

**Contracting market and the impact of exports from subject and non-subject countries**

The commission agrees with the submissions made by Austeel Trading[153] and Orrcon[154] that the PP&T market contraction is another (non-dumping and/or non-subsidisation related) cause of injury to the Australian industry.

But the commission disagrees with Austeel Trading that dumped and/or subsidised PP&T has no role in Orrcon's continuing injury. The commission agrees with Orrcon that the role of dumping and/or subsidisation in a declining market is the relevant consideration.

The smaller volume available from downstream fabricators (and others) results in inconsistent ("lumpy") orders, which affects Orrcon's:

- production and capacity utilisation, which declined and caused increases to the value of fixed overheads and therefore the CTMS
- price, which decreased as competition increased through price undercutting from competitors gaining sales volume from a smaller customer base
- profit, which became unprofitable due to cost increases and lower prices.

Higher costs and lower price and profits impacted Orrcon's ability to get a return on its investment. Such investment was required to improve efficiency, particularly when faced with higher costs resulting from smaller and inconsistent orders from customers.

The commission considers that a contracting PP&T market creates conditions that accentuate the injurious effects of dumping and/or subsidisation from the subject countries. The commission demonstrated at chapter 8.8.1 that Orrcon's market share could have improved, but for the lost and foregone sales volume due to dumping and/or subsidisation from the subject countries.

The dumped and/or subsidised price of PP&T in a contracting market is also relevant. In the examples at chapter 8.8.1, Austeel Trading gained sales volume because it sold at a dumped price. Sellers that sell goods at a dumped and/or subsidised price may ordinarily gain a competitive advantage, but in a contracting market with intense competition, dumped and/or subsidised prices can fuel price undercutting leading to even lower prices than would otherwise have occurred.

The above point is relevant to exports of PP&T from non-subject countries. The commission considers that it is likely that PP&T exports from non-subject countries have also price undercut the Australian industry and have gained market share as a result. This is a source of injury to the Australian industry, particularly in a contracted market.

[153] EPR 689 – document 9 refers.

[154] EPR 689 – document 10 refers.

# 9 NON-INJURIOUS PRICE

## 9.1 Finding

The Commissioner has determined that the non-injurious price (NIP) has changed for exporters of the goods from China and Korea.

For Dalian Steelforce, Yantai and uncooperative and all exporters from Korea:

- the ascertained normal value is less than the NIP and is therefore the operative measure for calculating the effective rates of duty for these exporters.
- as the Commissioner finds that the normal value is less than the NIP, the Minister is not required to consider a lesser amount of duty.

For uncooperative, non-cooperative and all other exporters from China:

- the sum of the export price of the goods, ICD payable on the goods and the IDD payable on the goods is greater than the NIP.
- the Commissioner considers the Minister should exercise the discretion to apply a lesser amount of duty.

The commission’s calculation of the NIP is contained **Confidential attachment 17: USP, NIP and effective rate of duty**.

## 9.2 Legislated Framework

### 9.2.1 The non-injurious price

The NIP is defined in section 269TACA as the minimum price necessary to prevent the injury or a recurrence of the injury caused by the dumping. The NIP is a variable factor relevant to determining duty payable under the *Customs Tariff (Anti-Dumping) Act 1975* (Dumping Duty Act).

The legislation does not prescribe a calculation method for the NIP. The commission generally derives the NIP by:

- establishing an unsuppressed selling price (USP), which is a price the Australian industry might reasonably sell its product in a market unaffected by dumping and subsidisation (see below), then
- deducting from the USP, the costs incurred to get the goods from the export FOB point (or another point if appropriate) to the relevant level of trade in Australia. The deductions normally include overseas freight, insurance, into store costs and amounts for importer expenses and profit.

### 9.2.2 The unsuppressed selling price

The Manual provides a hierarchy of options for establishing a USP:[155]

- the Australian industry's price or market approach in a period unaffected by dumping
- the constructed approach, using the Australian industry's CTMS data and a reasonable amount for profit
- the price or market approach for undumped imports.

### 9.2.3 The lesser duty rule

Where the Minister is required to determine the IDD and ICD payable, consideration of the Dumping Duty Act applies.

- determining IDD only - under section 8(5B) of the Dumping Duty Act, where the NIP of the goods is less than the normal value of the goods, the Minister must have regard to the desirability of specifying a method such that the sum of the export price and the IDD payable does not exceed the NIP.
- determining both IDD and ICD - under section 8(5BA) and 10(3D) of the Dumping Duty Act, the lesser duty rule requires the Minister to consider the desirability of fixing a lesser duty such that the sum of the export price, the IDD and the ICD, do not exceed the NIP.

## 9.3 Commission's approach and findings

### 9.3.1 USP calculation approach in the original investigation

In REP 550, the commission used the price approach to calculate the USP and this involved using Orrcon's weighted average selling price from CY 2016, which was a period that was unaffected by dumping.

The commission used the USP to calculate the NIP (at FOB) for both China and Korea. From the USP, the commission deducted the importation costs associated with importing the goods from each country, making deductions for overseas freight, marine insurance, into-store costs and amounts for importer SG&A and profit.

For cooperating exporters from China, regard was not had to the lesser duty rule because of an exception under section 8(5B) of the Dumping Duty Act. For uncooperative and non-cooperative exporters in China, the commission found that the NIP was greater than the sum of the ascertained export price and the interim dumping and countervailing duty on the goods. The commission also found that the NIP was greater than the ascertained normal value for the goods exported from Korea. Based on these factors, in both cases, the Minister did not specify a lesser amount of duty.

### 9.3.2 Commissioner's assessment of the USP and NIP in this inquiry

The cost to make and sell the goods in the inquiry period is different from the original investigation period. This means that the method and value of the USP previously calculated in REP 550 is outdated and not preferential as it was based on a selling price that is no longer applicable[156]. In

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[155] The Manual, pp.106–109 refers.

[156] The Manual - section 24.2 states that the commission will not depart from the approach taken in the original investigation or a previous review, unless there has been a change in circumstances that either makes the earlier USP approach unreasonable, or less preferred among other available options.

this respect, the Manual outlines that where the USP is older than five years, the commission will also consider the updating of old prices by indexing or other means where reasonable.

For this inquiry the commission has updated the USP and NIP using the constructed price method, as Orrcon's PP&T price was affected by increased dumping and/or subsidisation during the injury analysis period. The commission has used:

- Orrcon's weighted average CTMS during the inquiry period, a contemporary amount
- a reasonable amount of profit

The commission had regard to the reasonable amount for profit calculation methods in the Manual.[157] In REP 550, the commission found that the most recent year unaffected by dumping and subsidisation was the 2016 calendar year. The commission used the unit profit (AUD/MT) achieved by Orrcon in the 2016 calendar year and added it to Orrcon's weighted average CTMS in the inquiry period to calculate the USP. This results in a USP that is contemporary but based on similar profits that were factored into the USP from the original investigation.

Having calculated the USP, the commission then calculated the NIP at FOB terms. The commission used verified CTIS data from importers of the goods from China and Korea.

| | CTIS period | Importer profit | Importer SG&A | Australian inland freight | Australian port and handling | Ocean freight and marine insurance |
|---|---|---|---|---|---|---|
| China – Austeel Trading | FY 24-25 | No | Yes | Yes | Yes | Yes |
| Korea – REP 550 importer | CY 19 | Yes | Yes | Yes | Yes | Yes |

**Table 17:USP to NIP deductions**

The commission did not have current information from cooperative PP&T importers from Korea, so the commission used the verified cost to import and sell data from the NIP calculation in REP 550.

### 9.3.3 Application of the lesser duty rule

Where determining IDD only (in relation to Dalian Steelforce, Yantai, and uncooperative and all exporters from Korea, the Minister is not required to have regard to the desirability of applying a lesser amount of duty because the NIP is greater than the normal values calculated, and accordingly section 8(5B)(b) of the Dumping Duty Act does not apply.

Where determining both IDD and ICD (in relation to uncooperative, non-cooperative and all other exporters from China), the sum of the export price plus the IDD and ICD exceeds the NIP and (subject to certain exceptions) the Minister must consider a lesser amount of duty under sections 8(5BA) and 10(3D) of the Dumping Duty Act.

157 The Manual, pp.107-108.

For uncooperative, non-cooperative and all other exporters from China, the sum of the:

- export price of the goods
- ICD payable on the goods
- IDD payable on the goods

is greater than the NIP. The Commissioner has assessed that none of the exceptions to the Minister's mandatory consideration of the desirability of applying a lesser amount of duty apply. The Commissioner considers that the Minister should exercise the discretion to apply a lesser amount of duty.

# 10 FORM OF MEASURES AND EFFECTIVE RATES OF DUTY

## 10.1 Findings and recommendations

The Commissioner is satisfied that the expiry of the measures on PP&T exported to Australia from China and Korea would be likely to lead to a continuation or recurrence of the dumping and subsidisation of PP&T, and the material injury that the measures are intended to prevent.

The Commissioner finds that for PP&T exported to Australia from China; the amount of duty payable should be worked out as follows:

- for all exporters from China and Korea – an amount of IDD using the combination method
- uncooperative, non-cooperative and all other exporters for both China (excluding Dalian Steelforce and Yantai) - ICD to be worked out using an amount calculated as a proportion of the export price, implemented as an *ad valorem* amount.

For all exporters from China and Korea, this is a change in the IDD method currently applying to the goods.

| | | REP 550 *ad valorem* duty measure | | | REP 689 combination duty measure | | |
|---|---|---|---|---|---|---|---|
| **Country** | **Exporter** | **IDD** | **ICD** | **Effective IDD + ICD** | **IDD** | **ICD** | **Effective IDD + ICD** |
| China | Dalian Steelforce Hi-Tech Co., Ltd | 2.9% | *n/a* | 2.9% | 29.0% | *n/a* | 29.0% |
| | Yantai Aoxin International Trade Co., Ltd | 19.7% | *n/a* | 19.7% | 43.4% | *n/a* | 43.4% |
| | Uncooperative, non-cooperative and all other exporters | 19.7% | 42.7% | 62.4% | 15.6% | 72.3% | 87.9% |
| Korea | Uncooperative and all other exporters | 6.2% | *n/a* | 6.2% | 21.4% | *n/a* | 21.4% |

**Table 18: REP 689 measures resulting from this inquiry, compared with REP 550**

## 10.2 Legislative framework

### 10.2.1 Forms of dumping duty available

The Tariff Regulation prescribes the methods available to the Minister for working out IDD payable. The methods are:

- fixed duty method (AUD per tonne)
- floor price duty method
- combination duty method
- *ad valorem* duty method (i.e. a percentage of the export price).

The various forms of dumping duty all have the purpose of removing the injurious effects of dumping and/or subsidisation, and certain forms of duty will better suit some circumstances over others. When considering which form of duty to recommend to the Minister, the Commissioner will have regard to the published *Guidelines on the Application of Forms of Dumping Duty November 2013* (the Guidelines) and relevant factors in the market for the goods.[158]

### 10.2.2 Forms of countervailing duty available

In relation to ICD, duty may be calculated:

- as a proportion of the export price of the goods (implemented as an '*ad valorem*' rate)
- by reference to a measure of the quantity of those particular goods
- by reference to a combination of the above two methods.

### 10.2.3 Submission from Orrcon seeking the combination method of duty apply to all exporters, not just Dalian Steelforce (response to SEF 689)

The commission received one submission on the form of measures proposed in SEF 689.

Orrcon submitted[159] that the combination method of duty should apply to all exporters of PP&T from China and Korea, not just Dalian Steelforce. Orrcon submitted that the combination method of duty would more effectively address the identified price effects (in Chapter 5), including the price undercutting in a declining price environment.

Orrcon provided many reasons to support its position that the *ad valorem* duty method for all other exporters from China and Korea proposed in SEF 689 is more readily diluted in a falling price environment. In Orrcon's view, the floor price component of the combination method preserves the intended effect of the measures, which is to remedy the price undercutting it has experienced.

## 10.3 Form of measures and effective rates of duty

The Commissioner recommends the combination method for collecting IDD for Dalian Steelforce, Yantai and uncooperative exporters from China and uncooperative exporters from Korea.

The combination method consists of a fixed *ad valorem* component and variable floor price component that is set to the ascertained export price.

For non-cooperative exporters from China, the Commissioner recommends that ICD be collected as a proportion of the export price of the goods.

In SEF 689, the commission considered the application of the *ad valorem* duty method (duty applied as a proportion of the ascertained export price of the goods). An *ad valorem* duty is determined for the product as a whole. This means that a single ascertained export price is required when determining the dumping and/or subsidy margin. The *ad valorem* duty method is the simplest and easiest form of duty to administer when delivering the intended remedy from dumping and/or subsidisation.

The commission's analysis of PP&T in the Australian market shows that there are different specifications (models) of PP&T. PP&T is a commodity product, which is influenced by movements in commodity steel coil prices (refer Figure 6). If commodity steel coil prices

[158] The Guidelines are available on the commission website.

[159] EPR 689 – document 15.

significantly change and cause a price change for PP&T, the *ad valorem* method is preferred as the duty calculated (as a proportion of export price) does not vary to the same degree as other duty methods.[160] The *ad valorem* method does not become less effective in a declining market and does not become punitive in a rising market.

For these reasons, SEF 689 made a preliminary recommendation for the *ad valorem* method to apply for uncooperative and non-cooperative exporters from China and uncooperative exporters from Korea. The Commissioner considered Orrcon's submission on this preliminary recommendation and agrees with Orrcon's position that there is little direct information on this exporter group, and it is not known what supply chains exist and how they operate for the uncooperative and non-cooperative exporters from China and uncooperative exporters from Korea. These supply chains may be similar to those identified for Dalian Steelforce.

The commission also observed in Figure 9 that the weighted average FOB export price of the goods from China and Korea (combined) was less than Dalian Steelforce's FOB export price after the inquiry period. This indicates that uncooperative and all other exporters from Korea and the uncooperative, non-cooperative and all other exporters from China had lowered their export prices compared with the export price in the inquiry period. The combination method is also appropriate in this situation as it disincentivises the lowering of export prices and ensures the effectiveness of the measures[161].

For Dalian Steelforce, the commission found that the export supply chain within the Infrabuild group is a complex company structure that involves related parties Austeel Trading, ATM and other related distributors in Australia. The Guidelines state that the combination method is suitable for complex company structures such as this. The commission also notes that the export transactions from Dalian Steelforce, through the related party supply chain are not arms length transactions.

In order to address the duty asymmetry identified by Orrcon, the Commissioner recommends the combination method of IDD apply for all exporters of the goods from China and Korea.

### 10.3.1 Effective rates of duty and avoidance of 'double counting' for exporters subject to the countervailing notice

The commission has used a steel coil benchmark to calculate the following for all exporters other than Dalian Steelforce and Yantai from China:

- the constructed normal value – the cost of steel coils was adjusted in the CTMS
- subsidy margin – LTAR subsidy program 20, *steel coils provided at less than adequate remuneration*

When there is both an adjustment to steel coil costs in the constructed normal value and a countervailable LTAR subsidy on the same raw material input (steel coils), the commission will generally deduct the specific amount of subsidy from the dumping margin to avoid any double counting in the effective rate of duty.[162]

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[160] The Guidelines p.12.

[161] The Guidelines p.7.

[162] The Manual, p.93 provides a detailed explanation of this method.

This applies to all exporters other than Dalian Steelforce and Yantai from China, because:

- Dalian Steelforce and Yantai are not subject to the countervailing notice, and the LTAR subsidy margin is not applicable. There is no double-counting in the effective rate of duty by using adjusted steel costs in the constructed normal value alone.
- All exporters other than Dalian Steelforce and Yantai from China that are both uncooperative exporters for dumping and non-cooperative exporters for subsidies and have an adjustment to steel coil costs in the constructed normal value and a countervailable LTAR subsidy on steel coils.

The commission's calculation of the effective rate of measures is at **Confidential attachment 17: USP, NIP and effective rate of duty**.

A summary of the effective measures (dumping and/or subsidisation) and the effect of removing the 'double count' is provided at Table 19 below.

| | | | With LTAR subsidy 'double count' | | | Avoidance of 'LTAR double count' & LDR | |
|---|---|---|---|---|---|---|---|
| **Country** | **Exporter** | **Duty method** | **IDD** | **ICD** | **LTAR subsidy component** | **IDD** | **ICD** |
| China | Dalian Steelforce Hi-Tech Co., Ltd | *combination* | 29.0% | *n/a* | *n/a* | 29.0% | *n/a* |
| | Yantai Aoxin International Trade Co., Ltd | *combination* | 43.4% | *n/a* | *n/a* | 43.4% | *n/a* |
| | Uncooperative, non-cooperative and all other exporters | *combination* | 43.4% | 73.4% | 27.8% | 15.6% | 72.3% |
| Korea | Uncooperative and all other exporters | *combination* | 21.4% | *n/a* | *n/a* | 21.4% | *n/a* |

**Table 19: Effective rates of IDD and ICD for all exporters from China and Korea in this inquiry**

# 11 RECOMMENDATIONS

## 11.1 Findings

In accordance with subsection 269ZHF(2), the Commissioner is satisfied that the expiration of the anti-dumping measures applicable to precision pipe & tube steel exported to Australia from China and Korea would lead, or would be likely to lead, to a continuation and/or recurrence of, the dumping and/or subsidisation and the material injury the anti-dumping measures are intended to prevent.

The Commissioner recommends that:

- the Minister declare, in accordance with section 269ZHG(1)(b), that they have decided to secure the continuation of the measures
- the measures apply to exporters generally as if different variable factors had been ascertained[163]
- the rates of IDD and ICD, and duty methods set out at Table 19 would apply from 29 September 2026.

The Commissioner recommends that the Minister **declare**:

- in accordance with subsection 269ZHG(1)(b), that he has decided to secure the continuation of the anti-dumping measures relevant to precision pipe and tube steel exported to Australia from China and Korea.

The Commissioner recommends that the Minister **determine** in accordance with subsection 269ZHG(4)(a)(iii) that:

- the dumping and/or countervailing duty notices continues in force after 28 September 2026 but that, after 28 September 2026, the notices have effect in relation to exporters generally as if different variable factors, as set out in Chapter 10 had been fixed relevant to the determination of duty.

The Commissioner recommends the Minister **be satisfied that**:

- in accordance with subsection 269TAB(3), sufficient information was not furnished to enable the export price of precision pipe & tube steel exported to Australia by **uncooperative and non-cooperative exporters from China and uncooperative exporters from Korea**, to be ascertained under subsection 269TAB(1).

- in accordance with subsection 269TAC(2)(b), like goods are not sold in the ordinary course of trade for home consumption in China in sales that are arm’s length transactions by **Dalian Steelforce Hi-Tech Co., Ltd** and that it is not practicable to obtain, within a reasonable time, information in relation to sales by other sellers of like goods that would be relevant for the purpose of determining a price under subsection 269TAC(1).

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[163] Section 269ZHF(1)(a)(iii)

- in accordance with subsection 269TAC(6), sufficient information was not furnished to enable the normal value of precision pipe & tube steel exported to Australia by **uncooperative exporters from China and Korea**, to be ascertained under subsection 269TAC(1).

- in accordance with subsection 269TACD(1), countervailable subsidies have been received in respect of precision pipe and tube steel by **non-cooperative and all other exporters from China** (excluding Yantai Aoxin International Trade Co., Ltd, and that the amount is set out in writing in a Confidential Table to Anti-Dumping Notice No 2026/097.

The Commissioner recommends the Minister **determine:**

- having had regard to subsections 269TAAC(2) and (3), and in accordance with subsections 269TAAC(4) and (5), that the countervailable subsidies set out in **Anti-Dumping Commission Report No 689 (REP 689)** and **Confidential attachment 14: China non-cooperative – Subsidy margin** which confer a benefit to **non-cooperating and all other Chinese exporters** (excluding Yantai Aoxin International Trade Co., Ltd) are specific having regard to sections 269TAAC(2)(a) and 269TAAC(4)(a) access to the subsidy favours particular enterprises and eligibility is limited to specific businesses operating within the jurisdiction of the granting authority.

- in accordance with subsection 269TAB(1)(c), having regard to all the circumstances of the exportation of precision pipe and tube steel from China to Australia, by Dalian Steelforce Hi-Tech Co., Ltd, that the export price is as set out in **REP 689** and the **confidential attachments to REP 689**:
    - Confidential attachment 4: Dalian Steelforce – Export price
    - Confidential attachment 5: Dalian Steelforce – Deductive export price

- in accordance with subsection 269TAB(3), having regard to all relevant information, that the export prices for **uncooperative and all other exporters from China and Korea** are as set out in **REP 689** and the **confidential attachments to REP 689**:
    - Confidential attachment 12: China uncooperative – Dumping margin
    - Confidential attachment 13: Korea uncooperative – Dumping margin

- in accordance with subsection 269TAC(2)(c), that the normal value of precision pipe and tube steel exported from **China** is the sum of:

    - the cost of production or manufacture of precision pipe and tube steel in China as set out in **REP 689** and the **confidential attachments to REP 689**:
        - Confidential attachment 7: Dalian Steelforce – Cost to make and sell (CTMS)
        - Confidential attachment 8: China – Steel coil benchmark assessment
        - Confidential attachment 9: Dalian Steelforce – Steel coil cost adjustment calculation
        - Confidential attachment 10: Dalian Steelforce – Normal value

    - and on the assumption that precision pipe and tube steel, instead of being exported, had been sold for home consumption in the ordinary course of trade in **China**, the administrative, selling and general costs associated with the sale and the profit on that sale as set out in **REP 689** and the **confidential attachments to REP 689**:
        - Confidential attachment 7: Dalian Steelforce – Cost to make and sell (CTMS)
        - Confidential attachment 10: Dalian Steelforce – Normal value

    as adjusted in accordance with subsection 269TAC(9), as set out in REP 689 and **Confidential attachment 10: Dalian Steelforce – Normal value**, to ensure that the normal value of the goods so ascertained is properly comparable to with the export price of the goods.

- in accordance with subsection 269TAC(6), having regard to all relevant information, that the normal values for **uncooperative and all other exporters** of precision pipe and tube steel from **China and Korea** are as set out in **REP 689** and the **confidential attachments to REP 689**:
    - Confidential attachment 12: China uncooperative – Dumping margin
    - Confidential attachment 13: Korea uncooperative – Dumping margin

- having applied subsection 269TACB(2)(a)and in accordance with subsections 269TACB(1) and (4), that the precision pipe and tube steel exported to Australia from **China** and **Korea** are taken to have been dumped, and the dumping margins for **Dalian Steelforce Hi-Tech Co., Ltd, uncooperative and all other exporters from China (including Yantai Aoxin International Trade Co., Ltd) and uncooperative and all other exporters from Korea** in respect of those goods is the difference between the weighted average export prices of the precision pipe and tube steel over the inquiry period (1 July 2024 to 30 June 2025) and the weighted average of corresponding normal values over that period as set out in **REP 689** and the **confidential attachments to REP 689**:
    - Confidential attachment 11: Dalian Steelforce – Dumping margin
    - Confidential attachment 12: China uncooperative – Dumping margin
    - Confidential attachment 13: Korea uncooperative – Dumping margin

- in accordance with subsection 269TACC(1), that, having regard to all relevant information and subsections 269TACC(2) and (3), the countervailable subsidies set out in **REP 689** and **Confidential attachment 14: China non-cooperative – Subsidy margin** confer a benefit to **non-cooperating and all other Chinese exporters** (excluding Yantai Aoxin International Trade Co., Ltd) of precision pipe and tube steel.

- in accordance with subsection 269TACD(2), that the amount of countervailable subsidy received in respect of precision pipe and tube steel by **non-cooperative and all other exporters from China** (excluding Yantai Aoxin International Trade Co., Ltd. expressed as an expressed as an amount of the ascertained export price, is set out in writing in a Confidential Table to Anti-Dumping Notice No 2026/097.

The Commissioner recommends the Minister **be of the opinion:**

- in accordance with subsection 269TAF(1), if comparison of export prices of precision pipe and tube steel exported to Australia from **China** and **Korea** and corresponding normal values requires a conversion of currencies, the rate of exchange that best establishes the material terms of the sale of precision pipe and tube steel is as set out in **REP 689** and the **confidential attachments to REP 689**:
    - Confidential attachment 4: Dalian Steelforce – Export price
    - Confidential attachment 12: China uncooperative – Dumping margin
    - Confidential attachment 13: Korea uncooperative – Dumping margin

# 12 APPENDICES AND ATTACHMENTS

**Confidential attachment 1:** The Australian Market

**Confidential attachment 2:** Economic condition of the Australian industry

**Confidential attachment 3:** Austeel Trading – CTIS and profitability

**Confidential attachment 4:** Dalian Steelforce – Export price

**Confidential attachment 5:** Dalian Steelforce – Deductive export price

**Confidential attachment 6:** Infrabuild group – PP&T price-setting

**Confidential attachment 7:** Dalian Steelforce – Cost to make and sell (CTMS)

**Confidential attachment 8:** China – Steel coil benchmark assessment

**Confidential attachment 9:** Dalian Steelforce – Steel coil cost adjustment calculation

**Confidential attachment 10:** Dalian Steelforce – Normal value

**Confidential attachment 11:** Dalian Steelforce – Dumping margin

**Confidential attachment 12:** China uncooperative – Dumping margin

**Confidential attachment 13:** Korea uncooperative – Dumping margin

**Confidential attachment 14:** China non-cooperative – Subsidy margin

**Confidential attachment 15:** Continuation or recurrence of exports, dumping and/or subsidisation

**Confidential attachment 16:** Continuation or recurrence of injury

**Confidential attachment 17:** USP, NIP and effective rate of duty

# APPENDIX A STEEL COIL ADJUSTMENT FOR CHINESE COMPARATIVE ADVANTAGE/DISADVANTAGE

## A1 Introduction to the cost adjustment method

The commission has adjusted the cost of production (COP) of black HRC in Japan to calculate a COP of black HRC in China. This COP represents a cost in China, which is absent the GOC influence described at chapters 6.4.4 to 6.4.7 above.

- Table 20 describes the comparative advantage/disadvantage cost adjustment for Chinese steel coils.
- Table 21 describes the comparative advantage/disadvantage sales adjustment for black steel coils.
- Table 22 describes the comparative advantage/disadvantage sales adjustment for HDG steel coils, and an adjustment for the zinc coating mass.

## A2 Step 1: Cost adjusted steel coil for Chinese comparative advantages/disadvantages

For the cost adjustments in Table 20, the commission has based its calculations on 2 cost models published by steelonthenet[164]. The costs models together represent the COP of black HRC in 2 stages:

Step 1A – calculate the adjusted COP of liquid steel (as a proxy for the COP slab)[165]

The steel product for which the cost is shown is a metric tonne of BOF liquid steel. The cost is for a notional producer - a typical size integrated BOF plant, 3 mMT/year, at a Japanese coastal site with its own coke and sinter plant, using imported ore and coal purchased at international prices with third party transport.[166]

Step 1B – calculates the adjusted cost of converting the slab to black HRC

The economic model shown below has been prepared to show how hot rolled coil costs can be estimated through a simple cost benchmarking approach. The predicted total cost is not meant to represent an actual cost for any particular hot strip mill. The HRC conversion cost is for a notional medium size steelmaker who purchases slab on the open market and rolls this into coil.[167]

The input data sources and calculation method are also described in Table 20.

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164 Steelonthenet cost models have been developed by “Cambridge-educated economist and OECD Steel Committee recognized authority specialising in steel cost benchmarking and economic analysis”.

165 The commission considered the casting process of liquid steel to slab was a small portion of the total cost that would materially affect the cost adjustment calculation. Accordingly, the liquid steel cost was found to be a suitable proxy for the COP slab.

166 Steelonthenet at https://www.steelonthenet.com/resources/cost-models/bof.html.

167 Steelonthenet at https://www.steelonthenet.com/resources/cost-models/hrc.html.

| Step 1: adjust the COP for black HRC in Japan for Chinese comparative advantages/disadvantages | | |
|---|---|---|
| China has some manufacturing comparative advantages/disadvantages (compared with other countries). A comparative advantage is not the advantage provided by the GOC's influence in distorting steel markets. | | |
| **1A** | Identify the slab COP in Japan and adjust those costs for Chinese comparative advantage/disadvantage | The cost model used:<br>• BOF liquid steel cost model, Japan for 2025 |

| **Cost model – Steelonthenet** | | **The commission's assessment** | | |
|---|---|---|---|---|
| **Item – BOF liquid steel** | **Cost (USD/MT)** | **Comparative advantage cost adjustment applied** | | **Adjusted cost (USD/MT)** |
| Iron ore | 140.45 | No | China also imports iron ore | 140.45 |
| Iron ore transport | 14.08 | Yes | Adjust for the Chinese market - inland freight[IF] | 15.00 |
| Coal | 135.02 | No | China also imports coking coal | 135.02 |
| Coal transport | 7.27 | Yes | Adjust for the Chinese market - inland freight[IF] | 7.75 |
| Steel scrap | 44.62 | No | The cost of steel scrap is also influenced by the GOC | 44.62 |
| Steel scrap delivery | 0.74 | Yes | Adjust for the Chinese market - inland freight[IF] | 0.79 |
| Industrial gases | 21.42 | No | This is the best available information on the cost applicable to China's steel producers. Comprises 20% of total cost. | 21.42 |
| Ferroalloys | 29.19 | No | | 29.19 |
| Flexes | 20.94 | No | | 20.94 |
| Refractories | 12.95 | No | | 12.95 |
| Other costs | 25.93 | No | | 25.93 |
| By-product credits | -14.24 | Yes | China has an Emissions Trading Scheme (ETS) - implemented for the steel industry in 2025 [ETS] | -4.54 |
| Thermal energy, net | -61.99 | No | The GOC influences domestic energy markets and costs | -61.99 |
| Electricity | 27.93 | No | | 27.93 |
| Carbon dioxide emission | 43.56 | Yes | China has an Emissions Trading Scheme (ETS) - implemented for the steel industry in 2025[ETS] | 13.90 |
| Labour | 25.81 | Yes | China's minimum wage is lower than Japan's minimum wage[MW] | 10.77 |
| Capital charges | 65.26 | No | The GOC influences finance and capital, through low-cost loans (for example) | 65.26 |
| **TOTAL** | **538.94** | | | **505.38** |

| Step 1: adjust the COP for black HRC in Japan for Chinese comparative advantages/disadvantages | | |
|---|---|---|
| China has some manufacturing comparative advantages/disadvantages (compared with other countries). A comparative advantage is not the advantage provided by the GOC's influence in distorting steel markets. | | |
| **1B** | Identify the COP of converting slab to HRC in Japan and adjust those costs for Chinese comparative advantage/disadvantage | The cost model used:<br>• (nominal) Slab to HRC conversion cost model for 2025 |

| **Cost model – Steelonthenet** | | **The commission's assessment** | | | |
|---|---|---|---|---|---|
| **Item – nominal slab to HRC conversion** | **Cost (USD/MT)** | **% cost (slab)** | **Comparative advantage/disadvantage cost adjustment applied** | | **Adjusted cost (USD/MT)** |
| Slab cost | 465.75 | 100 | Yes | Use the adjusted value from BOF cost model liquid steel | 505.38 |
| Delivery costs | 0.00 | 0% | Yes | Slab delivery cost is not relevant for integrated HRC producers in China | 0.00 |
| Manpower | 17.5 | 3.8% | Yes | China's minimum wage is lower than Japan[MW] | 7.93 |
| Natural gas | 7.50 | 1.6% | No | The GOC influences energy markets and costs | 8.14 |
| Electricity | 4.20 | 0.9% | No | | 4.56 |
| Work rolls | 1.00 | 0.2% | No | This is the best available information on the cost applicable to China's steel producers. | 1.09 |
| Other consumables | 2.00 | 0.4% | No | | 2.17 |
| Scrap credit | -9.80 | -2.1% | Yes | Adjust using the COP of liquid steel as proxy for scrap slab | -10.63 |
| Packaging costs | 2.00 | 0% | Yes | Packaging cost not relevant for integrated HRC producers in China | 0.00 |
| Depreciation | 8.50 | 1.8% | No | This is the best available information on the cost applicable to China's steel producers. | 9.22 |
| SG&A | 0.00 | 0% | Yes | SG&A not relevant for integrated HRC producers in China | 0.00 |
| **TOTAL** | **496.65** | 100% | | | **527.85** |

| **Data sources and method used to calculate comparative advantage/disadvantage adjustments** | |
|---|---|
| BOF - Iron ore transport[IF] | Confidential information - inland freight costs from Dalian Steelforce's delivery of steel coils in the inquiry period. The adjusted cost value (15.00 USD/MT) in Table 19 is a pseudo value to demonstrate the calculation. |
| BOF - Coal, scrap delivery[IF] | Portion of the confidential inland freight referred to above. The calculation method for this pseudo value is $\frac{7.27}{14.08} * 15.00$. |
| BOF - Carbon dioxide emission[ETS] | The Chinese ETS of 100 RMB/MT is discussed in Transition Asia (27 March 2025), Steel enters China's National Emissions Trading Scheme. The amount for carbon dioxide emissions (13.90 USD/MT) is the Chinese ETS 100 RMB/MT * 7.1965 (average forex conversion RMB:USD for the inquiry period. Forex rates sourced from Reserve Bank of Australia (RBA) Historical data – Exchange rates – Monthly – January 2010 to latest complete month of calendar year. |
| BOF - By-products[ETS] | The calculation method is $\frac{-14.24}{43.56} * 13.90$. |
| BOF - Labour[MW] | China Briefing (22 January 2026), China Minimum Wage Standards 2026. The calculation method used, average of hourly minimum wage of all provinces/regions, except Beijing, Shanghai and Tibet as these are not representative of steel manufacturing in China. Minimum wage in China = 21 RMB/hour.<br>Nippon (8 August 2025), Japan's Minimum Wages Rise Again. The calculation method used, average of the hourly minimum wage by prefecture. Minimum wage in Japan = 1,063 Yen/hour. This amount was converted to RMB using the RBA historical data described above. The Japanese minimum wage = 51 RMB/hour.<br>The Japanese minimum wage $\frac{51}{21} = 2.40$ times more expensive than China. The labour cost adjustment calculation is $\frac{25.81}{2.40} = 10.77$ |
| HRC – all other costs | The commission calculated the portion of costs relative to the cost of slab. This percentage was then applied to the adjusted COP of liquid steel (used as a proxy for slab cost in the model). |
| HRC - Labour[MW] | The calculation method for the minimum wage in Japan is 3.8% * 505.38 = 18.99 USD/hour.<br>The calculation method for the minimum wage in China is $\frac{18.99}{2.40} = 7.93$ USD/hour |

**Table 20: Step 1 – Comparative advantage cost adjustment – Steel coils in China**

## A3 Step 2: Black steel coil Chinese sales, adjusted for comparative advantages/disadvantages

For the sales adjustments[168] in Table 22 the commission has used the black COP value in China, calculated above (Table 20) to calculate the price of black steel coils in China, absent GOC influence.

An annual Chinese price for black steel coil was calculated for the inquiry period (based on the annual COP in Table 20). To capture monthly market price movements that are not influenced by the GOC, the commission used the MEPS black Japanese price to calculate monthly price movements in China over the inquiry period.

| Step 2: use the adjusted COP for black HRC to calculate the selling price of black and galvanised steel coils in China | |
|---|---|
| To reflect selling prices in China, use Chinese SG&A and profit. | |
| **2A** | Calculate: Chinese price adjusted for comparative advantage/disadvantage |
| **2B** | Calculate: Chinese price adjusted for monthly price movements, using the MEPS Japanese black HRC monthly prices |
| **2C** | Convert: black HRC Chinese benchmark prices from (USD/MT) to RMB/MT |

| Item – annual price of black HRC in China | Value (USD/MT) | Data sources and method used to demonstrate calculation |
|---|---|---|
| Black HRC COP adjusted for Chinese comparative advantage | 527.85 | Table 20 refers. |
| Add an amount for SG&A for Chinese HRC sellers | 10.03 | Confidential information of Chinese HRC producers in REP 658. The commission calculated the weighted average SG&A percentage for all cooperating exporters. The calculation method for the pseudo value in this example is 1.9% SG&A * 527.85 HRC cost. |
| Add an amount for profit for Chinese HRC sellers | 15.84 | Confidential information of Chinese HRC producers in REP 658. The commission calculated the weighted average SG&A percentage for all cooperating exporters. The calculation method for the pseudo value in this example is 3.0% profit * 527.85 HRC cost. |
| Add an amount for inland freight for Chinese HRC sellers | 15.00 | Table 20 refers. |
| **Price of black HRC in China (adjusted)** | **568.71** | |

| Item – monthly price of black HRC in China | Data sources and method used to demonstrate calculation |
|---|---|
| Calculate the monthly price movement of black HRC | The calculation method is: $\frac{\text{Monthly MEPS Japan price delivered (inquiry period)}}{\text{Average of MEPS Japan price delivered (annual price)}} * 568.71$ |

**Table 21: Step 2 – Comparative advantage sales adjustment – Black steel coils in China**

[168] These calculations rely on the selling costs of integrated black and HDG HRC producers in China (from REP 658).

## A4 Step 3: HDG steel coil Chinese sales, adjusted for comparative advantages/disadvantages

The commission used the monthly black steel coil benchmark price in China (adjusted for comparative advantage and disadvantage) in Table 21, to calculate the monthly Z275 HDG steel coil price in China in the inquiry period (refer Table 22).

Dalian Steelforce submitted[169] Z275 HDG steel coil Chinese benchmark price (calculated in SEF 689) has greater coating mass than the HDG HRC purchased by it (Z100 and Z200).

A zinc coating mass adjustment to the Z275 HDG steel coil Chinese benchmark price to calculate a benchmark price for Z100 and Z200 in the inquiry period. An amount 8 USD/MT per 25g/m$^2$ of zinc coating[170] was applied, and the method is described in Table 22 below.

| Step 3: use the monthly black steel coil benchmark price to calculate the HDG steel coil benchmark price in China | |
|---|---|
| To reflect the monthly selling prices of HDG steel coils in China. | |
| **3A** | Calculate: Chinese HDG price adjusted for comparative advantage/disadvantage – Z275 zinc coating mass |
| **3B** | Calculate: the zinc coating mass adjustment for Z100 and Z200 steel coils in China – relevant to Dalian Steelforce only |
| **3C** | Calculate: the Z100 and Z200 monthly HDG steel coil benchmark prices in China – relevant to Dalian Steelforce only |
| **3D** | Convert: HDG steel coil Chinese benchmark prices from (USD/MT) to RMB/MT |

| Item – monthly price of HDG steel coil in China – Z275 | Value (USD/MT) | Data sources and method used to demonstrate calculation |
|---|---|---|
| Chinese benchmark price for black steel coils (adjusted for Chinese comparative advantage/disadvantage) | 568.71 | Table 21 refers. |
| Calculate the monthly price movement of HDG steel coil – Z275 zinc coating mass<br>Relevant to Uncooperative and Non-cooperative exporters from China | | The calculation method is: $\frac{\text{Monthly MEPS Japan price HDG (inquiry period)}}{\text{Monthly MEPS Japan price black (inquiry period}} * \text{Chinese monthly black HRC price}$ |
| **Z275 HDG HRC in China (adjusted)** | **810.92** | |

| Item – zinc coating mass adjustment | Value (USD/MT) | Data sources and method used to demonstrate calculation |
|---|---|---|
| Z275 to Z200 | -24.00 | 75 g/m$^2$ coating mass difference $\frac{75\text{ g/m2}}{25\text{ g/m2}} * 8\text{ USD/MT}$ |
| Z275 to Z100 | -56.00 | 175 g/m$^2$ coating mass difference $\frac{175\text{ g/m2}}{25\text{ g/m2}} * 8\text{ USD/MT}$ |

| Item – Z200 and Z100 HDG steel coil benchmark price for China | Value (USD/MT) | Data sources and method used to demonstrate calculation |
|---|---|---|
| Z200 HDG steel coil benchmark | 786.92 | $= 810.92 - 24.00$ |
| Z100 HDG steel coil benchmark | 754.92 | $= 810.92 - 56.00$ |

**Table 22: Step 3 – Comparative advantage sales adjustment – HDG steel coils in China**

169 EPR 689 – document 16. For the reasons set out in chapter 6.4.6, the commission accepted Dalian Steelforce's submission.

170 https://www.steelonthenet.com/essentials/flat-rolled-steel.html - see subheading "What coating weights are specified for different applications?"

# APPENDIX B ASSESSMENT OF ALLEGED SUBSIDY PROGRAMS IN CHINA

## B1 Introduction

The commission has reviewed the alleged subsidy programs applicable to PP&T exported to Australia from China:

- section B4 of Appendix B assesses the existing countervailable subsidy programs that were identified in REP 550, REP 529, REP 419 and REP 177.

## B2 Relevant legislation

Section 269T defines a 'subsidy' as follows:

> "subsidy", in respect of goods exported to Australia, means:
>
> (a) a financial contribution:
> (i) by a government of the country of export or country of origin of the goods; or
> (ii) by a public body of that country or a public body of which that government is a member; or
> (iii) by a private body entrusted or directed by that government or public body to carry out a governmental function; that involves:
> (iv) a direct transfer of funds from that government or body; or
> (v) the acceptance of liabilities, whether actual or potential, by that government or body; or
> (vi) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body; or
> (vii) the provision by that government or body of goods or services otherwise than in the course of providing normal infrastructure; or
> (viii) the purchase by that government or body of goods or services; or
>
> (b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a government or body; if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to Australia.

## B3 Definition of Government, public and private bodies

In its assessment of each program, the commission has had regard to the entity responsible for providing the financial contribution (if any) under the relevant program, as part of the test under section 269T(1) for determining whether a financial contribution is a subsidy. Under section 269T(1), for a contribution to be a subsidy, the contribution must have been made by:

- a government of the country of export or country of origin of the goods, or
- a public body of that country or a public body of which that government is a member, or
- a private body entrusted or directed by that government or public body to carry out a governmental function.

### B3.1 Government

As described in section 16.2 of the Manual, the commission considers that the term 'government' is taken to include government at all different levels, including at a national and sub-national level.

## B3.2 Public bodies

The term 'public body' is not defined in the Act. Determining whether an entity is a 'public body' requires evaluation of all available evidence of the entity's features and its relationship with government, including the following:

- The objectives and functions performed by the body and whether the entity in question is pursuing public policy objectives. In this regard relevant factors include:
    - legislation and other legal instruments
    - the degree of separation and independence of the entity from a government, including the appointment of directors and
    - the contribution that an entity makes to the pursuit of government policies or interests, such as considering national or regional economic interests and the promotion of social objectives.
- The body's ownership and management structure, such as whether the body is wholly-or part-owned by the government or whether the government has a majority of shares in the body. A finding that a body is a public body may be supported through:
    - the government's ability to make appointments
    - the right of government to review results and determine the body's objectives and
    - the government's involvement in investment or business decisions.

The commission considers this approach is consistent with the WTO Appellate Body decision of *United States – Countervailing Measures (China)*.[171] In that case the Appellate body referred to the following 3 indicia which may assist in assessing whether an entity was a public body vested with, or exercising, government authority where:

- a statute or other legal instrument expressly vests government authority in the entity concerned
- there is evidence that an entity is, in fact, exercising governmental functions
- there is evidence that a government exercises meaningful control over an entity and exercises governmental authority in the performance of government functions.

These principles have also previously been considered in the Federal Court of Australia.[172]

## B3.3 Private bodies

Where an entity is neither a government nor public body, the commission will consider it a private body, in which case, a government entrustment or direction to make a financial contribution in respect of the goods must be established for the contribution to be considered a subsidy, as defined by section 269T(1).

Pursuant to section 16.3 of the Manual, in determining the character of an entity which may have provided a financial contribution, the commission will consider whether a private body has been:

- 'entrusted' to carry out a government function, which occurs when a government gives responsibility to a private body
- 'directed' to carry out a government function, which occurs in situations where the government exercises its authority over a private body.

[171] DS379 United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China.

[172] See *Panasia Aluminium (China) Limited v Attorney-General of the Commonwealth* [2013] FCA 870, [27] - [70] *Dalian Steelforce Hi Tech Co Ltd V Minister for Home Affairs* [2015] FCA 885, [50] - [73].

Not all government acts will be considered as entrusting or directing a private body. Encouragement or mere policy announcements by government, of themselves, are not sufficient to satisfy this test. However, threats and inducements may be evidence of entrustment or direction. It is where the private body is considered a proxy by government to give effect to financial contributions that this test will be satisfied.

## B4 Assessment of existing programs

### B4.1 Program 20 – steel coil provided at less than adequate remuneration

**Background**

In the original investigation (REP 550) the commission identified a countervailable subsidy program (Program 20) involving steel coils provided by SOE's or SIE's, which were found to be public bodies, in China at less than adequate remuneration.[173]

Under this program, a benefit to the exporter of PP&T may be conferred by a public body via the provision of steel coils at an amount reflecting less than adequate remuneration, having regard to prevailing market conditions in China.

Consistent with the original investigation, the commission sought information from exporters and the GOC to establish the quantity and cost of steel coils, the origin of the product, identity of the supplier (trader or original manufacturer), and if the manufacturer and/or supplier was an SOE.

**Commission's assessment**

*Information relied on for steel coil costs*

Dalian Steelforce is not subject to the countervailing notice. However, Dalian Steelforce is the sole cooperating exporter in this inquiry, and it provided information about its steel coil purchases for the inquiry period. The commission considers that Dalian Steelforce's steel coil purchases are relevant and contemporary information for the commission's assessment of this program for non-cooperative entities that are subject to the countervailing notice.

Dalian Steelforce identified the ownership of its raw material suppliers and whether the suppliers were public or private bodies.

Based on the information provided by Dalian Steelforce, supported by the commission's desktop research for this inquiry, the commission finds the suppliers identified by Dalian Steelforce as an SOE to be a public body.

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[173] *Op cit* (32), ADRP Report No. 143.

*Benchmark for steel coil*

In determining whether the provision of goods conferred a benefit, the commission has had regard to the guidelines in section 269TACC(3)(d) and section 269TACC(4).

Section 269TACC(3)(d) states:

> In determining whether a financial contribution confers a benefit, the Minister must have regard to the following guidelines:
>
> (d) the provision of goods or services by a government or body referred to in subsection (2) does not confer a benefit unless the goods or services are provided for less than adequate remuneration;

Section 269TACC(4) states:

> For the purposes of paragraphs (3)(d) and (e), the adequacy of remuneration in relation to goods or services is to be determined having regard to prevailing market conditions for like goods or services in the country where those goods or services are provided or purchased.

In establishing a benchmark price for HRC that reflects adequate remuneration, the commission first considered whether prices from private enterprises in China were an appropriate basis for this benchmark.

The commission finds that prices from private enterprises in China are not an appropriate basis for a benchmark, based on:

- the finding in Chapter 6 of this SEF regarding the not normal and ordinary circumstance affecting the cost of steel coil,
- the findings in REP 658 about the Chinese market for HRC and the substantial government intervention in HRC market set out in APPENDIX A of that report.

Essentially, the commission finds that the GOC's influence on the HRC market has distorted prices through the various price setting measures, overcapacity, stockpiling and GOC directives and policy regarding the GOC planning system. The commission considers that these arrangements affect the price of steel coils in China, irrespective of whether the steel coil is sold by private or public entities, such that the prices from private entities in China are not suitable to represent "prevailing market conditions" for steel coils in China.

The commission considers that the benchmark used in the assessment of competitive market costs as outlined in Chapter 6 is representative of an appropriate basis for a benchmark regarding program 20.

*Is there a benefit from program 20 to non-cooperative entities?*

The commission had regard to Dalian Steelforce's steel coil purchase data, to consider if steel coils were provided at less than adequate remuneration for the inquiry period in relation to the non-cooperative entities (**Confidential attachment 6: China – Steel coil benchmark assessment**).

The comparison of Dalian Steelforce's steel coil purchases from SOE suppliers to the steel coil benchmark demonstrated that Dalian Steelforce paid less than an adequate amount of remuneration for steel coils in the inquiry period. In the absence of relevant information provided by non-cooperative entities and the GOC, the commission considers it reasonable to assume that non-cooperative entities under this program received an amount of benefit equivalent to the difference between Dalian Steelforce's purchases from SOE suppliers and the benchmark.

**Specificity**

As this subsidy program benefits Chinese manufacturers that purchase steel coils, the subsidy program benefits a limited number of particular enterprises (namely, manufacturers of downstream steel products, including manufacturers of PP&T). The commission therefore considers that the subsidy is specific under section 269TAAC(4)(a). In making this finding, the commission has considered section 269TAAC(5). In particular, the commission has considered:

- the extent of diversification of economic activities within the jurisdiction of the subsidising authority, and
- the length of time during which this program has been in operation (since the original investigation)

The commission considers that the long duration of the program and the breadth of diversity of the Chinese economy does not contradict the specific finding.

**Calculation of Program 20 subsidy amount – non-cooperative and all other exporters**

For the non-cooperative entities, no information was provided by either the GOC or the exporters themselves to identify whether a financial contribution has been received under this program. The commission considers that these entities have not given the Commissioner information considered to be relevant to the investigation within a reasonable period.

Pursuant to sections 269TAACA(1)(c) and 269TAACA(1)(d), the Commissioner has acted based on all the facts available and made reasonable assumptions to determine whether a countervailable subsidy has been received in respect of the goods.

Based on previous findings in REP 177, REP 419, REP 529 and REP 550 (including ADRP Report 143), the commission considers it likely that non-cooperative entities purchased steel coils from SOEs and SIEs at subsidised prices and therefore received a financial contribution under this program. The commission received no evidence in this inquiry that the purchasing behaviour of non-cooperative exporters has changed. Further, given the continuing presence of steel coils available from SOEs at below competitive market prices, as discussed in **APPENDIX B**, notwithstanding the availability of input products from private suppliers, it is reasonable for the Commissioner to assume, pursuant to section 269TAACA, that non-cooperative entities would purchase steel coils from SOE/SIEs to manufacture the goods.

The commission considers that the amount of countervailable subsidy, and in turn the subsidy margin for Program 20 should apply to non-cooperative entities.

The commission recalculated program 20 based on the updated data provided by Dalian Steelforce for the inquiry period. The commission compared Dalian Steelforce's steel coil purchases from SOE suppliers to the benchmark (black and HDG HRC) for the inquiry period, using the difference between the two to calculate the per unit benefit derived from HRC purchases from SOE/SIE suppliers. The per unit benefit was divided by the updated export price for Dalian Steelforce to establish the LTAR subsidy margin for non-cooperative entities.

## B4.2 Countervailable programs examined

The commission examined 60 countervailable programs from other previous cases (most recently REP 550). Based on the available information, the commission considers that 54 of the examined programs remain countervailable. The assessment of the subsidy programs is set out in Table 23.

| Program 1 | Program name – Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones<br>Program type – Preferential tax | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China.<br>The GOC notified the WTO in 2015 that this program operated from 2008 to 2012.[i] The most recent GOC notification to the WTO on 26 August 2025, does not list this program and so the commission considers that this program is no longer available.[ii] | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Granted to specific businesses, with access limited to enterprises that have operations in a specific coastal or technological development area. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | The commission considers this program has ceased operation and does not confer a benefit to exporters. In the absence of a continuing benefit the commission finds that there is no subsidy. | |
| **Is the subsidy countervailable?** | The commission considers that this program is no longer available and therefore there is no need to ascertain whether the subsidy is countervailable. | |
| **Program 2** | **Program name – One-time Awards to Enterprises Whose Products Qualify for ‘Well-Known Trademarks of China’ and ‘Famous Brands of China’<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Granted to specific businesses based on demonstrated development of patents and trademarks. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exporters (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 5 | Program name – Matching Funds for International Market Development for Small and Medium Enterprises<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China.<br>The GOC notified the WTO in 2015 that this program was still in operation.[iii] According to this notification, this program commenced in 1999. The most recent GOC notification to the WTO on 26 August 2025, does not list this program and so the commission considers that this program is no longer available.[iv] | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Granted to specific businesses and appears to be specific to export sales. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | The commission considers this program has ceased operation and does not confer a benefit to exporters. In the absence of a continuing benefit the commissions finds that there is no subsidy. | |
| **Is the subsidy countervailable?** | The commission considers that this program is no longer available and therefore there is no need to ascertain whether the subsidy is countervailable. | |

| Program 6 | Program name – Superstar Enterprise Grant<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Appears to be granted to specific businesses in the Western Region of China. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 7 | Program name – Research & Development (R&D) Assistance Grant<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Certain businesses are eligible for cash grants based on developing research and development capacity. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 8** | **Program name – Patent Award of Guangdong Province<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Granted to specific businesses in the Guangdong province. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 10 | Program name – 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<br>Program type – Preferential tax | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China.<br>The GOC notified the WTO in 2015 that this program was still in operation.[v] According to this notification, this program commenced in January 2008. The most recent GOC notification to the WTO on 26 August 2025, does not list this program and so the commission considers that this program is no longer available.[vi] | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Granted to specific businesses and appears to specifically apply to export capacities. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | The commission considers this program has ceased operation and does not confer a benefit to exporters. In the absence of a continuing benefit the commissions finds that there is no subsidy. | |
| **Is the subsidy countervailable?** | The commission considers that this program is no longer available and therefore there is no need to ascertain whether the subsidy is countervailable. | |
| **Program 11** | **Program name – Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)<br>Program type – Preferential tax** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China.<br>The GOC notified the WTO in 2015 that this program was in operation.[vii] According to this notification, this program commenced in January 2008. The most recent GOC notification to the WTO on 26 August 2025, does not list this program and so the commission considers that this program is no longer available.[viii] | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Granted to specific businesses within special economic zones. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | The commission considers this program has ceased operation and does not confer a benefit to exporters. In the absence of a continuing benefit the commissions finds that there is no subsidy. | |
| **Is the subsidy countervailable?** | The commission considers that this program is no longer available and therefore there is no need to ascertain whether the subsidy is countervailable. | |

| Program 12 | Program name – Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai<br>Program type – Preferential tax | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China.<br>The GOC notified the WTO in 2015 that this program was in operation,[ix] with the program commencing in January 2008. The most recent GOC notification to the WTO on 26 August 2025 indicates that this program was still in operation in the period 2023-2024.[x] On this information, the commission considers this program still operates. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Granted to specific businesses within special economic zones. The commission became aware of this program in REP 177 and no further documentation was received. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises.<br>Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 13** | **Program name – Preferential Tax Policies in the Western Regions<br>Program type – Preferential tax** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China.<br>The GOC notified the WTO in 2015 that this program was in operation,[xi] with the program commencing in 2001.The most recent GOC notification to the WTO on 26 August 2025 indicates that this program was still in operation in the period 2023-2024.[xii] On this information, the commission considers that this program still operates. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Granted to specific businesses within the Western Region of China. The commission became aware of this program in REP 177 and no further documentation was received. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 14 | Program name – Tariff and VAT Exemptions on Imported Materials and Equipment<br>Program type – Preferential tax | All other exporters |
|---|---|---|
| Background and WTO notification | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. This program is included in the latest GOC notification to the WTO, which indicates that this program commenced in 1998 and is still in operation.[xiii] | |
| Legal basis | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| Eligibility criteria | Eligibility criteria limits access to tax exemption to specific businesses over others. The commission became aware of this program in REP 177 and no further documentation was received. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| Is there a subsidy? | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| Is the subsidy countervailable? | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises.<br>On the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 15** | **Program name – Innovative Experimental Enterprise Grant<br>Program type – Grant** | **All other exporters** |
| Background and WTO notification | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| Legal basis | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| Eligibility criteria | A grant program that specific businesses are eligible to access. The commission became aware of this program in REP 177 and no further documentation was received. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| Is there a subsidy? | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| Is the subsidy countervailable? | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises.<br>On the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 16 | Program name – Special Support Fund for Non-State-Owned Enterprises<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access. The commission became aware of this program in REP 177 and no further documentation was received. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises.<br>Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 17** | **Program name – Venture Investment Fund of Hi-Tech Industry<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program.<br>The commission undertook desktop research and found no evidence that this program had ceased operation. Therefore, the commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access. The commission became aware of this program in REP 177 and no further documentation was received. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 18 | Program name – Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program.<br>The commission undertook desktop research and found no evidence that this program has ceased operation. Based on the available information, the commission considers that this program is still in operation. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access. The commission became aware of this program in REP 177 and no further documentation was received. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 19** | **Program name – Grant for key enterprises in equipment manufacturing industry of Zhongshan<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Granted to specific businesses in Zhongshan. The commission became aware of this program in REP 177 and no further documentation was received. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 21 | Program name – Water Conservancy Fund Deduction<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access. The commission became aware of this program in REP 177 but has not received further documentation about this program. On the available information, it appears eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 22** | **Program name – Wuxing District Freight Assistance<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the Wuxing District. The commission became aware of this program in REP 177 but has not received further documentation about this program. On the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 23 | Program name – Huzhou City Public Listing Grant<br>Program type – Grant | All other exporters |
|---|---|---|
| Background and WTO notification | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| Legal basis | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| Eligibility criteria | A grant program that specific businesses are eligible to access within Huzhou City. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| Is there a subsidy? | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| Is the subsidy countervailable? | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 27** | **Program name – Huzhou City Quality Award<br>Program type – Grant** | **All other exporters** |
| Background and WTO notification | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| Legal basis | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| Eligibility criteria | A grant program that specific businesses are eligible to access within Huzhou City. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| Is there a subsidy? | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| Is the subsidy countervailable? | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 28 | Program name – Huzhou Industry Enterprise Transformation & Upgrade Development Fund<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within Huzhou City. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 29** | **Program name – Land Use Tax Deduction**<br>**Program type – Preferential tax** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 529 a cooperating exporter declared a receipt of benefit under this program during the investigation period. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 30 | Program name – Wuxing District Public Listing Grant<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the Wuxing District. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 31** | **Program name – Anti-dumping Respondent Assistance<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 32 | Program name – Technology Project Assistance<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 34** | **Program name – Balidian Town Public Listing Award<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | An award that is limited to enterprises in Balidian Town. The commission became aware of this program in REP 177 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 35 | Program name – Preferential Tax Policies for High and New Technology Enterprises<br>Program type – Preferential tax | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 177 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China.<br>The GOC notified the WTO in 2015 that this program was in operation.[xiv] According to this notification, this program commenced in 2001.The most recent GOC notification to the WTO on 26 August 2025 indicates that this program was still in operation in the period 2023-2024.[xv] Therefore, based on the available information, the commission considers that this program is still in operation. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Granted specifically to advanced technology service enterprises, offering preferential income tax treatment. The commission became aware of this program in REP 177 no further documentation was received. Based on the available information, it appears eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 36** | **Program name – Local Tax Bureau Refund<br>Program type – Preferential tax** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is unaware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Granted to specific businesses within the local tax bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 37 | Program name – Return of Farmland Use Tax<br>Program type – Preferential tax | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | Granted to specific businesses in particular regional areas. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 38** | **Program name – Return of Land Transfer Fee<br>Program type – Preferential tax** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 39 | Program name – Return of Land Transfer Fee from Shiyou<br>Program type – Preferential tax | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 40** | **Program name – Dining lampblack governance subsidy of Jinghai County Environmental Protection Bureau<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information has been provided in this inquiry that indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Jinghai County Environment Bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 41 | Program name – Discount interest fund for technological innovation<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Handan City Industry Bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 42** | **Program name – Energy conservation and emission reduction special fund project in 2015<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China.<br>The most recent GOC notification to the WTO on 26 August 2025 indicates that this program was still in operation in the period 2023-2024.[xvi] Based on the available information, the commission considers that this program is still in operation. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Daqiuzhuang Town Financial Bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 43 | Program name – Enterprise famous brand reward of Fengnan Finance Bureau<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Fengnan District Science and Technology Bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 44 | Program name – Government subsidy for construction<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Handan City Local Tax Bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 45 | Program name – Infrastructure Construction Costs of Road in Front of No.5 Factory<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program.<br>The commission undertook desktop research and found no indication that this program is still in operation, given that its description indicates that it is a one-off subsidy for a specific piece of infrastructure. Based on the available information, the commission considers that this program is time limited and no longer in operation. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Jinghai County Local Tax Bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | The commission considers this program has ceased operation and does not confer a benefit to exporters. In the absence of a continuing benefit the commissions finds that there is no subsidy. | |
| **Is the subsidy countervailable?** | The commission considers that this program is no longer available and therefore there is no need to ascertain whether the subsidy is countervailable. | |
| **Program 46** | **Program name – New Type Entrepreneur Cultivation Engineering Training Fee of Jinghai County Science and Technology Commission<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Jinghai County Science and Technology Commission. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 47 | Program name – Subsidy for Coal-Fired Boiler of Fengnan Subtreasury<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Fengan District Environment Protection Bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 48** | **Program name – Subsidy for Coal-Fired Boiler Rectification<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Handan City Environment Protection Bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 49 | Program name – Subsidy for District Level Technological Project<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Daqiuzhuang Town Science and Technology Bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 50** | **Program name – Subsidy for Pollution Control of Fengnan Environmental Protection Bureau<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Fengnan District Environment Protection Bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 51 | Program name – Subsidy from Science and Technology Bureau of Jinghai County<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Jinghai County Science and Technology Bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 52 | Program name – Subsidy of Environment Bureau transferred from Shiyou<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 419 and in subsequent reviews of HSS. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Jinghai County Environment Protection Bureau. The commission became aware of this program in REP 419 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 53 | Program name – Supporting fund for exhibition from Hongqiao district commerce commission<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Hongqiao District Commerce Commission. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 54** | **Program name – Government subsidy for job stability<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within a local area. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 55 | Program name – Commercial Committee Support Fund<br>Program type – Grant | All other exporters |
|---|---|---|
| Background and WTO notification | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| Legal basis | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| Eligibility criteria | A grant program that specific businesses are eligible to access within a local area. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| Is there a subsidy? | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| Is the subsidy countervailable? | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 56** | **Program name – Tianjin Municipal Bureau of Commerce July 2018-December 2018<br>Program type – Grant** | **All other exporters** |
| Background and WTO notification | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| Legal basis | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| Eligibility criteria | A grant program that specific businesses are eligible to access within the jurisdiction of the Tianjin Municipal Bureau of Commerce. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| Is there a subsidy? | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| Is the subsidy countervailable? | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 57 | Program name – Aiding fees for cases of technology information collection<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of a local authority. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 58** | **Program name – Patent supporting fund from Science and Technology Bureau of Jinghai District 2019<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Jinghai District Science and Technology Bureau. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 59 | Program name – Patent supporting fund for 2017 program<br>Program type – Grant | All other exporters |
|---|---|---|
| Background and WTO notification | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| Legal basis | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| Eligibility criteria | A grant program that specific businesses are eligible to access within the jurisdiction of a local authority. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| Is there a subsidy? | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| Is the subsidy countervailable? | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 60** | **Program name – Subsidy for patent from Science and Technology Bureau Fengnan District, Tangshan City<br>Program type – Grant** | **All other exporters** |
| Background and WTO notification | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| Legal basis | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| Eligibility criteria | A grant program that specific businesses are eligible to access within the jurisdiction of the Fengnan District Science and Technology Bureau. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| Is there a subsidy? | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| Is the subsidy countervailable? | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 61 | Program name – Subsidy for Energy collection from the Tangshan Quality and Technology Supervision Bureau<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Tangshan Quality and Technology Supervision Bureau. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 62** | **Program name – Award to the Patent Innovation from Science and Technology Bureau Fengnan District<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Fengnan District Science and Technology Bureau. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 63 | Program name – Technical innovation subsidy for dedusting equipment and boiler<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within a local authority. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |
| **Program 64** | **Program name – Awards to technology innovation from Bureau of Industry and Information Technology Fengnan district<br>Program type – Grant** | **All other exporters** |
| **Background and WTO notification** | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Fengnan District Bureau of Industry and Information Technology. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 65 | Program name – Awards to "Well -Known Trademarks" from Hebei Province Market Supervision Administration Bureau<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Hebei Province Market Supervision administration Bureau. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 66 | Program name – Grant for technology ERP<br>Program type – Grant | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 529. In REP 550 the program was found to apply to exporters of PP&T in China. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of a local authority. The commission became aware of this program in REP 529 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

| Program 550-2 | Program name – Loan interest subsidy<br>Program type – Preferential loans | All other exporters |
|---|---|---|
| **Background and WTO notification** | This program was countervailable in REP 550. The commission is not aware of a WTO notification of this program. The commission considers that no new information was provided in this inquiry to indicate this program is no longer available. | |
| **Legal basis** | The commission has not identified any specific legal basis for this program (i.e. no specific law, regulation, or other GOC document has been identified that provides for its establishment). | |
| **Eligibility criteria** | A grant program that specific businesses are eligible to access within the jurisdiction of the Local Bureau of Foreign Trade and Economic Cooperation in Dalian. The commission became aware of this program in REP 550 but has not received further documentation about this program. Based on the available information, it appears that eligibility is limited to specific businesses operating within the jurisdiction of the granting authority. | |
| **Is there a subsidy?** | Due to the nature of this program, a financial contribution under this program would be made in connection to the production, manufacture or export of all goods of non-cooperative and all other exports (including the goods under consideration).<br>This financial contribution is considered to confer a benefit to recipient manufacturers of PP&T due to the foregoing of revenue due to the central government. Where exporters of PP&T during the inquiry period accessed this program, this would confer a benefit in relation to the goods, and these financial contributions would meet the definition of a subsidy under section 269T. | |
| **Is the subsidy countervailable?** | As provided for in section 269TAAC(2)(a) a subsidy is specific if access to the subsidy is explicitly limited to particular enterprises. Based on the available information, the eligibility criteria for this program and access to the subsidy favours particular enterprises over all other enterprises in China. The commission therefore considers this program to be specific. | |

**Table 23: Assessment of subsidy programs in this inquiry**

[i] Program 8, GOC notification to the WTO, New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement), G/SCM/N/220/CHN, 30 October 2015.

[ii] GOC notification to the WTO, New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the SCM Agreement, G/SCM/N/430/CHN, 26 August 2025.

[iii] Program 36, GOC notification to the WTO, 30 October 2015, see endnote (i).

[iv] GOC notification to the WTO, 26 August 2025, see endnote (ii).

[v] Program 1, GOC notification to the WTO, 30 October 2015, see endnote (i).

[vi] GOC notification to the WTO, 26 August 2025, see endnote (ii).

[vii] Program 7, GOC notification to the WTO, 30 October 2015, see endnote (i).

[viii] GOC notification to the WTO, 26 August 2025, see endnote (ii).

[ix] Program 9, GOC notification to the WTO, 30 October 2015, see endnote (i).

[x] Program 1, GOC notification to the WTO, 26 August 2025, see endnote (ii).
[xi] Program 11, GOC notification to the WTO, 30 October 2015, see endnote (i).
[xii] Program 2, GOC notification to the WTO, 26 August 2025, see endnote (ii).
[xiii] Program 27, GOC notification to the WTO, 26 August 2025, see endnote (ii).
[xiv] Program 6, GOC notification to the WTO, 30 October 2015, see endnote (i).
[xv] Program 3, GOC notification to the WTO, 26 August 2025, see endnote (ii).
[xvi] Program 41, GOC notification to the WTO, 26 August 2025, see endnote (ii).