Date: 20 August 2026
To:
The Director – Investigations Unit 1
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601
Australia
Email: investigations1@adcommission.gov.au

Case Details:
Investigation No: 692
Subject Goods: Certain Welded Steel Mesh Sheets exported from the People's Republic of China and Malaysia
Party: Anhui BRC & Ma Steel Weldmesh Co., Ltd. (MGBRC)

SUBJECT: FORMAL PROTEST AND SUBMISSION BY MGBRC REGARDING PRELIMINARY AFFIRMATIVE DETERMINATION (PAD) AND EXPORTER-SPECIFIC VARIABLE FACTOR CALCULATIONS

Dear Director,

Anhui BRC & Ma Steel Weldmesh Co., Ltd. (hereinafter referred to as **"MGBRC"** or **"our company"**) refers to the Anti-Dumping Commission's (hereinafter referred to as **"the Commission"**) Preliminary Affirmative Determination (PAD) under Anti-Dumping Notice (ADN) No. 2026/107 published on 7 August 2026, and the subsequent exporter-specific variable factors calculation sheet provided to our company.

MGBRC is a cooperative exporter in this investigation and has consistently acted in good faith, providing complete, timely, and exhaustive data and evidence during the inquiry period. Following a rigorous review of our variable factor calculation sheet, MGBRC notes that the Commission has calculated our domestic packaging expenses, domestic inland transport costs, and export port handling charges (Terminal Handling Charges - THC) using weighted average methodology based on our actual, verified historical accounts. **MGBRC fully accepts and agrees with the Commission's**

calculations and weighted average methodologies regarding these logistics and auxiliary expense items.

However, the reconciliation and acceptance of these auxiliary costs further prove the high reliability and accuracy of MGBRC's overall internal accounting systems. In light of this, the Commission's decision to **completely reject our actual, verified raw material—Rod in Coil (RIC)—purchase prices and artificially construct our normal value based on Malaysian benchmark prices is entirely unreasonable, legally flawed, and highly punitive.** This cost-replacement adjustment has artificially inflated our actual raw material costs by **960.42 RMB per tonne**, resulting in an unjustified provisional dumping security of **28.4%**.

MGBRC hereby submits its strongest protest and formal arguments regarding these material errors in the PAD. We request that the Commission rectify these errors in the upcoming Statement of Essential Facts (SEF), which has been extended to **30 September 2026**.

I. STRONG PROTEST AGAINST THE REJECTION OF MGBRC'S ACTUAL RIC COSTS AND THE ARBITRARY BENCHMARK ADJUSTMENT

In constructing our normal value under section 269TAC(2)(c) of the *Customs Act 1901* (the Act), the Commission replaced our actual purchase costs for Rod in Coil (RIC)—which accounts for approximately 90% to 95% of our Cost to Make (CTM)—with the weighted average purchase price of RIC from cooperating Malaysian exporters.

The Commission justified this cost replacement by asserting a "Particular Market Situation" (PMS) and claiming that our cost records do not "reasonably reflect competitive market costs" under Regulation 43(2) of the *Customs (International Obligations) Regulation 2015* (the Regulations). The Commission specifically stated:

"The commission considers that the GOC has had a continued involvement in the Chinese steel industry through its policies, planning guidelines, plans, and directives. This involvement has materially contributed to the steel industry's overcapacity, oversupply and distorted structure during the investigation period. It is the Commissioner's view that the prices of steel mesh sheets would be substantially different in a market not characterized by GOC influence."

MGBRC strongly contests this determination based on the following grounds:

1. **Direct Inconsistency with the Commission's Findings on MGBRC's Accounting Records**

In the individual assessment of MGBRC (ADN Appendix A3) and the Comparative Assessment File Note, the Commission explicitly concluded:

- MGBRC's cost to make and sell (CTMS) data was **"complete, relevant, and accurate."**
- MGBRC's records comply with Chinese Generally Accepted Accounting Principles (GAAP) and **"reasonably reflected the actual cost of production."**

Under **Article 2.2.1.1 of the WTO Anti-Dumping Agreement (ADA)**, when an exporter's records are kept in accordance with the GAAP of the exporting country and reasonably reflect the costs associated with the production and sale of the product under consideration, the investigating authority **must ("shall normally")** calculate costs on the basis of these records.

Having formally verified and accepted that MGBRC's records meet both of these criteria, the Commission has no legal basis to disregard our actual RIC purchase costs.

2. Voluntary Acceptance of Logistics Adjustments Undermines the GOC Distortion Narrative

The Commission has accepted MGBRC's actual records and applied standard weighted average calculations for our packaging, transport, and port-handling costs. If our entire financial structure and pricing environment were so distorted by the GOC as to be considered "unreliable" or "not normal and ordinary", the Commission could not consistently rely on our actual bookkeeping for these logistics and auxiliary categories.

The procurement of RIC by MGBRC was conducted through arm's-length negotiations with unrelated domestic steel suppliers in a highly competitive market driven by commercial forces. The raw material costs are actual, historical costs incurred by MGBRC and must be respected under WTO law.

3. Erroneous Application of the "Normally" Exception and "Not Normal and Ordinary" Concept

The Commission attempts to bypass WTO panel and Appellate Body rulings—specifically **EU–Biodiesel (Argentina) (DS473)** and **Australia–A4 Copy Paper (DS529)**—by arguing that the circumstances in which MGBRC's costs were formed were "not normal and ordinary."

However, the WTO Appellate Body has repeatedly established that the term "reasonably reflect" in Article 2.2.1.1 is limited to whether the costs *actually incurred* by the producer are accurately and reliably captured in its records. The "normally" standard cannot be used as an open-ended license to reject actual costs simply because the authority believes those costs are "distorted" or "undervalued" by government policies. The Commission's benchmark adjustment artificially inflates MGBRC's cost by **960.42 RMB per tonne**, fabricating a dumping margin where none exists under fair market comparison.

II. REJECTION OF THE CAUSAL LINK AND COMPLIANCE WITH NON-ATTRIBUTION OBLIGATIONS

MGBRC reiterates that any alleged material injury suffered by the domestic industry (InfraBuild Mesh) was caused by severe domestic supply disruptions rather than imports from China.

1. Strict Legal Obligation of Non-Attribution

Under **section 269TAE(2A) of the Act** and **Article 3.5 of the WTO ADA**, the Commission is under a strict legal mandate to ensure that injury caused by factors other than the exportation of the dumped goods is not attributed to those imports. The Commission must "separate and distinguish" the injurious effects of other known factors from the effects of the dumped imports to ensure a lawful causal analysis. As demonstrated below, the domestic industry's claimed injury is entirely dominated by severe, self-inflicted domestic supply and cost disruptions.

2. First Non-Import Factor: The Structural Supply Shock of Whyalla Steelworks

The unscheduled and likely permanent shutdown of the Whyalla blast furnace from early April 2026 caused an unprecedented domestic production failure. Because Whyalla is the sole supplier of the steel billet used by InfraBuild to roll into Rod in Coil (RIC), this outage introduced a massive downstream supply shock to the Australian welded steel mesh market. Any volume or profitability declines experienced by the domestic industry in 2026 are a direct result of this production failure and the high cost of alternative billet sourcing, rather than import competition.

3. Second Non-Import Factor: InfraBuild's Own Admission of Supply-Side Cost Pressures

On 2 June 2026, **The Australian Reinforcing Company (ARC)**, the reinforcing distribution business forming part of the InfraBuild group, issued a formal customer notice announcing significant price increases on reinforcing bar and mesh products from 1 July 2026. ARC explicitly and exclusively attributed these price hikes to:

- *Billet supply disruptions arising from the Whyalla steelworks outage;*
- *Delays and costs in sourcing alternative materials from international steel mills; and*
- *Ongoing international market volatility.*

ARC’s contemporaneous commercial communication made **no mention whatsoever of import competition** as a driver of price pressure or market injury.

4. Third Non-Import Factor: Other Cumulative Domestic Supply Disruptions

The evidence on the record reveals a collection of other severe non-import factors operating simultaneously on the domestic industry, which the Commission has failed to separate:

- The financial administration of the upstream steelworks since February 2025;
- The cessation of supplementary Middle East feed supply following the closure of the Strait of Hormuz; and
- The domestic industry’s own substantial importation of finished welded steel mesh and billets to cover their production shortfalls.

Under these circumstances, attributing the domestic industry's commercial pressures to competitive Chinese imports is a direct violation of the non-attribution rule.

III. CONCLUSION AND RELIEF SOUGHT

MGBRC has demonstrated a highly cooperative and transparent approach throughout this investigation, which is reflected in our acceptance of the Commission's weighted average calculations for logistics and packaging costs.

However, the arbitrary **960.42 RMB per tonne** raw material cost replacement is a severe error of fact and law that cannot be sustained under WTO jurisprudence or the Australian Customs Act.

MGBRC formally requests that the Commissioner:

1. **Abolish the raw material (RIC) cost replacement methodology** and use MGBRC's actual, GAAP-compliant, and verified book costs to construct the normal value.
2. **Maintain the accepted weighted average adjustments** for packaging, inland transport, and export port handling charges (THC).
3. **Recalculate MGBRC's variable factors** in the forthcoming Statement of Essential Facts (SEF), leading to a significant reduction (or termination) of the preliminary 28.4% dumping security rate.

MGBRC reserves all legal rights to appeal any inconsistent or non-compliant decisions to the Anti-Dumping Review Panel (ADRP) and, if necessary, WTO dispute settlement bodies.

Yours sincerely,

On behalf of Anhui BRC & Ma Steel Weldmesh Co., Ltd