27 AUGUST 2026

The Director, Investigations 1
Anti-Dumping Commission
GPO Box 2013
CANBERRA ACT 2600

BY EMAIL:
investigations1@adcommission.gov.au

Dear Director,

RE: Dumping Investigation No. 692 - Certain welded steel mesh sheets exported from the People's Republic of China and Malaysia

AUSTRALIAN INDUSTRY RESPONSE TO PAD

InfraBuild (Newcastle) Pty Ltd (**InfraBuild**), an Australian industry applicant[1] for the publication of a dumping duty notice in respect of certain welded steel mesh sheets (**mesh**) exported to Australia from the People's Republic of China (**China**) and Malaysia, welcomes the recent making of a preliminary affirmative determination (**PAD**) and imposition of securities[2] by the Commissioner of the Anti-Dumping Commission (**Commissioner**).

The preliminary positive finding of material injury experienced by the Australian industry producing welded steel mesh sheets in relation to dumped exports from China aligns with InfraBuild's Australian market experience within the investigation period and in the months following the investigation period.

InfraBuild notes the further analysis being conducted by the Commission in relation to exports of the goods from Malaysia, particularly in light of InfraBuild's earlier submission opposing the Malaysian exporters' late calls for modification of model control code (**MCC**) categories on the basis of non-physical characteristics, such as market segments or commercial terms in order to gain a preferential dumping margin outcome. The timely publication of the finalised verification visit reports for the Malaysian exporters to allow for submissions prior to the publication of the Statement of Essential Facts (**SEF**) would be welcomed.

Having reviewed the PAD, InfraBuild provides the following observations for consideration by the Commission.

[1] Joint application with the Steel Reinforcement Institute of Australia (**SRIA**)
[2] Anti-dumping Notice No. 2026/107 *Preliminary Affirmative Determination and Imposition of Securities*

1. Normal Value Adjustments

InfraBuild notes that a '*Specification adjustment'* has been applied for Xingtai Steel and TKM and a '*Timing adjustment'* has been applied for Xingtai Steel, TKM and Anhui BRC.[3] The reasons for making these adjustments have not been provided in the PAD and the nature of the adjustments are also unclear, described only as '*Add or deduct an amount*'.

Have the specification adjustments been made based on model control code categories or some other Standard or Grade considerations? If so, in the interests of fairness and transparency, we ask that the Commission provide, (ideally in advance of) the SEF, a clear explanation of comparison Standards and Grades considered and clarify the direction of adjustments made (upwards or downwards) to permit industry understanding and the opportunity to make an informed response.

Have the exporters made claims for date of sale other than invoice date to necessitate a timing adjustment? Again, InfraBuild asks that further context be provided in the SEF to clarify the reason for and nature of the timing adjustments in each instance (upwards or downwards).

2. Export price based on exporter price to intermediary trader

We note that some Australian export sales by TKM and Xingtai Steel were made through '*unrelated traders*' with the export price based on the price from TKM and Xingtai Steel to their respective traders with adjustments applied to '*an FOB level*'.

We ask that the Commission clarify whether the FOB export prices determined under subsection 269TAB(1)(c) for export sales made via the traders (including adjustments for inland transport and export port handling charges) reflect the FOB prices indicated on the Australian customer import declarations to Australian Border Force for these trader entity export sales transactions.

3. *Ad valorem* form of duty

The Commissioner has made a preliminary recommendation to use the *ad valorem* form of duty for the three cooperative Chinese exporters. The primary consideration for the form of duty selection is reported to be the '*different types of steel mesh sheets that are exported to Australia*' and the '*significant price variation between the different steel mesh sheet types, in particular between those that are coated/galvanised, and those with no coatings*'[4].

InfraBuild urges the Commission to strongly consider the imposition of a combination form of duty in the event of publication of a dumping duty notice. As the subject goods comprise different models sold at different prices, there is variation in both normal values and export prices. A single

[3] Respectively, Beijing Xingtai Steel Weldmesh & Technology Development Co., Ltd. (**Xingtai**), Tianjin Tiankang Metal Products Co., Ltd. (**TKM**) and Anhui BRC and Ma Steel Weldmesh Co., Ltd. (**Anhui BRC**).
[4] ADN No. 2026/107 at p45

ad valorem duty cannot adequately address this variation and will result in over-collection of duties on higher-priced models and under-collection of duties on lower priced models. The combination form ensures proportionality, avoids distortions within the range of mesh products and aligns with the Commission's obligation to impose measures that are necessary to address injury and remain effective.

Imposition of a combination form of duty will also prevent exporters from evading *ad valorem* duties by shifting exports towards lower-priced models, that is, model mix manipulation which will undermine the effectiveness of measures. A fixed component afforded by the combination form of duty ensures that low-priced models still attract meaningful duties.

A further advantage of the combination form of duties is that duty erosion is avoided when export prices fall. International steel markets are highly volatile and an *ad valorem* form of duty will fall when export prices fall, **even if the level of dumping increases**. A fixed specific component further prevents circumvention of duties through duty absorption or lowering of the export price by the exporter, an action that cannot be cured by the current anti-circumvention framework. The representative for the Chinese mesh exporters has long been aware of this loophole which renders the *ad valorem* method prone to unremedied ineffectiveness via exporter absorption of duties. During *Investigation No. 264*, the representative wrote:

> *An exporter subject to interim dumping duties that simply lowers its export price cannot in any way be considered a circumvention activity as defined. Whilst the applicant continually refers to the avoidance of the intended effect of duty, it is important to note that s. 269ZDBBA(5A) of the Act, which deals with the avoidance of the intended effect of duty as a circumvention activity, relates to an importer selling the imported goods in Australia without increasing the price commensurate with the total amount of duty payable. It does not relate to an exporter reducing its export prices.*[5]

It is widely recognised that both the normal values and the ascertained export price are likely to change and become out of that date. The Commission itself collectively refers to them as the "variable factors". The legislation contains provisions such as Division 5 reviews and duty assessments to compensate for these changes. Importers that supply dumped product that causes material injury to the Australian industries and their supply chain partners are shielded from paying excess duty as detailed on the Commission's website:

> *To ensure that the amount of dumping duty collected by Australian Border Force does not exceed the actual dumping margin for each consignment over the five-year period, provision exists for assessment of the final duty liability. This system allows for any excess interim duty to be refunded where it is found that prices have changed since the original investigation or subsequent review.*

[5] EPR Folio No. 264/074, p. 2.

Therefore, in all circumstances where there is a positive dumping margin determined for an exporter, then the combination form of interim duty calculation should be imposed by the Minister, with the variable component being based on the ascertained export price.

4. **Undercutting analysis**

We note the Commission's approach to performing its undercutting analysis. At the outset we observe that this investigation only attracted the cooperation of two importers, namely, Jennmar Australia Pty Ltd (**Jennmar**) and Plascorp Pty Ltd (**Plascorp**). As distributors, both these importers operate at a different level of trade to that of InfraBuild. InfraBuild sells to distributors, whereas both Jennmar and Plascorp are distributors of the goods, selling to end-users. With this caveat in mind we review the Commission's method of constructing the exported goods equivalent DDP selling prices to Australian distributors:

- verified FOB export prices for the exported goods
- an average per tonne amount for ocean freight and marine insurance costs calculated using verified exporter data
- an average per tonne amount for Australian port handling and other charges based on data provided by importers responding to importer questionnaires
- an average per tonne amount for Australian inland freight based on data provided by importers responding to importer questionnaires
- importer SG&A and profit for the investigation period for the largest trader in imported steel mesh sheets that provided relevant information in response to the importer questionnaire.[6]

To compare equivalent DDP selling prices to Australian distributors, then the 'Australian inland freight' expense accounted for must be limited to the inland freight expense from the port to the distributor's warehouse only, not to the customer (i.e. end-user). We note that both Jennmar[7] and Plascorp[8] report extensive, distribution networks across Australia servicing the end-user market. As for an amount for 'importer SG&A and profit', we again observe that given cooperation was only secured from importers who were distributors, operating at the next level of trade, i.e. sale from distributor to customer/end-user, this amount would be inflated. In other words, InfraBuild contends that the Commission's calculations of undercutting margins understate the full extent of price undercutting of goods imported and sold at the distributor level of trade from both China and Malaysia.

Although the Commission advises that it has:

[6] PAD 692, p. 35.
[7] https://www.jennmar.com.au/products/view/coal/23 (accessed 27 August 2026)
[8] https://www.plascorp.com.au/products/steel-reinforcing-bar-mesh/ (accessed 27 August 2026)

> …examined sales at an MCC level and has conducted its undercutting analysis by focusing on the 2 largest volume MCCs, which account for over 90% of the combined sales of InfraBuild and the verified exporters during the investigation period…[9]

it does not disclose the MCC categories that formed the basis of this analysis; reference being only to 'MCC 1' and 'MCC 2'. To assist InfraBuild better understand the Commission's approach, we request disclosure of the two MCC categories considered.

Conclusion

InfraBuild supports the preliminary findings of dumping and material injury in relation to exports from China.

InfraBuild requests further clarification regarding the normal value adjustments applied in the PAD, the treatment of export sales through intermediary traders, the basis for the undercutting analysis, and the Commission's preliminary preference for an *ad valorem* form of interim duty calculation. InfraBuild submits that these matters warrant careful consideration in the lead-up to the Statement of Essential Facts and the Commission's final recommendations.

Please do not hesitate to contact your InfraBuild representative on record with any questions.

FOR AND ON BEHALF OF THE

AUSTRALIAN INDUSTRY APPLICANT

[9] PAD 692, p. 35.