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Director – Investigations 4  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601

Email: [Investigations4@adcommission.gov.au](mailto:Investigations4@adcommission.gov.au)

## Public File

### EX0107 – Hot rolled coil steel from China – BlueScope response to Baosteel submission of 13 July 2026

#### I. Introduction

BlueScope refers to Baosteel's submission of 13 July 2026<sup>1</sup> in support of its application for a ministerial exemption from the anti-dumping measures applying to hot rolled coil steel (**HRC**) imports from China.

The submission advances several arguments concerning:

- the claimed absence of Australian supply of the exemption goods;
- the alleged necessity for widths exceeding 1550 mm in particular applications;
- assertions that narrower products cannot be substituted through conventional fabrication methods, including joining and welding;
- reliance upon submissions from downstream users including Phoenix Metal Group; and
- allegations concerning BlueScope's market position and the willingness of customers to participate in this inquiry.

For the reasons set out below, BlueScope submits that Baosteel has not established that domestically produced goods are not like or directly competitive with the exemption goods. The evidence instead demonstrates that domestically supplied products remain capable of achieving the same functional outcomes in the applications identified by Baosteel through established fabrication methods. Further, broad width-based exemptions would create a significant risk of circumvention by permitting the importation of wider products that may subsequently be processed into dimensions that compete directly with Australian production.

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<sup>1</sup> EPR Exemption Inquiry EX0107, folio no. 5.

## **II. Baosteel's original thickness-based claims have been contradicted by the evidence**

A central premise of Baosteel's application was that BlueScope does not produce or supply HRC within the thickness range of 1.5 mm to 2.95 mm and, therefore, products within that range are not offered for sale in Australia.

However, evidence subsequently provided by BlueScope during this inquiry demonstrates substantial domestic production and supply within that thickness range, including:

- sales of HRC in thicknesses between 1.5 mm and 2.95 mm;
- production and sales of approximately [REDACTED] tonnes of HRC within that thickness range during the POI; and
- sales of hot rolled sheet products below 3 mm thickness during the POI.

Accordingly, the proposition that products within the 1.5 mm to 2.95 mm thickness range are not produced or supplied in Australia is no longer sustainable.

BlueScope further notes that substantial volumes of HRC produced within the 1.5 mm to 2.95 mm thickness range are sold into Australian distribution channels. Those products can be processed into sheet through conventional shearing operations. The existence of domestic production, supply and downstream processing capability further supports the conclusion that products within the relevant thickness range are available in Australia and are not confined to imported supply.

The remaining issue is therefore not thickness availability, but whether domestically supplied products are like or directly competitive with the wider dimensions identified by Baosteel.

## **III. Joining and welding of narrower products is a recognised and accepted fabrication practice**

Baosteel submits that wider products are required because narrower products cannot be joined or welded without compromising structural integrity, aesthetics, watertightness or fatigue performance.

BlueScope does not accept that proposition.

Across a broad range of steel fabrication activities, sheet and plate products are routinely cut, formed, welded and joined to produce the dimensions, shapes and structures required by end users. Joining and welding are widely accepted fabrication practices across many sectors of the Australian steel manufacturing industry.

The mere existence of a weld does not establish that a product is unsuitable, structurally deficient or commercially unacceptable.

While the use of a wider single sheet may reduce fabrication effort, improve manufacturing efficiency, improve yield or reduce processing costs, those considerations do not demonstrate that narrower domestically supplied products are incapable of achieving the same functional outcome.

The relevant question is not whether a wider imported product may be preferred in some circumstances, nor whether it may reduce fabrication cost, effort or material loss. Rather, the question is whether domestically supplied products can achieve the same functional outcome and are therefore reasonable substitutes for the wider products in the relevant applications.

Accordingly, they remain like or directly competitive goods offered for sale in Australia.

BlueScope submits that Baosteel has not produced evidence demonstrating that the identified applications require a single wide sheet as a matter of engineering necessity. Nor has Baosteel provided technical evidence demonstrating that welded or fabricated alternatives are incapable of satisfying relevant structural requirements.

Similarly, assertions regarding aesthetics do not establish an absence of substitutability. Many fabricated steel products incorporate visible welds as part of normal manufacturing practice. To the extent particular customers prefer to avoid joining or welding, such preferences do not establish that domestically supplied products cease to be directly competitive.

BlueScope therefore submits that Baosteel's evidence primarily concerns matters of manufacturing preference, efficiency, yield and cost rather than demonstrating that wider products are uniquely required or that domestically supplied products are incapable of achieving the same functional outcome.

#### **IV. The evidence does not establish that products exceeding 1550 mm width are not like or directly competitive with Australian-produced goods**

BlueScope accepts that some users may prefer wider products for particular manufacturing processes. However, a preference for a particular dimension does not establish that domestic products are unavailable or non-substitutable.

Much of Baosteel's case in relation to the wider dimensions identified in its application conflates:

- a preferred manufacturing input;
- a more efficient manufacturing input; and
- a necessary manufacturing input.

These are fundamentally different concepts.

Importantly, the existence of a preferred or more efficient manufacturing input does not mean that alternative products cease to be like or directly competitive goods. Many purchasing decisions involve trade-offs between cost, efficiency, yield and processing requirements. The existence of such trade-offs does not establish that wider products constitute a distinct category of goods or that narrower products cease to be reasonable substitutes for the relevant applications.

BlueScope submits that the evidence presently before the Commission is capable of supporting, at most, the first two propositions. Even if wider products reduce fabrication effort, welding requirements, processing costs or material loss, those considerations do not demonstrate that wider products are uniquely required or that narrower domestically supplied products cease to be reasonable substitutes capable of achieving the same functional outcome. Accordingly, those products remain like or directly competitive goods.

The fact that a wider product may reduce welding, joining, fabrication effort or material waste does not establish that narrower domestically produced products are not like or directly competitive goods offered for sale in Australia.

BlueScope submits that Baosteel has not demonstrated that widths above 1550 mm constitute a distinct category of goods for which like or directly competitive Australian products are unavailable.

#### **V. The Phoenix Metal Group submission does not support Baosteel's position**

Baosteel relies upon a submission made by Phoenix Metal Group (**Phoenix**) in support of broader claims regarding non-substitutability.

BlueScope notes that the matters raised by Phoenix in Investigation 658<sup>2</sup> were not concerned with the width-related issues that now appear central to this inquiry.

Rather, the issues raised by Phoenix related to product attributes including thickness and coil mass for products over which exemption or separate assessment was being sought during Investigation 658.

BlueScope responded to those matters during Investigation 658 and provided evidence regarding its capability to supply HRC at the relevant thicknesses and coil masses identified by the interested party.

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<sup>2</sup> EPR INV 658, folio no. 31.

Importantly, the Commission subsequently stated in REP 658: "*Phoenix also sent the commission a submission concerning the non-substitutability of domestic products. Phoenix subsequently confirmed that this was not an application for an exemption by email on 30 January 2026. The commission has, therefore, not assessed this submission as a request for an exemption.*"

Accordingly, the Phoenix submission was neither assessed as, nor accepted to be, an exemption request.

At most, the Phoenix submission evidences the commercial preferences of a particular customer in relation to product characteristics that are distinct from the principal width-related issues presently relied upon by Baosteel.

BlueScope submits that the Phoenix submission does not establish that widths above 1550 mm are unavailable from Australian production, nor does it establish that domestically supplied products are not like or directly competitive with the exemption goods.

## **VI. Baosteel's market power allegations should be disregarded**

Baosteel alleges that fabricators are reluctant to participate in this inquiry because of BlueScope's market position and a perceived risk of "targeted competitive responses" or "selective pricing".

BlueScope rejects these allegations. They are speculative and should be afforded no weight.

More fundamentally, the allegations do not assist in determining the substantive issue before the Commission. Whether or not particular customers have elected to make submissions, Baosteel bears the burden of establishing, through evidence, that the wider products the subject of its application are not like or directly competitive with products offered for sale in Australia.

Assertions regarding the motivations of unidentified third parties do not establish that wider products are technically required, that narrower domestically supplied products cannot be used through established fabrication methods, or that the relevant goods are not substitutable in the applications relied upon by Baosteel.

The exemption application must be determined on the evidence before the Commission concerning the availability, functionality and substitutability of the relevant products, rather than speculation regarding why additional evidence has not been provided.

## **VII. Scope of the exemption application and subsequent submissions**

BlueScope notes that Baosteel's original exemption application identified two alleged limitations in Australian supply.

The application asserted that BlueScope did not produce or supply:

- hot rolled coil and sheet within the thickness range of 1.5 mm to 2.95 mm; and
- hot rolled coil and sheet within the width range of 1580 mm to 2000 mm.

A significant component of the original application was directed to the proposition that products within the 1.5 mm to 2.95 mm thickness range were outside BlueScope's production capabilities and therefore not offered for sale in Australia.

As noted above, BlueScope has subsequently provided evidence demonstrating substantial domestic production and supply within that thickness range, including significant volumes of HRC produced and sold during the POI. Accordingly, the factual basis underpinning that aspect of the exemption application has been materially affected by the evidence obtained during this inquiry.

BlueScope further notes that Baosteel's more recent submissions place greater emphasis on width-related considerations, including end-use requirements, fabrication efficiency, avoidance of welding, aesthetics and customer preferences associated with wider products.

In addition, Baosteel's 6 July 2026 submission<sup>3</sup> proposed, in the alternative, a more targeted exemption description comprising specific thickness and width combinations said to reflect particular customer requirements. Those combinations include both thinner-gauge and thicker-gauge products and identify specific thickness and width combinations said to correspond to particular customer requirements.

BlueScope submits that these developments reinforce the need for careful consideration of the precise dimensions and applications for which an absence of like or directly competitive goods has actually been established. In light of the evidence now before the Commission regarding domestic production and supply within the 1.5 mm to 2.95 mm thickness range, the inquiry is increasingly focused on Baosteel's assertions concerning width-related substitutability and the specific dimensional combinations said to be required by particular applications.

However, BlueScope submits that the evidence presently on the record does not establish that products exceeding 1550 mm width constitute a distinct category of goods for which like or directly competitive Australian products are unavailable. Nor does the evidence establish that the identified applications cannot reasonably be supplied using domestically produced products through established fabrication methods, including joining and welding. Accordingly, BlueScope submits that the material relied upon by Baosteel does not provide a basis for concluding that like or directly competitive goods are not offered for sale in Australia.

BlueScope further notes that broad exemptions based solely on width may create significant circumvention risks. BlueScope's position throughout this inquiry has been that products exceeding 1550 mm width can, through established downstream processing and fabrication methods, achieve the same functional outcomes as domestically supplied products and are therefore directly competitive with those products in the applications identified by Baosteel. To the extent that the Commission accepts that proposition, a broad width-based exemption would create a pathway through which goods subject to the anti-dumping measures could instead be imported in wider dimensions and subsequently processed into products that compete directly with Australian production.

To the extent that the Commission ultimately reaches a different conclusion regarding width substitutability, BlueScope submits that any recommendation should remain firmly grounded in the dimensions, applications and evidence actually established during this inquiry.

## **VIII. Conclusion**

Baosteel's latest submission does not establish that products produced in Australia are not like or directly competitive with the exemption goods.

The evidence now on the record demonstrates substantial domestic production and supply within the 1.5 mm to 2.95 mm thickness range. The thickness-based premise that formed a significant component of Baosteel's original exemption application has therefore not been sustained. The remaining issues principally concern whether products exceeding 1550 mm width are not like or directly competitive with domestically supplied products.

At most, the evidence relied upon by Baosteel demonstrates that some users may prefer wider products because they reduce fabrication effort, material loss or manufacturing cost. Such considerations do not establish that wider products are uniquely required, nor do they establish that narrower domestically supplied products are incapable of achieving the same functional outcome. Accordingly, they do not establish that wider products constitute a distinct category of goods or that they are not like or directly competitive with domestically supplied products. BlueScope further submits that broad width-based exemptions would create material circumvention risks by permitting the importation of wider products that may subsequently be processed into dimensions that directly compete with Australian-produced goods.

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<sup>3</sup> EPR Exemption Inquiry EX0107, folio no. 3.

BlueScope submits that Baosteel has not demonstrated that widths above 1550 mm are uniquely required from a technical or engineering perspective, nor has it established that narrower domestically supplied products cannot reasonably be used by means of established fabrication practices including joining and welding to achieve the same functional outcome.

As a consequence, Baosteel has not established that products exceeding 1550 mm width are not reasonable substitutes for domestically supplied products in the applications relied upon in support of the exemption application.

Accordingly, BlueScope submits that Baosteel has not discharged its burden of establishing that products exceeding 1550 mm width are not like or directly competitive with products offered for sale in Australia. The evidence instead indicates that such products remain capable of achieving the same functional outcomes as, and competing directly with, domestically supplied products through established fabrication and processing methods. The exemption application should therefore be refused.

For and on behalf of BlueScope.