Australian Government
Department of Industry, Science and Resources

Anti-Dumping Commission

CUSTOMS ACT 1901 - PART XVB

REPORT NO 679

ALLEGED DUMPING OF
LIGHT GAUGE STEEL STUD AND TRACK
EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

AND

ALLEGED SUBSIDISATION OF
LIGHT GAUGE STEEL STUD AND TRACK
EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

17 August 2026

CONTENTS

ABBREVIATIONS

$	Australian dollars
ABC Depot	Australian Building & Construction Depot Pty Ltd
ABF	Australian Border Force
ABS	Australian Bureau of Statistics
the Act	*Customs Act 1901* (Cth)
ADA	Anti-Dumping Agreement
ADN	Anti-Dumping Notice
Aoshi	Guangzhou Aoshi Building Materials Co., Ltd
the applicant	Rondo Building Services Pty Ltd
ASIC	Australian Securities and Investments Commission
AUD	Australian Dollars
BOF	basic oxygen furnace
Bryko	Bryko Pty Ltd
China	The People's Republic of China
COGS	cost of goods sold
the commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
CTMS	cost to make & sell
CTS	cost to sell
Customs Direction	*Customs (Extensions of Time and Non-cooperation) Direction 2015*
Dumping Duty Act	*Customs Tariff (Anti-Dumping) Act 1975* (Cth)
EBIT	earnings before interest and tax
EBITDA	earnings before interest, tax, depreciation and amortisation
EPR	electronic public record
Etex	Etex Australia Pty Ltd (branded Siniat)
FOB	free on board
FY	financial year (1 April – 31 March)
the goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
GAAP	generally accepted accounting principles
GOC	Government of China
HIA	Housing Industry Association
Hongmu	Hongmu (Guangzhou) Building Products Co., Ltd
HRC	hot-rolled coil
Hume	Hume Plasterboard Pty Ltd
ICD	interim countervailing duty
IDD	interim dumping duty

injury period	the period commencing 1 April 2021
Intex	Intex Group International Pty Ltd
investigation period	the period 1 April 2024 to 31 March 2025
INV 658	Investigation 658 concerning HRC exported to Australia from China
Kaize	Wenan Kaize Building Material Co., Ltd
kg	kilogram
LGST	light gauge steel stud and track
lm	lineal metre
LTAR	less than adequate remuneration
the Manual	*Dumping and Subsidy Manual*
MCC	model control code
MEPS	MEPS International Ltd
the Minister	the Minister for Industry and Innovation and Minister for Science
Nashco	Nashco Holding Pty Ltd
NIP	non-injurious price
OCOT	ordinary course of trade
OECD	Organisation for Economic Cooperation and Development
PAD	preliminary affirmative determination
PAD Direction	*Customs (Preliminary Affirmative Determinations) Direction 2015*
PMS	particular market situation
RBA	Reserve Bank of Australia
REP 590	*Anti-Dumping Commission Report No 590*
REP 611	*Anti-Dumping Commission Report No 611*
REP 644	*Anti-Dumping Commission Report No 644*
REP 645	*Anti-Dumping Commission Report No 645*
REP 658	*Anti-Dumping Commission Report No 658*
REQ	response to the exporter questionnaire
RGQ	response to the government questionnaire
RIQ	response to the importer questionnaire
RMB	Chinese Renminbi
ROI	return on investment
Rondo	Rondo Building Services Pty Ltd
SCM Agreement	Agreement on Subsidies and Countervailing Measures
SEF	statement of essential facts
SIE	state-invested enterprise
SG&A	selling, general and administrative expenses
SME	small–medium enterprise
SOE	state-owned enterprise

Studco	Studco Australia Pty Ltd
Tariff Act	*Customs Tariff Act 1995* (Cth)
USD	US Dollars
USP	unsuppressed selling price
WTO	World Trade Organization

1 SUMMARY AND RECOMMENDATIONS

1.1 Introduction

The Anti-Dumping Commission (the commission) has prepared this report following an investigation by the Commissioner of the Anti-Dumping Commission (the Commissioner) in respect of an application seeking the publication of a dumping duty notice and a countervailing duty notice on certain light gauge steel stud and track (LGST, or the goods) exported to Australia from the People's Republic of China (China).

The application was lodged by Rondo Building Services Pty Ltd (Rondo, or the applicant). Rondo alleges that the Australian industry producing LGST has suffered material injury caused by the goods exported to Australia from China at dumped and subsidised prices.

The Commissioner has found that, during the investigation period (1 April 2024 to 31 March 2025), the goods exported to Australia from China were dumped.
The Commissioner has also found that countervailable subsidies were received in respect of goods exported to Australia from China. Except for Wenan Kaize Building Material Co., Ltd (Kaize), uncooperative and all other Chinese exporters were found to have received countervailable subsidies above the negligible threshold. The subsidies received by Kaize did not exceed the negligible threshold at any time during the investigation period. Accordingly, on 17 August 2026, the Commissioner terminated the subsidy investigation in respect of Kaize; see Termination Report 679 (TER 679), published on 17 August 2026.

The Commissioner has found that dumped and subsidised goods exported to Australia from China have caused material injury to the Australian industry producing like goods. Based on these findings, the Commissioner recommends that the Minister for Industry and Innovation and Minister for Science (the Minister) publish a dumping duty notice in respect of all exporters from China, and a countervailing duty notice in respect of *uncooperative and all other exporters*, for the goods exported to Australia from China.

This report sets out the Commissioner's recommendations to the Minister and sets out the material findings of fact on which those recommendations are based and provides details of the evidence relied upon to support those findings. The Commissioner's findings and conclusions about this investigation were outlined in the statement of essential facts (SEF 679) published on 17 June 2026.[1]

1.2 Recommendations

Based on the findings outlined in this report, the Commissioner recommends that the Minister publish:

- a dumping duty notice in respect of the goods exported to Australia from China by *all exporters*, and

[1] SEF 679 refers.

- a countervailing duty notice in respect of the goods exported to Australia from China by *all exporters except Kaize*.

In relation to the recommended effective rate of anti-dumping duty, the Commissioner finds that applying a lesser amount of duty is adequate to remove the injury caused by dumped and subsidised goods from China (see Chapter 11 of this report). Therefore, the recommended combined effective rate of interim dumping duty (IDD) and interim countervailing duty (ICD) is 37.8%. The effective combined rate has been determined after applying the lesser duty rule and after removing the double count of a subsidy program concerning the receipt of goods for less than adequate remuneration (LTAR), being 1%.

The Commissioner recommends that the IDD and ICD be applied using the *ad valorem* duty method.[2] The recommended IDD and ICD rates are outlined in Table 1.

Exporter	Rates	IDD			ICD	Combined IDD and ICD	Form of measures
		Before LTAR removed[3]	LTAR	After LTAR removed			
Kaize	Before lesser duty rule applied	41.8%	N/A	41.8%[4]	N/A	41.8%	*Ad valorem* IDD only
	After lesser duty rule applied	37.8%	N/A	37.8%	N/A	**37.8%**	
Uncooperative and all other exporters	Before lesser duty rule applied	41.8%	1.0%	40.8%	4.5%	45.3%	*Ad valorem* IDD and ICD
	After lesser duty rule applied	34.8%	1.0%	33.3%	4.5%	37.8%	

Table 1: Recommended measures

1.3 Preliminary affirmative determination (PAD) and changes since SEF 679

Prior to the publication of SEF 679, the Commissioner published a notice on 25 May 2026 in relation to his decision to make a preliminary affirmative determination (PAD).[5] Securities were taken in respect of IDD in respect of the goods exported from China and entered for home consumption in Australia on or after 26 May 2026. The effective rate of IDD for the taking of securities was set at 37.8%. Securities were related to dumping only as the available information at the time did not satisfy the Commissioner to take securities in relation to countervailable subsidies.

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[2] See section 5(7) of the *Customs Tariff (Anti-Dumping) Regulation 2013* in relation to the form of measures for IDD and section 10(3B)(a) of the *Customs Tariff (Anti-Dumping) Act 1975* concerning ICD.

[3] Less than adequate remuneration (LTAR).

[4] LTAR is not applicable to Kaize.

[5] ADN 2026/072 refers.

Upon publication of SEF 679 on 17 June 2026, the Commissioner published a further notice that amended the dumping securities taken in relation to the PAD made on 25 May 2026 and outlined there were sufficient grounds for publication of a countervailing duty notice.[6] The dumping securities for Kaize remain unchanged at 37.8%, and no countervailing securities were imposed in respect of exports by Kaize. For *uncooperative and all other exporters*, the dumping securities changed from 37.8% to 33.3% and new countervailable securities of 4.5% were imposed, resulting in a combined effective rate of 37.8% (i.e. the overall rate of the securities remained the same). Full details of the Commissioner's findings in relation to the PAD are outlined in Chapter 2.3 of this report.

1.4 Conduct of the investigation

Division 2 of Part XVB of *Customs Act 1901* (the Act)[7] describes, among other things, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to an application under section 269TB(1) of the Act.

The commission assisted the Commissioner to conduct the investigation, pursuant to the commission's function specified in section 269SMD of the Act.

Further information on Rondo's application and the conduct of the investigation is included in Chapter 2.7 of this report.

1.5 Summary of findings

1.5.1 The goods, like goods and the Australian industry (chapters 3)

The Commissioner is satisfied that locally produced LGST is 'like' to the goods the subject of the application. The Commissioner is satisfied that there is an Australian industry producing like goods. Australian manufacturers of like goods include:

- Bryko Pty Ltd (Bryko)
- Etex Australia Pty Ltd (branded Siniat) (Etex)
- Nashco Holding Pty Ltd (Nashco)
- Rondo
- Studco Building Systems (Studco).[8]

1.5.2 Australian market (chapter 5)

The Commissioner has found that the Australian market is supplied by LGST produced by the Australian industry, comprising Bryko, Etex, Nashco, Rondo and Studco. The market is also supplied by LGST imported predominantly from China, with a smaller volume imported from New Zealand, Vietnam and other countries.

The Australian market for LGST decreased over the injury analysis period, from 1 April 2021 to 31 March 2025. The market peaked in the year ending March 2022,

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[6] ADN 2026/085 refers.

[7] All legislative references in this report are to the Act, unless otherwise specified.

[8] Collectively referred to in this report as the Australian industry.

declined in the years ending March 2023 and March 2024, and recovered slightly in the year ending March 2025 compared with the previous year. Over the same period, the share of the market supplied by imports from China increased significantly, while the share supplied by the Australian industry decreased.

1.5.3 Dumping investigation (chapter 6)

The Commissioner has found that the goods exported to Australia from China during the investigation period were dumped and the volume of dumped goods was not negligible. The dumping margin is set out in Table 2.

Exporter	Dumping margin
Kaize	41.8%
Uncooperative and all other exporters	41.8%

Table 2: Dumping margin

1.5.4 Subsidy investigation (chapter 7)

The Commissioner has found that the goods exported to Australia from China were subsidised. The subsidy margin is set out in Table 3.

Exporter	Subsidy margin
Kaize	0.0%
Uncooperative and all other exporters	4.5%

Table 3: Subsidy margin

1.5.4.1 Kaize

The Commissioner is satisfied that the goods exported to Australia from China by Kaize during the investigation period were subsidised, and that the countervailing margin for goods exported by Kaize was negligible.

As the subsidy margin in respect of the goods exported by Kaize did not exceed the 'negligible' level of countervailable subsidy, the Commissioner has terminated the subsidy investigation in relation to Kaize.[9]

1.5.4.2 Uncooperative and all other exporters

The Commissioner is satisfied that the goods exported to Australia from China by the *uncooperative and all other exporters* during the investigation period were subsidised, and that:

- the countervailing margin for goods exported by the *uncooperative and all other exporters* was not negligible, and
- the volume of countervailable goods exported from China by *the uncooperative and all other exporters* was not negligible.

[9] ibid., p.8

1.5.5 Economic condition of the Australian industry (chapter 8)

The Commissioner has found that the Australian industry has experienced injury during the investigation period in the form of:

- lost sales volume
- lower production volumes
- price suppression
- price depression
- loss of profits
- loss of profitability
- decline in asset values
- lower revenue
- reduced return on investment
- reduced capacity utilisation
- reduced productivity
- reduced market share.

1.5.6 Has dumping and subsidisation caused material injury? (chapter 9)

The Commissioner found that exports of the dumped and subsidised goods from China have caused *material injury* to the Australian industry producing like goods. With respect to price, volume and profit injury, the Commissioner has found:

- dumped and subsidised goods were exported from China to Australia during the investigation period (see chapters 6 and 7 of this report) and this coincided with the Australian industry experiencing material injury
- importers purchased the goods from China at dumped and subsidised prices in the investigation period, which enabled imported goods to be offered in the Australian market at lower prices than would otherwise have been the case
- the presence of dumped and subsidised imports placed downward pressure on the Australian industry's selling prices, contributing to price depression and preventing the Australian industry from achieving price increases that might otherwise have occurred, resulting in price suppression
- because of these price effects and in combination with the volume of dumped and subsidised imports, the Australian industry experienced material injury in the form of lost sales volume, reduced market share, price depression, price suppression and reduced profit and profitability.

1.5.7 Will dumping and subsidisation continue (chapter 10)

The Commissioner is satisfied that exports of the goods to Australia from China may continue in the future at dumped and subsidised prices.

1.5.8 Non-injurious price (chapter 11)

The Commissioner has found that the non-injurious price (NIP) is less than the normal value for all exporters. The NIP was established based on a constructed unsuppressed selling price (USP), which is discussed in Chapter 11 of this report.

The *Customs Tariff (Anti-Dumping) Act 1975* (Cth) (Dumping Duty Act) requires the Minister to have regard to the desirability of specifying a lesser amount of duty than the full dumping or subsidy margin where the imposition of that lesser amount is adequate to remove injury.[10]

Section 269TACA of the Act concerns the NIP of the goods exported to Australia and states, inter alia, that it is "...the minimum price necessary…to prevent the injury, or a recurrence of the injury…" which arises from dumping or subsidisation. These provisions incorporate the principle in Article 9.1 of the World Trade Organization (WTO) *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994* (the Anti-Dumping Agreement, or ADA) and Article 19.2 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement), which concern the desirability of imposing a lesser duty where it is adequate to remove the injury.[11]

The Commissioner has found that applying the lesser duty amount is adequate to remove the injury caused by dumped and subsidised goods from China. Therefore, the Commissioner considers that the Minister should apply the lesser duty rule.

1.5.9 Recommended measures and rates of duty (chapter 12)

The Commissioner recommends that the Minister have regard to the *ad valorem* duty method when working out the amount of IDD and ICD payable in respect of the goods.

In working out the amount of IDD and ICD payable in respect of the goods, the commission applied a lesser amount of duty such that the combined effective rate of IDD and ICD payable does not exceed the NIP.

The effective rate of IDD and ICD payable on the goods imported from China is summarised in Table 4.

Exporter	Duty method	Effective rate of IDD	Effective rate of ICD	Combined effective rate of IDD & ICD
Kaize	*Ad valorem*[12]	37.8%	N/A	37.8%
Uncooperative and all other exporters	*Ad valorem*	33.3%	4.5%	37.8%

Table 4: Effective rates of IDD & ICD

1.6 Information considered in preparation of this report

In preparing this report, the Commissioner had regard to the following:

- Rondo's application and supporting application evidence
- importer and exporter questionnaire responses received from participating importers, Hume Plasterboard Pty Ltd (Hume), Intex Group International Pty Ltd

[10] *Dumping and Subsidy Manual*, page 105.

[11] Ibid.

[12] See section 5(7) of the *Customs Tariff (Anti-Dumping) Regulation 2013* in relation to the form of measures for IDD and section 10(3B)(a) of the *Customs Tariff (Anti-Dumping) Act 1975* concerning ICD.

(Intex) and exporter Kaize
- Australian industry market questionnaire responses from Etex and Studco
- information obtained during verification visits to Rondo,[13] Etex[14] and Studco[15]
- information obtained during verification visits to importers Hume[16] and Intex
- submissions received concerning the publication of the dumping duty notice and countervailing duty notice, including information provided by interested parties
- submissions received in response to SEF 679
- information considered from the recent Investigations, *677 - Steel corner beads and angles*[17] and *653 - Ceiling steel framing members*[18]
- findings from Investigation 644 (REP 644) relating to *certain interchangeable bolted clipping system brackets (brackets)* from China
- findings from Investigation 645 (REP 645) relating to *certain interchangeable bolted clipping system clip heads (clip heads)* from China
- findings from Continuation inquiry 611 relating to *certain zinc coated (galvanised) steel* from China
- findings from Investigation 658 (REP 658) relating to *hot rolled coil steel* exported to Australia from China
- data obtained from the Australian Border Force (ABF) import database
- data obtained from independent third-party data providers
- the commission's previous findings with respect to the steel industry and markets in China as specified in this report and
- all other relevant matters and information as outlined in this report.

[13] Rondo verification report – EPR 679 document 20.

[14] Etex verification report – EPR 679 document 25.

[15] Studco verification report – EPR 679 document 27.

[16] Hume verification report – EPR 679 document 26.

[17] REP 677 refers.

[18] REP 653 refers.

2 BACKGROUND

2.1 Legislative framework

Division 2 of Part XVB of the Act describes, among other things, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application under section 269TB(1) of the Act, for the purpose of making a report to the Minister.

Under section 269TEA(1) of the Act, in the report to the Minister, the Commissioner must recommend whether the Minister ought to be satisfied as to the grounds for publishing a dumping duty notice under section 269TG of the Act and/or a subsidy notice under section 269TJ of the Act.

Under sections 269TG, 269TJ and 269TJA of the Act, to publish a dumping duty and/or countervailing duty notice, the Minister must be satisfied that, because of dumping and/or subsidisation, the Australian industry has experienced material injury.

Section 269TDA of the Act sets out certain circumstances in which the Commissioner must terminate an investigation.

Section 269TDA(1) of the Act requires that the Commissioner must terminate the investigation, in so far as it relates to an exporter, if satisfied that there has been no dumping by the exporter, or there has been dumping during the investigation period, but the dumping margin is less than 2%.

Section 269TDA(2) of the Act requires that the Commissioner must terminate a countervailing investigation, in so far as it relates to an exporter of the goods, if satisfied either that:

- an exporter did not receive a countervailable subsidy in respect of the goods, or
- if an exporter did receive a subsidy, at no time during the investigation period did the level of the subsidy exceed a negligible level.

Section 269TDA(3) of the Act requires that the Commissioner must terminate the investigation, in so far as it relates to a country, if satisfied that the total volume of goods that have been, or may be, dumped is ‘negligible’ (i.e. less than 3% of the total Australian import volume).

Section 269TDA(7) of the Act requires that the Commissioner must terminate a countervailing investigation, in so far as it relates to a country, if satisfied that the total volume of goods that has been, or may have been, exported to Australia during a reasonable examination period and in respect of which a countervailable subsidy has been, or may be, received, is negligible (for a developing country, less than 4% of the total Australian import volume).

If the Commissioner is satisfied that the injury, if any, to an Australian industry, that has been, or may be, caused by goods exported to Australia from a particular country of export, is negligible, then the Commissioner must terminate the investigation in relation to that country:

- in relation to an application for a dumping duty notice, pursuant to section 269TDA(13) of the Act
- in relation to an application for a countervailing duty notice, pursuant to section 269TDA(14) of the Act.

2.2 Application and initiation

On 30 June 2025, an investigation into the alleged dumping and subsidisation of the goods exported to Australia from China was initiated following an application lodged by Rondo. Further details in relation to the consideration of Rondo's application and initiation of this investigation can be found in *Consideration Report No 679*[19] and Anti-Dumping Notice (ADN) No 2025/053.[20]

In its application, Rondo alleges that the Australian industry producing like goods has suffered material injury caused by dumped and subsidised goods exported to Australia from China.

2.3 Preliminary affirmative determination and amendment to securities

In accordance with section 269TD(1) of the Act, the Commissioner may make a PAD if satisfied that:

- there appears to be sufficient grounds for the publication of a dumping duty notice or a countervailing duty notice,[21] or
- it appears that there will be sufficient grounds for the publication of a dumping duty notice or a countervailing duty notice subsequent to the importation of the goods into Australia.[22]

The *Customs (Preliminary Affirmative Determinations) Direction 2015*[23] (PAD Direction), directs that 60 days after the initiation of an investigation the Commissioner must either make a PAD or publish a status report outlining the reasons why the Commissioner has not made a PAD.

Day 60 of this investigation was 29 August 2025. On that day, a status report was published (ADN No 2025/082)[24] advising that a PAD was not made because the Commissioner at that time was not satisfied that there appeared to be sufficient grounds

[19] *Consideration Report No 679*

[20] ADN 025/053

[21] Section 269TD(1)(a) of the Act.

[22] Section 269TD(1)(b) of the Act.

[23] Available at the commission's website - www.adcommission.gov.au.

[24] ADN 2025/082

for the publication of dumping and/or countervailing duty notices on the goods exported to Australia from China.

The PAD Direction requires the Commissioner to reconsider whether or not to make a PAD at least once prior to the publication of a SEF required under section 269TDAA of the Act. Interested parties were notified in the day 60 status report published on the EPR that the Commissioner would continue to assess the need for a PAD and may make one as soon as satisfied that there appear to be sufficient grounds to do so on the basis of the evidence before the Commissioner.

On 25 May 2026, the Commissioner was satisfied that there appeared to be sufficient grounds for the publication of a dumping duty notice in relation to the goods exported to Australia from China and made a PAD to that effect.[25] Following the making of the PAD, and to prevent material injury to the Australian industry occurring while the investigation continued, securities were taken in respect of any IDD that may become payable in respect of the goods exported from China and entered for home consumption in Australia on or after 26 May 2026.

Securities for interim dumping duty (IDD) were taken in accordance with the *ad valorem* duty method, at a rate of 37.8% for all exporters from China.

On 17 June 2026, the Commissioner published SEF 679, along with a PAD in relation to a countervailing duty notice and an amendment to securities in relation to IDD.[26] As a result of the findings outlined in SEF 679, the Commissioner remained satisfied that there appear to be sufficient grounds for the publication of a dumping duty notice, as well as sufficient grounds for publication of a countervailing duty notice. Accordingly, in order to prevent material injury occurring to the Australian industry while the investigation continues, the Commissioner revised the level of securities required for IDD and imposed securities in relation to ICD that may become payable in respect of the goods exported from China and entered for home consumption in Australia on or after 18 June 2026.

The revised securities specified in Table 5 were taken as an amount worked out in accordance with the *ad valorem* duty method.

Exporter	ICD (%)	IDD (%)	ICD and IDD security (%)
Wenan Kaize Building Material Co., Ltd	0.0%	37.8%	37.8%
Uncooperative and all other exporters	4.5%	33.3%	37.8%

Table 5: Revised securities applicable on or after 18 June 2026

2.4 Statement of essential facts (SEF)

As required by section 269TDAA(1) of the Act, the Commissioner must, within 110 days after the initiation of an investigation or such longer period as is allowed under section

[25] ADN 2026/072 refers.

[26] ADN 2026/085 refers.

269ZHI(3-) of the Act-, place on the public record a SEF on which the Commissioner proposes to base a recommendation to the Minister in relation to the application.

The Commissioner was originally due to publish SEF 679 on the electronic public record (EPR)[27] by 18 October 2025. The Commissioner extended this date to 17 June 2026.[28] The Commissioner published SEF 679 on 17 June 2026.[29]

2.5 Final report

Section 269TEA(1) of the Act requires the Commissioner, after conducting an investigation in respect of the application, to give the Minister a report which recommends (among other things) whether a dumping duty notice, and/or countervailing duty notice (as relevant), should be published and the extent of any duties that are, or should be, payable because of that notice.

Section 269TEA(3) of the Act requires the Commissioner, in deciding on the recommendations to be made to the Minister in the report, to have regard to:

- the application
- any submissions to which the Commissioner had regard in formulating the SEF
- the SEF
- any submissions made in response to the SEF received within 20 days of the publication of the SEF
- any other matters the Commissioner considers relevant.

Under section 269TEA(4) of the Act, the Commissioner is not obliged to have regard to a submission received by the commission after the 20 days if to do so would, in the Commissioner’s opinion, prevent the timely preparation of the report to the Minister.

The Commissioner’s report and recommendations in relation to this investigation were initially due to be provided to the Minister by 2 December 2025, however this due date was extended.[30] The report and recommendations in relation to this investigation were provided to the Minister on 17 August 2026.

2.6 Previous cases

There have been no prior investigations relating to LGST.

[27] The EPR contains non-confidential submissions by interested parties, the non-confidential versions of the commission’s visit reports and other publicly available documents. It is available online at www.adcommission.gov.au.

[28] ADN 2025/083 refers.

[29] SEF 679 refers.

[30] Ibid.

2.6.1 Investigation 658

The commission has recently completed an investigation in relation to alleged dumping and subsidisation of hot-rolled coil (HRC) exported to Australia from China (investigation 658). HRC is the major raw material input in the manufacture of LGST, representing around 96% of the cost to make the goods.

Investigation 658 (INV 658) also includes claims that the market for HRC is distorted due to Government of China (GOC) interventions in the Chinese steel sector.

Relevance of INV 658

The commission considers the evidence provided in investigation 658 is relevant to this investigation. This includes information submitted by the GOC and by the cooperating exporters in that case, who manufacture and sell HRC in China. The commission verified cost and sales information for those manufacturers of HRC as part of investigation 658. The commission therefore considers it is reasonable to rely on this evidence and the findings in *Anti-Dumping Commission Report No 658* (REP 658) as outlined in the relevant sections of this report.

2.7 Conduct of the investigation

2.7.1 Investigation period and injury analysis period

At initiation of the investigation, the Commissioner established an investigation period of 1 April 2024 to 31 March 2025. The Commissioner examined exports to Australia of the goods from China during this period to determine whether dumping and subsidisation occurred.

The Commissioner also examined information relating to the economic condition of the Australian industry and Australian market from 1 April 2021 for the purposes of the injury analysis.

2.7.2 Australian industry

The Commissioner is satisfied that there is an Australian industry producing like goods to the goods the subject of the application, the largest producer being Rondo. Rondo produces goods that are similar to, or have characteristics that closely resemble, the goods the subject of the investigation and that the goods are wholly manufactured in Australia.

The commission conducted a visit to Rondo's manufacturing premises in November 2025 to verify the accuracy, completeness and relevance of Rondo's sales and cost data, including other information provided in Rondo's application. Rondo's verification report is published on the EPR.[31]

The commission also sent Australian industry member market questionnaires to Etex and Studco, being the other main Australian manufacturers that produce like goods. Etex and

[31] EPR 679 – document 20 refers.

Studco provided responses and the commission conducted verification of the information submitted in December 2025, to verify the accuracy, completeness and relevance of Etex and Studco's sales and cost data. Etex and Studco's verification reports are published on the EPR.

During the course of the investigation, the commission became aware that Bryko and Nashco are also Australian manufacturers of the goods. The commission issued Australian industry member market questionnaires to both companies; however, neither Bryko nor Nashco responded to the commission's request.

2.7.3 Exporters

Following the initiation of this investigation, the commission contacted and forwarded questionnaires to multiple interested parties, including entities or persons that exported the goods to Australia from China during the investigation period. The commission also placed the exporter questionnaire, including associated spreadsheets, on the commission's website for exporters to complete. No responses were received by the due date of 6 August 2025. However, the following parties requested an extension of time to submit a response to the exporter questionnaire.

- Wenan Kaize Building Material Co., Ltd (Kaize)
- Guangzhou Aoshi Building Materials Co., Ltd (Aoshi)
- Hongmu (Guangzhou) Building Products Co., Ltd (Hongmu)

Each party was granted an extension of time to respond to the exporter questionnaire by 3 September 2025.

Upon assessing the responses submitted by the three exporters, the commission identified several deficiencies. Each party subsequently addressed those deficiencies in further responses provided by the commission's deadline of 31 October 2025.

The commission's assessment of the information provided by these three entities indicates that, during the investigation period, Kaize manufactured the goods and exported them to Australia through two intermediaries, Aoshi and Hongmu. Aoshi and Hongmu acted on behalf of their related importer, Hume. In their responses to the exporter questionnaire, Aoshi and Hongmu stated that their selling prices to Hume did not reflect market prices and, accordingly, those transactions were considered to have been conducted at non-arm's length.

For these reasons, goods exported to Australia by Aoshi and Hongmu cannot be examined for the purpose of assessing whether dumping has occurred under section 269TACB(1) of the Act.

The Commissioner considers that the most reliable and relevant information it possesses in relation to exports of the goods from China over the investigation period was Hume's verified sales data. The commission conducted an onsite verification of Hume's RIQ. The commission's verification report is available on the EPR.[32]

[32] EPR 679 – Document 26.

2.7.4 Cooperative exporters

The commission examined the exports of Kaize. After having regard to section 269T(1) of the Act and the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (Customs Direction), the Commissioner has determined that this exporter from China is a cooperative exporter for the purposes of this investigation.

2.7.5 Uncooperative exporters

After having regard to section 269T(1) of the Act and the Customs Direction, the Commissioner has determined that all exporters from China that did not provide information requested of them through a response to the exporter questionnaire (REQ) are uncooperative exporters for the purposes of this investigation.

The Commissioner considered the Customs Direction and section 269T of the Act and determined that any exporter which did any of the following is an 'uncooperative exporter' for the purposes of this investigation:

- failed to provide a response to the exporter questionnaire or failed to request a longer period to provide a response within the time specified in ADN 2025/053, being 6 August 2025,[33] or
- provided a REQ within the legislated period that did not provide information relevant to the case.

The Commissioner has determined that, other than Kaize, all other exporters of the goods from China are 'uncooperative exporters' for the purposes of this investigation.

Section 269T(1) of the Act provides that an exporter is an 'uncooperative exporter' in relation to an inquiry where the Commissioner is satisfied that:

- the exporter did not give the Commissioner information that the Commissioner considered to be relevant to the investigation within a period the Commissioner considered to be reasonable, or
- the exporter significantly impeded the investigation.

Section 269TACAA of the Act similarly provides for circumstances where exporters do not cooperate with a subsidy investigation.

Section 8 of the Customs Direction states that the Commissioner must determine an exporter to be an uncooperative exporter if that exporter:

- fails, within the legislated period, to:
  - provide a response, or
  - request a longer period to provide a response, or
- provides a response within the legislated period that the Commissioner considers did not provide information relevant to the case.

33 This is the relevant legislated period.

2.7.6 Government of China

At initiation, the commission sent a questionnaire to the GOC to complete. The questionnaire included questions relating to Rondo's claims concerning subsidisation and the claimed particular market situation (PMS). The questionnaire also included questions relating to the Chinese steel industry and market. The commission did not receive a response to this questionnaire.

2.7.7 Submissions from interested parties

During the investigation, the commission received 18 submissions listed in Tables 6 and 7. Non-confidential versions of submissions are available on the EPR.

Fifteen submissions listed in Table 6 were received prior to the publication of SEF 679 which the commission had regard to in preparing the SEF.

EPR document number	Interested party	Date received
4	Rondo	10/7/2025
7	Intex	27/8/2025
10	Rondo	4/9/2025
11	Rondo	11/9/2025
12	Intex	28/10/2025
16	Intex	29/10/2025
17	Rondo	12/11/2025
19	Rondo	22/01/2026
21	Intex	23/02/2026
23	Intex	12/03/2026
24	Rondo	24/03/2026
28	Kaize	01/04/2026
30	Intex	5/6/2026
31	Kaize	10/6/2026
32	Intex	10/6/2026

Table 6: Submissions received prior to the publication of SEF 679

Three submissions listed in Table 7 were received after the publication of SEF 679.

EPR document number	Interested party	Date received
35	Hume	02/07/2026
36	Rondo	07/07/2026
37	Intex	06/08/2026

Table 7: Submissions received after the publication of SEF 679

In preparing this report, the Commissioner had regard to all submissions except the one received on 6 August 2026 from Intex. The Commissioner's assessment of the submissions is in the relevant Chapters of this report.

The Commissioner has decided not to have regard to Intex's submission received on 6 August 2026. The submission was received well after the due date of 7 July 2026 and, in the Commissioner's opinion, considering the submission would prevent the timely preparation of the report to the Minister. However, the Commissioner notes that the issues raised in this submission have already been substantively addressed in the SEF and in the relevant chapters of this report.

3 THE GOODS AND LIKE GOODS

3.1 Finding

The Commissioner is satisfied that LGST manufactured locally comprises ‘like goods’ to the goods the subject of the application.

3.2 Legislative framework

Section 269TC(1) of the Act requires that the Commissioner reject an application for a dumping and countervailing duty notice if, among other things, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

In making this assessment, the Commissioner must firstly determine that the goods produced by the Australian industry are “like” to the imported goods. Section 269T(1) of the Act defines like goods as:

> “G*oods 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”*.

An Australian industry can apply for relief from injury caused by dumped or subsidised imports even if the goods it produces are not identical to those imported. The industry must, however, produce goods that are “like” to the imported goods.

Where the locally produced goods and the imported goods are not alike in all respects, the Commissioner assesses whether they have characteristics closely resembling each other against the following considerations:

i. physical likeness

ii. commercial likeness

iii. functional likeness

iv. production likeness.

The Commissioner must also be satisfied that ‘like’ goods are produced by the Australian industry in Australia. Section 269T(2) of the Act 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) of the Act, 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.

3.3 The goods the subject of the investigation

Table 8 outlines the goods the subject of the application (the goods).

Full description of the goods, as subject of the application
Light gauge steel stud and track, metallic coated, whether or not containing alloys, with a profile of up to and including 170 millimetres in width by 170 millimetres in height, and with a base metal thickness of up to and including 0.69 millimetres.
Further information
LGST are framing components used to support internal non-load-bearing building walls and partitions. LGST are cold-formed products, further worked from either zinc coated (galvanised) steel or aluminium zinc coated steel as the raw material (including all variants thereof, for example whether or not containing magnesium or other alloys). LGST comprise both the vertical (stud) and horizontal (track) components. Steel framing components are categorised by gauge (thickness) and usage, being either: • LGST, as non-structural light gauge products (common in 'drywall' applications), or • structural (medium and heavy gauge) LGST (common in high-rise buildings and exterior walling). This application covers LGST, of varying steel grades, and whether or not including service holes. The applicant considers that the Australian manufactured like goods are fully substitutable with all types of imported LGST.
Exclusions
Medium and heavy gauge steel stud and track, noggings, and 'flexible' track components are excluded from this application

Table 8: The goods description

3.4 Tariff classification

The goods are generally, but not exclusively, classified to the following tariff classifications in Schedule 3 of the *Customs Tariff Act 1995.*

Tariff classification		
Tariff code	*Statistical code*	*Description*
7216	ANGLES, SHAPES AND SECTIONS OF IRON OR NON-ALLOY STEEL:	
7216.6	**Angles, shapes and sections, not further worked than cold-formed or cold-finished:**	
7216.61.00	57	-- Obtained from flat-rolled products
7216.69.00	58	-- Other
7216.91.00	59	-- Cold-formed or cold-finished from flat-rolled products
7308	STRUCTURES (EXCLUDING PREFABRICATED BUILDINGS OF 9406) AND PARTS OF STRUCTURES (FOR EXAMPLE, BRIDGES AND BRIDGE-SECTIONS, LOCK-GATES, TOWERS, LATTICE MASTS, ROOFS, ROOFING FRAMEWORKS, DOORS AND WINDOWS AND THEIR FRAMES AND THRESHOLDS FOR DOORS, SHUTTERS, BALUSTRADES, PILLARS AND COLUMNS), OF IRON OR STEEL; PLATES, RODS, ANGLES, SHAPES, SECTIONS, TUBES AND THE LIKE, PREPARED FOR USE IN STRUCTURES, OF IRON OR STEEL:	
7308.90.00	52	--hot rolled
7308.90.00	53	-- Plated or coated with zinc or with aluminium-zinc alloys, of a thickness less than 1.2 mm
7308.90.00	55	-- Other
7308.90.00	56	-- other

Table 9: General tariff classification for the goods

These tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications and statistical codes is for convenience or reference only and does not form part of the goods the subject of the application. Please refer to the goods description in Table 8 for authoritative detail regarding the goods the subject of the application.

3.5 Model control codes

The commission has used a model control code (MCC) structure to identify key characteristics for, among other things, model matching when comparing export prices and normal values.[34]

Table 10 outlines the commission's MCC structure for this investigation.

Category	Sub-category	Identifier	Sales data	Cost data
Stud / Track	Stud	S	Mandatory	Mandatory
	Track	T		
Coating type	Zinc coated	Z	Mandatory	Mandatory
	Zinc Aluminum coated	ZA		
	Zinc Magnesium coated	ZM		
	Aluminum Zinc coated	AZ		
	Aluminum Zinc Magnesium coated	AM		
	Other	B		
Coating mass	≤ 100 g/m²	1	Mandatory	Mandatory
	> 100 g/m² – ≤ 200 g/m²	2		
	> 200 g/m2 – ≤300 g/m2	3		
	> 300 g/m²	4		
Base Metal Thickness (BMT)	≤0.45mm	1	Mandatory	Mandatory
	>0.45mm – ≤ 0.55mm	2		
	>0.55mm – ≤ 0.69mm	3		
Width	≤ 51 mm	A	Mandatory	Mandatory
	> 51 mm – ≤ 66 mm	B		
	> 66 mm – ≤ 81 mm	C		
	> 81 mm – ≤ 100 mm	D		
	> 100 mm – ≤ 170 mm	E		
Height	≤ 51 mm	A	Mandatory	Mandatory
	> 51 mm – ≤ 66 mm	B		
	> 66 mm – ≤ 81 mm	C		

[34] ADN 2025/053 and chapter 14 of the *Dumping and Subsidy Manual* (December 2021) (The Manual) refers.

Category	Sub-category	Identifier	Sales data	Cost data
	> 81 mm – ≤ 100 mm	D		
	> 100 mm – ≤ 170 mm	E		

Table 10: MCC for LGST

3.6 Like goods

3.6.1 Finding

The Commissioner has found that the locally produced goods closely resemble the goods the subject of the application and are like goods given that:

- the primary physical characteristics of the locally produced goods closely resemble the imported goods
- the imported and locally produced goods are commercially alike as they are sold to the same customers and compete in the same market
- the imported and locally produced goods are functionally alike as they have the same end-uses and are substitutable, and
- the imported and locally produced goods are manufactured in a similar manner.

The following assessments outline the commission's assessment of whether the locally produced goods are identical to, or closely resemble, the goods under consideration and therefore whether they are 'like' goods.

3.6.2 Physical likeness

The commission found that the primary physical characteristics of the imported LGST, being shape, dimensions and appearance, are similar to those locally produced by Rondo and other Australian industry members.

3.6.3 Commercial likeness

The commission found that the imported LGST and the LGST produced by Rondo and other members of the Australian industry are commercially alike as they are sold to common customers and compete for the same customers in the same market segment.

3.6.4 Functional likeness

The commission found that both the imported and locally produced goods are functionally alike. Both products are used interchangeably in the same or comparable end-uses.

The commission reviewed the confidential attachments provided with the application and is satisfied that the imported and locally produced goods are used for similar (or the same) end-uses.

3.6.5 Production likeness

The commission found that Rondo and other members of the Australian industry produce LGST in a similar manner to the imported goods, using the same raw material inputs (steel coil) and manufacturing processes which transform the steel coil into the desired LGST.

3.7 Australian Market

3.7.1 Australian industry members

In its application, Rondo identified Studco and Etex as the two other Australian manufacturers of LGST in Australia. During the course of the investigation, the commission became aware of two additional potential Australian manufacturers, Nashco and Bryko, and sought information from those companies in relation to this investigation. As discussed in Chapter 2.7.2 of this report, Bryko and Nashco did not respond to the commission's request.

Based on publicly available information, the Commissioner considers that Bryko and Nashco sell like goods and each are likely to undertake at least one substantial process in the manufacture of the goods in Australia.

The Commissioner is therefore satisfied that the Australian industry producing like goods consists of Rondo, Studco, Etex, Nashco and Bryko.

The commission conducted verification visits to Rondo, Studco and Etex's production facilities in Sydney, Melbourne and Brisbane, respectively. The commission observed the production of LGST during the visits and is satisfied that Rondo, Studco and Etex undertake at least one substantial process in the manufacture of the goods in Australia.

3.7.2 Importers

Following the initiation of this investigation, the commission identified entities from the ABF import database that imported goods classified to the tariff subheadings specified in Rondo's application during the investigation period, as well as suppliers in the Australian market that may have imported the goods. The commission contacted these parties and issued importer questionnaires and placed the importer questionnaire and associated spreadsheets on the commission's website for importers to complete.

The commission received a response to the importer questionnaire (RIQ) from Hume and Intex, importers and distributors of LGST for use in commercial and residential construction in Australia. The commission also received a partial response to the RIQ from Australian Building & Construction Depot Pty Ltd (ABC Depot).

The commission conducted a visit to Hume and Intex's premises to verify the accuracy, completeness and relevance of the information in their RIQs. Verification reports outlining the key findings from these verifications are available on the commission's EPR.

The commission did not proceed with a verification visit to ABC Depot as the questionnaire response was only partially completed and was assessed as deficient.

4 THE AUSTRALIAN INDUSTRY

4.1 Finding

The Commissioner is satisfied that:

- at least one substantial process of manufacture of the like goods is carried out in Australia
- the like goods are either wholly or partly manufactured in Australia depending on the manufacturer
- there is an Australian industry consisting of five manufacturers producing like goods to the goods exported to Australia.

4.2 Legislative framework

The Commissioner is satisfied that the “like” goods are in fact produced in Australia. Sections 269T(2) and 269T(3) of the Act specify that for goods to be regarded as being produced in Australia, they must be wholly or partly manufactured in Australia. In order for the goods 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.

4.3 Australian industry

The Australian industry comprises Rondo, Studco, Etex, Nashco and Bryko. The commission’s assessment of each Australian industry member is outlined below.

4.3.1 Rondo

Rondo has operated in Australia for over 60 years, with factories located in New South Wales, Queensland and New Zealand. It is a private company that is a 50:50 joint venture owned by CSR Investments Pty Ltd (CSR) and Knauf Gypsum Pty Ltd (Knauf). Rondo manufactures and supplies light gauge roll formed steel wall and ceiling products to the building industry, primarily in Australia.

The Commissioner is satisfied that Rondo is the largest manufacturer of the goods among the three Australian manufacturers. Rondo accounts for approximately 60% of total production of like goods by Australian industry that expressed either support for, or opposition to, the application.

The Commissioner is satisfied that Rondo accounts for more than 25% of the total production of like goods in Australia.

As discussed in Chapter 2.7.2 of this report, the commission conducted a visit to Rondo’s manufacturing premises in November 2025 to verify the accuracy, completeness and relevance of Rondo’s sales and cost data, including other information provided in Rondo’s application.

4.3.2 Studco

Studco is a privately owned company that has been in operation for the last 40 years. It manufactures commercial and residential steel building systems. Studco products are

Australian made and certified, with locations in Melbourne, Sydney, Brisbane and Perth. Studco accounts for approximately 20% of total production of like goods by the Australian industry that expressed either support for, or opposition to, the application.

As discussed in Chapter 2.7.2 of this report, the commission conducted a visit to Studco's manufacturing premises in December 2025 to verify the accuracy, completeness and relevance of Studco's sales and cost data, including other information provided in Studco's response to Australian industry member market questionnaire.

4.3.3 Etex

Etex is a privately owned company operating within the Australian construction industry. Etex manufactures light gauge roll-formed steel products and systems used across a range of building applications. Etex promotes and distributes these products under its well-established brand name 'Siniat'. Etex manufactures the goods at its plant in Beenleigh, Queensland.

Etex accounts for approximately 20% of total production of like goods by Australian industry that expressed either support for, or opposition to, the application.

As discussed in Chapter 2.7.2 of this report, the commission conducted a visit to Etex's manufacturing premises in December 2025 to verify the accuracy, completeness and relevance of Etex's sales and cost data, including other information provided in Etex's response to Australian industry member market questionnaire.

4.3.4 Bryko

Bryko's website states that the company was established in June 1989 as a family-owned business located in Campbellfield, Victoria. Bryko's website states that it manufactures partitioning systems and steel plastering products. Its manufacturing processes include custom cutting for studs and other products, including partition studs, wall framing studs, metal tracks, noggin components and non-load-bearing internal partition systems. Based on the material reviewed on Bryko's website, the goods most relevant to this investigation are LGST products in the 0.50 to 0.55 BMT range, with standard 3000 mm track lengths. Heavier products in the 0.70 to 0.75 BMT range fall outside the goods description.

The commission has not received sufficient information to accurately assess and verify Bryko's production and sales volumes during the investigation period.

4.3.5 Nashco

Nashco's website states that the company is a family-owned business first registered in 1978, with origins in the roll-forming industry dating back to the 1960s. The business subsequently expanded from ceiling battens into drywall systems, wall framing and partition systems. Nashco's website states that it manufactures steel studs, tracks and associated wall partition framing products used in internal non-load-bearing walls. Based on the material reviewed on Nashco's website, the products most relevant to this investigation are LGST products in the 0.50 to 0.55 BMT range. Heavier products in the 0.70 to 0.75 BMT range fall outside the goods description.

The commission has not received sufficient information to accurately assess and verify Nashco's production and sales volumes during the investigation period.

4.3.6 Bryko and Nashco market share

Based on publicly available information, including the apparent geographic scope of their operations, the commission considers that Bryko and Nashco are likely to account for only a minimal share of the market for the goods.

4.4 Production process

During verification visits to the three Australian producers of the goods, the commission observed that the manufacture of LGST is carried out using a largely consistent cold roll-forming process, with coated steel coil as the principal raw material.

The production process begins with the sourcing of zinc-coated (galvanised) or aluminium-zinc coated steel, supplied predominantly in coil form from domestic and imported sources. This steel represents the primary material input in the manufacture of LGST.

Steel coils are de-coiled and fed continuously into roll-forming machines. The flat steel strip passes through a sequence of rollers that progressively cold-form the material into the required cross-section and profile. Although manufacturers differ in the number of roll-forming machines operated and the extent to which individual machines are dedicated to specific product lines, the forming method and underlying technology observed were substantially similar across all three producers.

During roll forming, or through integrated in-line processes, the steel sections undergo secondary processing. This includes the punching or drilling of holes to facilitate fixing and installation, and to accommodate services such as cabling and wiring. Additional cuts, slots or perforations are applied as required to meet specific product specifications.

Upon completion of manufacturing, the goods are subject to quality control checks before being bundled and packaged to ensure protection during storage and transport.

The finished products are subsequently distributed within Australia, including delivery to distributors, construction sites, contractors and other end users.

5 AUSTRALIAN MARKET

5.1 Finding

The Commissioner found that the Australian industry and imports from China supply the vast majority of the Australian market for LGST. A comparatively small share of the market is supplied by imports from countries other than China.

The goods are purchased primarily by trade store distributors and contractors engaged in residential and commercial construction. Purchasing decisions are influenced by price, supply reliability and project requirements. These purchasing behaviours reflect the functional nature of LGST as a finishing component used in plasterboard wall applications, where cost, availability and product consistency are key considerations for end users.

The commission considers that LGST produced by the Australian industry and LGST imported from China are substitutable goods. Both have identical end uses in plasterboard finishing applications, are supplied through the same distribution channels and viewed by purchasers as interchangeable products.

5.2 Background

The Australian LGST market is supplied by Rondo and four other Australian producers (Etex, Studco, Nashco and Bryko) who manufacture and distribute the goods to the Australian market. Other suppliers are importers predominantly from China, including companies such as Intex, Hume, ABC, Castle~~,~~ and RL Building Supply.

5.3 Market structure

5.3.1 Marketing segmentation and end uses

LGST is primarily supplied to the commercial and residential construction sector in Australia, where it is used to form internal, non-load-bearing walls. The goods are commonly installed in medium- to high-density residential buildings, as well as in commercial developments such as apartments, schools, hospitals and broader infrastructure projects. LGST is typically sold through resellers alongside plasterboard and installed by plasterers and building contractors using established construction methods. In all instances, the goods serve as non-load-bearing wall framing to which plasterboard linings are fixed.

5.3.2 Supply and distribution arrangements

The supply and distribution arrangements for the goods are largely consistent across the Australian industry, with differences reflecting company scale and commercial focus rather than fundamentally different market structures. The Australian industry supplies LGST through a combination of distributors and direct sales to contractors, with distributors and resellers performing the same functional role across the market. These distributors operate nationally and service a broad customer base that includes plasterers, builders and installation contractors. Larger or more complex projects are commonly supplied directly by manufacturers or importers to contractors.

Australian manufactured LGST is distributed on a nationwide basis by all five companies, supported by established warehousing, logistics and delivery networks in major metropolitan areas. This infrastructure enables reliable supply and short lead times in response to construction demand. Studco and Rondo operate extensive distribution networks while also supplying product directly to contractors. Etex primarily distributes through independent distributors, complemented by a limited number of company-owned retail outlets in Far North Queensland and Western Australia. None of the three cooperating Australian industry participants identify constraints on their ability to meet domestic demand, and all continue to supply the full range of product sizes required by the market.

Imported LGST operates as a parallel and competing supply channel across the Australian industry. Importers and distributors source goods predominantly from Chinese manufacturers and sell them through distributors, trade stores or directly to contractors and installers. These imported products compete directly with Australian-manufactured LGST and are fully interchangeable, with customers readily switching between imported and Australian-manufactured goods. Importers and some distributors tend to focus on high-volume, fast-moving product lines and actively encourage substitution, while Australian manufacturers maintain a complete product range, including lower-volume and specialised sizes. It is also common for distributors to carry both locally manufactured and imported stock, further reducing any practical distinction between supply channels.

Overall, the Australian industry operates within a shared distribution framework, characterised by interchangeable products supplied through overlapping distributor networks and direct contractor relationships. Market conditions are influenced by the increasing presence of imported goods, rising cost pressures faced by domestic manufacturers, and a common reliance on distributors and contractors as the primary routes to market. Despite these challenges, Australian manufacturers across all three major participants have continued to provide reliable supply and remain a central component of the national LGST distribution system.

Figure 1 depicts the supply and distribution arrangements based on information provided by Rondo.

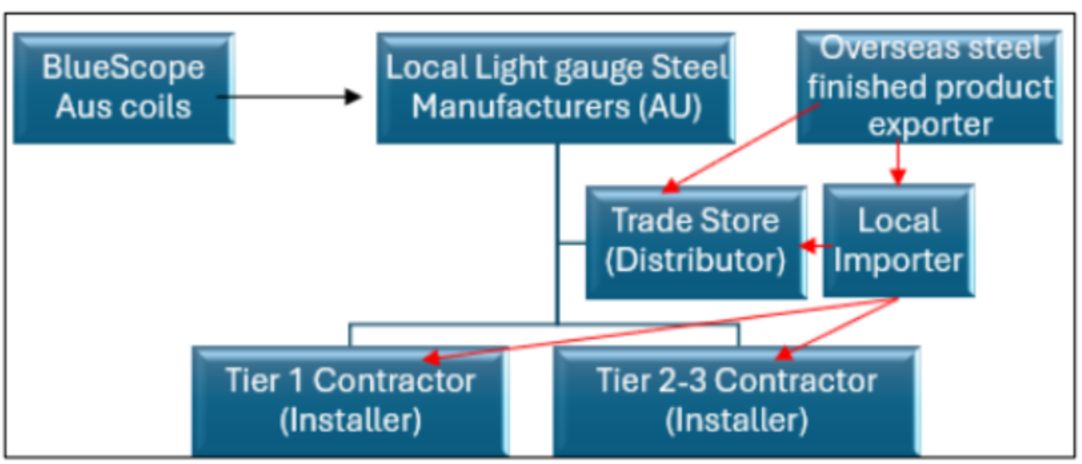

Figure 1 – LGST marketing and distribution arrangements

5.3.3 Demand

Demand for LGST is primarily driven by activity in the domestic residential and commercial construction sectors. The goods are widely used in the installation and finishing of internal walls and form part of the broader building materials supply chain. As a result, fluctuations in construction activity directly affect demand for LGST.

In Australia, residential and non-residential construction sectors are influenced by different economic and policy conditions; however, their shared supply chains and exposure to macroeconomic conditions mean that overall construction activity often moves in broadly correlated cycles. At a macro level, key drivers affecting construction demand include the availability, cost of credit, population growth, government stimulus measures and broader economic indicators such as business investment and labour market conditions.

Other factors contributing to overall market demand include:

- government housing incentives such as first homeowner and stamp duty grants
- Australian population growth and housing requirements (including migration levels)
- changes to Australian Standards and the National Construction Code
- interest rates impacting borrowing for new home builds and investment trends
- availability of trades to complete the construction pipeline.

The commission considers that the trends in dwelling approvals and commencements over the injury analysis period are consistent with a contraction in overall residential construction activity, which in turn would reduce demand for LGST.

5.4 Market size

5.4.1 Rondo's estimate of market size

In its application, Rondo estimated the size of the Australian market for LGST using Oxford Economics data and narrowed it down to relevant construction segments where LGST goods are commonly used, such as retail, offices, accommodation dwellings, high and medium-density residential complexes such as apartments.

Rondo calculated market shares for itself, other two major Australian producers and imports from ABS data and their own market intelligence. To estimate the share of Chinese imports, Rondo used ABS import statistics for the tariff codes covering the goods.

5.4.2 Commission's estimate of market size

During the investigation, the commission obtained additional information that enabled a more accurate assessment of market size. The commission visited two other key Australian industry participants, Studco and Etex, along with two importers, Intex and Hume. The information provided on the Australian industry's sales volumes and additional detail on imported volumes of LGST.

Based on the above information, the commission was able to undertake a more accurate assessment of the ABF import database. The information obtained from Intex (importer), assisted the commission in identifying the goods within the tariff classifications, validating which consignments related to LGST and filtering out those that did not. This enabled the commission to produce a more accurate estimate of import volumes than was possible at initiation.

5.4.3 Australian industry sales volume

The commission has therefore revised its Australian market size estimate to incorporate verified data. The commission has estimated the Australian industry's sales volume using verified sales data from Rondo, Studco and Etex in response to the Australian industry questionnaire. Based on the information available on Bryko and Nashco's website, the commission considers that their sales volume is minimal compared with that of the other three industry members.

Figure 2 shows the commission's estimate of the Australian industry's market size.

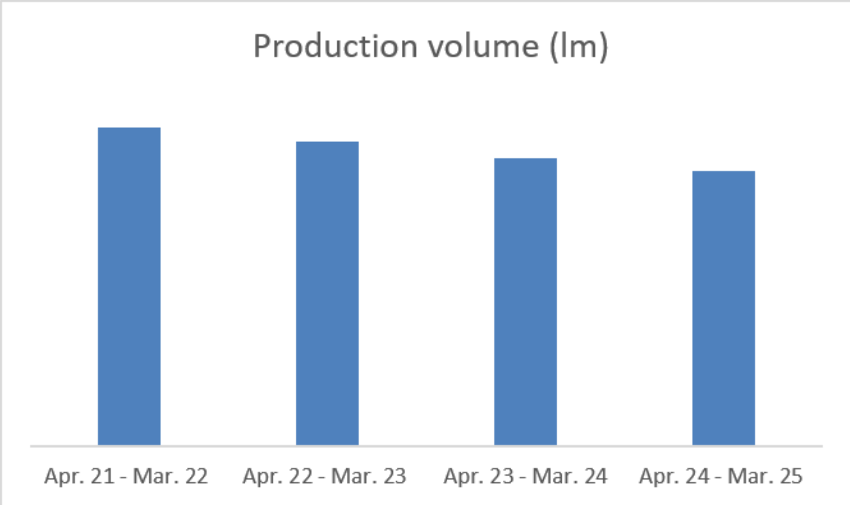

Figure 2: Australian market size for LGST (lm)

5.4.4 Import volume

The commission estimated the import volume using sales volume data obtained from Intex and Hume and ABF import data. As part of the importer verification of Intex and Hume, the commission examined the treatment of Intex and Hume's consignments within the ABF import database. The verification confirmed that certain consignments were imported under product codes that directly correspond to LGST and the commission is satisfied that these consignments related to the goods.

The commission extracted data from the ABF import database based on the tariff subheadings and statistical codes listed in chapter 3.4 of this report (including the new tariff code identified outside of the application). While the commission was able to identify some consignments of the goods by known importers and sellers of the goods, the commission was unable to distinguish between the goods and non-goods for most consignments identified under the relevant tariff subheadings. Therefore, any estimate using ABF data would result in an underestimate of the size of the market for LGST including the relative share of the market held by suppliers other than Rondo, Etex and Studco in the Australian market. The commission's estimate of the size of the Australian market analysis for LGST is at **Confidential Attachment 1**.

Figure 3 presents the Australian market share over the injury analysis period.

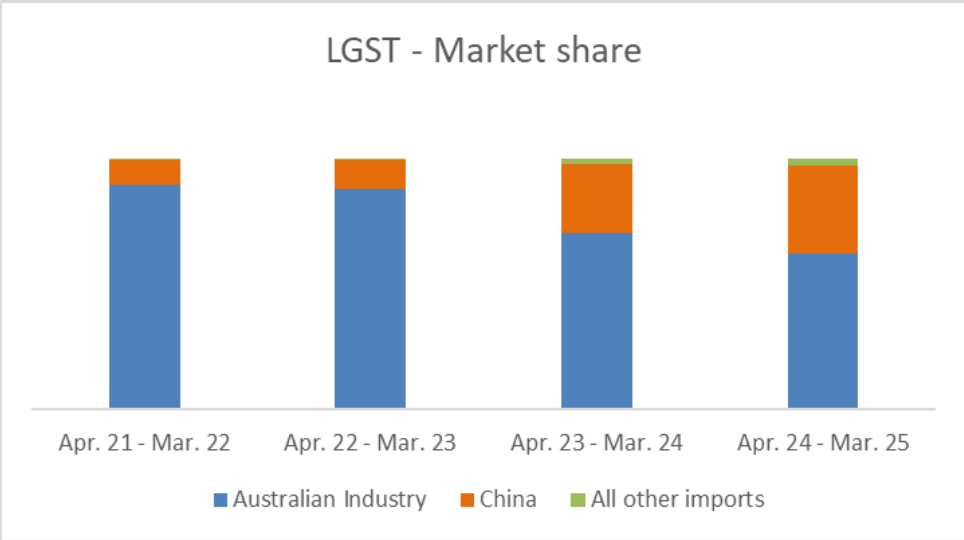

Figure 3: Australian market share for LGST (lm)

Figure 3 illustrates that the Australian industry market share started declining since April 2021, with a further decline in the period April 2023 to March 2025. During the same period, there has been an increase in market share for the goods, with imports from China displacing the Australian industry's market share.

6 DUMPING INVESTIGATION

6.1 Finding

The Commissioner has found that the goods exported to Australia from China in the investigation period have been dumped at margins that are not 'negligible', and that the volume of dumped goods is not 'negligible'.

The commission's assessment of dumping margins is set out in Table 11.

Exporter	Dumping margin
Kaize	41.8%
Uncooperative and all other exporters	41.8%

Table 11: Dumping margins

6.2 Legislative framework

Dumping occurs when goods from one country are exported to another country at a price that is less than the normal value of those goods. The export price and normal value of goods are determined under sections 269TAB and 269TAC of the Act, respectively.

In the report to the Minister under section 269TEA(1) of the Act, the Commissioner must recommend whether the Minister ought to be satisfied as to the grounds for publishing a dumping duty notice under section 269TG of the Act.

Under section 269TG of the Act, one of the matters the Minister must be satisfied of to publish a dumping duty notice is that exporters supplied dumped goods to Australia.

Section 269TDA(1) of the Act requires that the Commissioner must terminate the investigation, in so far as it relates to an exporter, if satisfied that there has been no dumping by the exporter, or there has been dumping during the investigation period, but the dumping margin is less than 2%.

Section 269TDA(3) of the Act requires that the Commissioner must terminate the investigation, in so far as it relates to a country, if satisfied that the total volume of goods that have been, or may be, dumped is 'negligible' (i.e. less than 3% of the total Australian import volume).

6.3 Export price

The export price is determined in accordance with section 269TAB of the Act.

Section 269TAB(1)(a) of the Act 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 'arms length' transactions.[35]

Section 269TAB(1)(b) of the Act provides that the export price of goods is the price that the importer sold the goods, less the prescribed deductions, where:

- goods have been exported to Australia otherwise than by the importer, and
- were purchased by the importer from the exporter, but not at arm's length, and
- the importer subsequently sells the goods in the condition they were imported to a party not associated with the importer.

Section 269TAB(1)(c) of the Act provides that in all other cases, the export price is a price determined by the Minister having regard to all the circumstances of the exportation.

Section 269TAB(3) of the Act provides that, where the export price cannot be established under the preceding sections due to sufficient information not being furnished or not available, the export price is determined having regard to all relevant information.

Section 269TACAB(1) of the Act sets out the provisions for calculating export prices and normal values for uncooperative exporters. For all uncooperative exporters, export prices are to be worked out under section 269TAB(3) of the Act.

6.4 Normal value

Normal value is determined under section 269TAC of the Act.

Section 269TAC(1) of the Act provides 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.

If one of the circumstances set out in sections 269TAC(2)(a) or (b) of the Act is present, such as where there is an absence or low volume of relevant sales of like goods in the market of the country of export, or there is a *particular market situation*, section 269TAC(1) of the Act may not be used. In this instance, the normal value of the goods is to be calculated through either a constructed normal value under section 269TAC(2)(c) of the Act or using prices of like goods exported to a third country under section 269TAC(2)(d) of the Act.

Section 269TAC(2)(c) of the Act provides for the normal value to be the sum of an amount that the Minister determines to be the cost of production or manufacture of the goods in the country of export, and, on the assumption that the goods had been sold for home consumption in the OCOT in the country of export instead of being exported,

[35] Whether the purchase or sale of goods are 'arms length' transactions is determined in accordance with section 269TAA of the Act.

amounts determined to be the selling, general and administrative (SG&A) costs associated with the sale and the profit on that sale.[36]

Section 269TAC(5A) and (5B) of the Act provide that the amounts determined to be the cost of production or manufacture of the goods, the SG&A costs in relation to the sale of the goods and the profit on the sale of the goods under section 269TAC(2)(c) of the Act must be worked out taking into account the factors provided for in the regulations for the purposes of section 269TAAD(4)(a) and (b) of the Act (the OCOT). The regulations referred to are section 43 (determination of cost of production or manufacture), section 44 (determination of SG&A) and section 45 (determination of profit) of the *Customs (International Obligations) Regulation 2015* (the Regulation).

Section 43 of the Regulation provides that the Minister must work out the amount for the cost of production or manufacture of the goods using the information set out in the records if:

- the exporter keeps records relating to the like goods,
- the records are in accordance with generally accepted accounting principles (GAAP) in the country of export, and
- the records reasonably reflect competitive market costs associated with the production or manufacture of like goods.

If any of the requirements of section 43 are not satisfied, the commission will also assess the records pursuant to Article 2.2.1.1 of the ADA which requires that, where the records:

- are consistent with GAAP, and
- reasonably reflect the cost associated with the production and sale of the goods,

costs “shall normally” be calculated on the basis of the records kept by the exporter.

Section 269TAC(9) of the Act provides that where the normal value is to be ascertained in accordance with section 269TAC(2)(c) of the Act, the Minister must make such adjustments in determining the costs, as are necessary to ensure that the normal value is properly comparable with the export price of those goods.

Section 269TACAB(1) of the Act sets out the provisions for calculating export prices and normal values for uncooperative exporters. For all uncooperative exporters, normal values are to be calculated under section 269TAC(6) of the Act.

6.5 Dumping margin

Dumping margins are determined under section 269TACB of the Act. For all dumping margins calculated for the purposes of this investigation, the commission compared the weighted average Australian export prices with the corresponding quarterly weighted

[36] Amounts determined to be the cost of production, SG&A and profit on the sale of goods under section 269TAC(2)(c) of the Act must be worked out in accordance with the *Customs (International Obligations) Regulation 2015*.

average normal values for the investigation period in accordance with section 269TACB(2)(a) of the Act.

6.6 Exporter status

Section 269T(1) of the Act provides that, in relation to a dumping investigation, an exporter is a ‘cooperative exporter’ if the exporter’s exports were examined as part of the investigation and the exporter was not an ‘uncooperative exporter’.

At the commencement of the investigation, the commission contacted a number of entities it had identified as possible exporters of the goods, based on information in the ABF import database and from Rondo’s application, and invited them to complete an exporter questionnaire. The commission further published a copy of the questionnaire and relevant spreadsheets on its website for other exporters to complete.

As discussed in Chapter 2.7.4 of this report, Kaize, Aoshi and Hongmu provided REQs.

The commission's assessment of the information provided by the above three entities indicates that Kaize exported the goods to Australia during the investigation period through two intermediaries, Aoshi and Hongmu. Aoshi and Hongmu acted on behalf of their related importer, Hume. In their REQ, Aoshi and Hongmu declared that their selling prices to Hume do not represent the market price and, as such, their prices are considered non-arm’s length.

For these reasons, goods exported to Australia by Aoshi and Hongmu cannot be examined for the purpose of assessing whether dumping has occurred under section 269TACB(1) of the Act.

The Commissioner considers that the most reliable and relevant information it possesses in relation to exports of the goods from China over the investigation period is Hume’s verified sales data. The commission conducted an onsite verification of Hume’s RIQ. As outlined above, the commission’s verification report is available on the EPR.

6.6.1 Cooperative exporters

The commission examined the exports of Kaize. After having regard to section 269T(1) of the Act and the Customs Direction, the Commissioner has determined that this exporter from China is not an uncooperative exporter for the purposes of the dumping investigation.

6.6.2 Uncooperative exporters

After having regard to section 269T(1) of the Act and the Customs Direction, the Commissioner has determined that all exporters from China that did not provide information requested of them through a REQ are uncooperative exporters for the purposes of the dumping investigation.

6.7 Dumping assessment - Kaize

6.7.1 Export price

The *Dumping and Subsidy Manual* (the Manual) identifies several factors that the commission may take into consideration in identifying the exporter.[37] The commission will generally identify the exporter as:

- 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, or
- a principal will be a person in the country of export who owns, or who has previously owned, the goods but need not be the owner at the time the goods were shipped.

The commission's assessment indicates that during the investigation period Kaize exported goods to Australia through two intermediaries, Aoshi and Hongmu, both Aoshi and Hongmu are owned by the importer, Hume.

The commission considers that Kaize is the principal in the export transaction, and therefore is the exporter, for the following reasons:

- Kaize decides which products it produces at its own production facility in China
- Kaize liaises with Aoshi and Hongmu (intermediaries) in relation to the exportation of the goods to Australia
- Kaize manufactures the goods only for the Australian market.

In their REQ, Aoshi and Hongmu declared that their selling prices to Hume do not represent a market price and as such their prices are considered non-arm's length.

The commission considers that the most reliable and relevant information it possesses in relation to exports of the goods from China over the investigation period is Hume's verified sales data. Accordingly, the commission has determined the export price of the goods exported to Australia from China under section 269TAB(1)(b) of the Act, based on Hume's selling price to Australian customers, less relevant deductions. These deductions include Hume's post-exportation expenses, SG&A and an amount of profit. After making these adjustments, the commission determined a FOB export price.

The commission's calculation of Kaize's export price is at **Confidential Attachment 2**.

6.7.2 Normal value

Kaize did not sell the goods within the Chinese domestic market during the investigation period. Consequently, normal value cannot be determined under section 269TAC(1) of the Act.

Under section 269TAC(2)(b) of the Act, given that Kaize is the sole cooperating Chinese exporter in this investigation and it is not practicable to obtain, within a reasonable time,

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[37] *Dumping and Subsidy Manual*, pgs. 23 to 24 refers.

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) of the Act.

In its REQ, Kaize stated that it did not sell like goods to countries other than Australia. As a result, the commission is unable to determine the normal value under section 269TAC(2)(d) of the Act.

6.7.3 Particular market situation

The commission has not assessed a particular market situation (PMS) claims as the commission did not have information about Chinese domestic sales of LGST, since the sole cooperating exporter Kaize did not sell the goods domestically.

6.7.4 Cost of hot rolled coil steel in China

Based on recent dumping and subsidy findings in investigation (INV) 658 – HRC exported to Australia from China, the commission found that HRC costs are not normal and ordinary and do not reasonably reflect raw material costs associated with the production of HRC in China.

Final report (REP) 658 found that there is a particular market situation for HRC in China, such that sales of HRC in China are not suitable for use in determining a normal value based on domestic selling prices.[38] This is because the selling price of HRC in China was influenced by the GOC. REP 658 also found that uncooperative Chinese producers of HRC also received government subsidies.

6.7.5 Relevance of REP 658 to this case

REP 658 findings are relevant to this investigation because HRC is the major raw material used to produce LGST. Furthermore, the investigation period for INV 658 overlaps half the investigation period for this investigation, therefore findings in INV 658 are contemporaneous.

6.7.6 Cost of production - Kaize

As Kaize has not sold like goods in the Chinese domestic market during the investigation period, the normal value cannot be determined pursuant to section 269TAC(1) of the Act because of the absence of information regarding sales of the like goods in China. The commission has therefore constructed normal value under section 269TAC(2)(c) of the Act.

The commission examined whether the records of the cooperative exporter satisfy the requirements of section 43 of the Regulation and Article 2.2.1.1 of the ADA.

[38] REP 658 refers.

The Commissioner found that HRC costs for Kaize are not normal and ordinary and do not reasonably reflect raw material costs associated with production of the goods. This is because:

- 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.
- As steel coils represent most of the cost to produce LGST, the effect of the GOC interventions on the price of steel coil have also flowed through to Kaize's recorded cost of production.

The commission's detailed analysis and findings on the cost of production of the goods in China are at **Appendix A** of this report.

The cost of production for Kaize is adjusted to reflect the cost of HRC in China. This is because Kaize's recorded costs were affected by circumstances that were not normal and ordinary. As a result, the usual requirement under Article 2.2.1.1 to use Kaize's records to determine the cost of production does not apply.

The Commissioner considers establishing a cost of production under section 269TAC(2)(c)(i) of the Act based on the sole cooperative exporter's costs of production, adjusted for the difference between the Japanese galvanised steel and galvanised steel purchased by (Kaize). Furthermore, using data from MEPS International Ltd (MEPS)[39] data the commission made the following adjustments to the benchmark data:

- removed Japanese inland freight, SG&A and profit
- added Chinese inland freight, SG&A, cost of slitting and profit to make the cost reflective of a price in China (noting that Kaize purchased all galvanised HRC from a Chinese manufacturer).

The commission calculated Kaize's normal value in accordance with section 269TAC(2)(c) of the Act. In doing so, the commission had regard to the following matters:

- Section 269TAC(2)(c)(i) of the Act, which provides for the Minister to determine the cost of production or manufacture of the goods in China.
- Section 269TAC(2)(c)(ii) of the Act, which provides for the Minister to determine, on the assumption that the goods had been sold for home consumption in the OCOT in China rather than exported, the SG&A costs associated with the sale and the profit on that sale.

For the other components of the LGST cost of production, the commission has used Kaize's records because:

- Under section 43(2)(a) of the Regulation – Kaize kept records of the cost of production and sale of the goods.
- Under section 43(2)(b)(i) of the Regulation – Kaize's records were kept in accordance with GAAP of China.

[39] 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.

- Under section 43(2)(b)(ii) of the Regulation – Other than HRC, Kaize cost records reasonably reflect the competitive market costs associated with the production of the goods.

The commission calculated Kaize's normal value of the goods having regard to the following information:

- Kaize's export cost to make including an adjustment to HRC costs
- Kaize's export SG&A
- Chinese domestic profit – the weighted average of profit achieved on domestic sales of similar goods sold by Chinese exporters investigated in investigations 644 and 646
- an amount for export port handling charges
- an amount for export inland freight.

The commission's normal value calculation for the goods exported by Kaize is at **Confidential Attachment 3**.

Submission by Rondo

In its submission of 7 July 2026, Rondo asked the commission to identify, in the final report, the source of the benchmark price data.

The commission sourced Japanese benchmark price data from MEPS.[40]

6.7.7 Dumping margin

The dumping margin for the goods exported to Australia by Kaize is **41.8%**.

The commission's dumping margin calculation is at **Confidential Attachment 4**.

6.7.8 Pre-SEF submissions

6.7.8.1 Submission by Kaize

In its submission of 1 April 2026, Kaize requested that the commission reconsider its approach to determining normal value, base its assessment on Kaize's recorded HRC costs, and apply a reasonable profit margin. Kaize claimed that this approach would ensure a fair, accurate and WTO-consistent determination.

In its submission of 10 June 2026, Kaize reiterated its earlier claims that the commission had improperly adjusted costs, selected an inappropriate benchmark, and should have relied on Kaize's recorded HRC costs and profit when assessing normal value. Kaize submitted that this approach would ensure a fair, accurate and WTO-consistent determination.

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[40] 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.

Distinction between cooperative and uncooperative exporters

In its submission of 10 June 2026, Kaize also submitted that the commission should differentiate between cooperative and uncooperative exporters when assessing dumping margins.

6.7.8.2 Commission's assessment

As noted in Chapter 2.7 of this report, the commission's assessment of Kaize's submission of 1 April 2026 is set out in the PAD published on 25 May 2026. Furthermore, the commission's methodology for calculating Kaize's normal value and determining profit is outlined in Chapter 6.7 of this report. The cost of production of the goods in China, including the benchmark used to replace HRC costs, is detailed in **Appendix A** of this report.

Distinction between cooperative and uncooperative exporters

As discussed in Chapters 6 of this report, the commission has assessed the dumping margins for Kaize and uncooperative and all other exporters under the relevant provisions of the Act.

As outlined in Chapter 6.7 of this report, in the absence of sufficient information regarding domestic selling prices and domestic production costs in China and given the unavailability of reliable Chinese export prices to third countries, normal value has been determined under section 269TAC(6) of the Act, having regard to all relevant information. The most relevant information available to the commission was the information submitted by Kaize for the purpose of determining normal value.

Similarly, as discussed in Chapter 6.8 of this report, the commission has determined the export price of uncooperative and all other exporters using the most relevant information available to the commission, which was Hume's verified selling price to Australian customers, less relevant deductions.

Application of lesser duty rule

As discussed in Chapter 11.5 of this report, the commission considers that a lesser amount of duty should be applied on the basis that it is adequate to prevent the injury caused to the Australian industry by the dumped and subsidised goods. Accordingly, while the combined IDD and ICD rates differ between cooperative and uncooperative exporters, with a combined rate of 41.8% for the cooperative exporter (Kaize) and 46.3% for uncooperative and all other exporters, the application of the lesser duty rule results in the same combined effective rate of 37.8% for both cooperative and uncooperative exporters.

6.8 Dumping assessment – Uncooperative and all other exporters

6.8.1 Export price

The commission has determined an export price in accordance with section 269TAB(3) of the Act, having regard to all relevant information. The commission considers that the most reliable and relevant information it possesses in relation to exports of the goods from China over the investigation period is Hume's verified sales data.

The commission has determined the export price of the goods exported to Australia from China under section 269TAB(3) of the Act, based on Hume's selling price to Australian customers, less relevant deductions. These deductions include Hume's post-exportation expenses, SG&A and an amount of profit. After making these adjustments, the commission determined a FOB export price.

The commission's export price calculation for uncooperative and all other exporters from China is at **Confidential Attachment 5**.

Submission by Hume – export price

In its submission dated 2 July 2026, Hume submitted two separate tax invoices as confidential attachments to its submission. Hume claimed that the invoices were issued by two Australian entities selling like goods in the Australian market at prices up to 13% below Hume's prices.

Commission's assessment

The commission examined the two invoices provided by Hume and noted that:

- One of the two invoices provided was dated 17 April 2026, which falls outside the investigation period. Additionally, Hume did not provide its own prices for the same period for comparison purpose. The commission noted that even if Hume did provide its prices for this period, it would not be strong evidence of a greater level of dumping during the investigation period. Accordingly, the commission did not have regard to this invoice.

- For completeness, the commission examined ABF import data and noted that an entity with a name similar to the company identified in the first invoice imported certain products in 2020, which is also outside the investigation period. Additionally, those imports did not appear to be the goods the subject of this investigation.

- The second invoice was dated 31 March 2025 and therefore falls within the investigation period. However, ABF import data indicates that, during the investigation period, the entity identified as the importer on that invoice primarily imported products other than the goods the subject of this investigation.

- Further, Hume did not provide any additional information in relation to this transaction. Accordingly, the commission was unable to validate the sale, including by confirming proof of payment, the authenticity of the transaction, or whether the sale was conducted on a genuine commercial basis.

- In addition to the above, the commission noted that, although Hume's weighted average unit selling prices at the aggregate level were higher than the prices stated in the invoices during the investigation period, the commission compared Hume's verified sales data with the invoice prices. This comparison showed that Hume sold some goods in the Australian market at prices that were very similar to, and in some instances lower than, the prices stated on the invoices. Furthermore, the commission noted that Hume also sold the goods to the same customer named in the invoice and noted that Hume's prices and conditions of sale were very similar to the price and conditions of sale of the goods stated in the invoice.

Based on the above, the Commissioner is not satisfied that the information provided by Hume constitutes sufficient evidence to determine the export price for uncooperative and all other exporters of the goods from China.

6.8.2 Normal value

As noted in Chapter 6.7.2 of this report. Kaize did not sell the goods in the Chinese domestic market during the investigation period. Furthermore, the GOC did not provide a response to the government questionnaire.

Given the absence of sufficient information regarding domestic selling prices and domestic production costs in China and the unavailability of reliable Chinese export prices to third countries, the normal value has been determined in accordance with section 269TAC(6) of the Act, having regard to all relevant information. Pursuant to section 269TAC(6) of the Act, a constructed normal value methodology has been applied to determine:

- the cost of production of the exported goods
- the SG&A costs and
- an amount of profit.

As discussed in Chapter 6.7.2 of this report, the commission found that HRC costs are affected by not normal and ordinary circumstances. The commission calculated the normal value for uncooperative and all other exporters having regard to the following information:

- Kaize's export cost to make including an adjustment to HRC costs
- Kaize's export SG&A
- Chinese domestic profit
- an amount for export port handling charges
- an amount for export inland freight.

Section 269TACAB(1) of the Act sets out the provisions for calculating export prices and normal values for uncooperative exporters.[41]

The normal value calculation for uncooperative and all exporters from China is at **Confidential Attachment 6**.

[41] Section 269TACAB(1)(d) specifies that for uncooperative exporters, export prices are to be calculated under section 269TAB(3). Section 269TACAB(1)(e) specifies that for uncooperative exporters, normal values are to be calculated under section 269TAC(6).

6.8.3 Dumping margin

The dumping margin for uncooperative and all other exporters of LGST from China is **41.8%**.

The dumping margin calculation for uncooperative and all exporters from China is at **Confidential Attachment 7**.

6.9 Level of dumping

Section 269TDA(1) of the Act provides that the Commissioner must terminate a dumping investigation, in so far as it relates to an exporter of the goods, if satisfied that:

- there has been no dumping by the exporter of any of those goods
- there has been dumping by the exporter of some or all of those goods, but the dumping margin for the exporter is less than 2%.

As detailed in this chapter, the commission is satisfied that all exports of the goods from China to Australia were at dumped prices during the investigation period and the dumping margin for all Chinese exporters of the goods was not negligible (i.e. more than 2%)

6.10 Volume of dumped imports

Pursuant to section 269TDA(3) of the Act, the Commissioner must terminate the investigation, in so far as it relates to a country, if satisfied that the total volume of goods that have been or may be dumped is a negligible volume.

Section 269TDA(4) of the Act defines a negligible volume as less than 3% of the total volume of goods imported into Australia over the investigation period.

Section 269TDA(5) of the Act states that if the volume of all countries with dumped volumes of less than 3% sum up to more than 7%, then the aggregation of the volumes of dumped goods is not negligible.

Using the ABF import database and having regard to the information collected and verified during the investigation, the commission determined the volume of imports in the Australian market. Based on this information, the Commissioner:

- has determined that sections 269TDA(3) and 269TDA(5) of the Act do not apply to this investigation
- is satisfied under section 269TDA(4) of the Act that, when expressed as a percentage of the total Australian import volume of the goods, the volume of goods that have been exported from China was greater than 3% of total imports, and therefore not negligible
- has determined that the volume of dumped goods was not negligible.

The commission’s import volume assessment is at **Confidential Attachment 1.**

7 SUBSIDY INVESTIGATION

7.1 Finding

The Commissioner has found that countervailable subsidies were received in respect of the goods exported to Australia from China during the period of investigation.

The subsidy margins in respect of the goods exported to Australia from China during the investigation period are summarised in Table 12.

Exporter	Subsidy margin
Kaize	0.0%
Uncooperative and all other exporters	4.5%

Table 12: Subsidy margin

As the subsidy margin in respect of the goods exported by Kaize during the investigation period did not at any time exceed the negligible threshold for countervailable subsidy, the Commissioner has terminated the subsidy investigation in relation to Kaize.

For uncooperative and all other exporters of the goods from China, the commission did not receive any information from the GOC in relation to alleged subsidy programs in relation to LGST. Accordingly, the Commissioner has relied on the assessments undertaken in investigations 653 and 677. As discussed in chapter 7.3 of this report, the subsidy programs alleged in this investigation are the same as those examined in investigations 653[42] and 677.[43]

7.2 Legislative framework

Under section 269TJ of the Act, one of the matters that the Minister must be satisfied of in order to publish a countervailing duty notice is that subsidisation has taken place (to an extent that is not negligible).

Section 269T(1) of the Act defines a 'subsidy' as a financial contribution or income or price support by a government, public body or private body entrusted or directed by the government or public body to carry out a government function, and the financial contribution or income or price support must confer a benefit, whether directly or indirectly, in relation to the goods exported.

Section 269TACC of the Act sets out the steps for working out whether a financial contribution or income or price support confers a benefit.

Without limiting the definition of 'subsidy' in section 269T(1) of the Act, a financial contribution or income or price support may confer a benefit in relation to goods exported

42 REP 653 refers.

43 REP 677 refers.

to Australia if that contribution or support is made in relation to goods or services used in relation to the production, manufacture or export of the goods exported to Australia.[44]

In accordance with section 269TAAC(1) of the Act, a subsidy is a 'countervailable subsidy' if it is specific. Section 269TAAC(2) of the Act outlines the circumstances in which a subsidy is specific.

Section 269TACD of the Act provides that if the Minister is satisfied that a countervailable subsidy has been received in respect of the goods, the Minister must, if the amount of the subsidy is not quantified by reference to a unit of the goods, work out how much of the subsidy is properly attributable to each unit of the goods.

Section 269TDA(2)(b)(ii) of the Act provides that the Commissioner must terminate a countervailing investigation, in so far as it relates to an exporter of the goods, if there has been a 'countervailable subsidy' received by the exporter of some or all of those goods in respect of those goods, but it never at any time during the investigation period exceeded the 'negligible level' of countervailable subsidy under section 269TDA(16) of the Act. As China is classed as a 'developing country' under Schedule 1, Part 4, Division 1 of the *Customs Tariff Regulations 2004*, the negligible level of countervailable subsidy is not more than 2% or where the volume is less than 4% of the total Australian import volume.

7.3 Applicant's claims

In its application, Rondo claimed that the commission's previous findings of countervailable subsidy programs from *Anti-Dumping Commission Report No 611* (REP 611) into coated (galvanised) steel from China, Korea, and Taiwan and *Anti-Dumping Commission Report No 590* (REP 590)[45] into hollow structural sections from China, Korea, Malaysia and Taiwan also apply to LGST exported from China.

Rondo claimed that producers of LGST from China are likely to be in receipt of the same or similar benefits. As the exported goods are products of the Chinese steel industry and the commission has previously found that goods manufactured from galvanised steel attract a broad range of subsidies, the Australian industry considered it reasonable to conclude that previously identified subsidy programs are applicable to Chinese exporters of the goods.

Rondo claimed that the countervailable subsidy programs identified in the Chinese steel industry also apply to Chinese exporters of LGST. Rondo argued that the provision of HRC, coking coal and coke at less than fair market value in REP 611 and HRC at less than adequate remuneration in REP 590, support a finding that galvanised steel was similarly provided at less than fair market value or less than adequate remuneration, as an upstream input to LGST.

Rondo has claimed that the commission's previous findings of countervailable subsidy programs from REP 590 also apply to LGST exported from China.

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[44] Section 269T(2AA) of the Act.

[45] REP 590 refers.

7.4 Determination of countervailable subsidy if non-cooperation by relevant entities

Section 269TAACA(1) of the Act provides that, in circumstances where an entity (referred to as a 'non-cooperative entity') either:

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

then, in determining whether a countervailable subsidy has been received in respect of the goods, or in determining the amount of a countervailable subsidy in respect of the goods, the Commissioner or the Minister may act on the basis of all the facts available and may make such assumptions as the Commissioner or Minister (as the case may be) considers reasonable.

As discussed below, the commission sent the GOC a questionnaire requesting information relating to the subsidy programs identified by Rondo in its application. Because the GOC has not provided any information the Commissioner considers relevant to the investigation, in determining whether a 'countervailable subsidy' has been received in respect of the goods, the commission has relied on all facts available and made such assumptions as the Commissioner considers reasonable.

Accordingly, 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) of the Act.

7.5 Consultation with the Government of China

On 4 June 2025, in accordance with section 269TB(2C) of the Act, the commission invited the GOC for consultations during the pre-initiation phase. The purpose of the consultations was to provide an opportunity for the GOC to respond to the claims made within the application in relation to countervailable subsidies, including whether they exist and, if so, whether they are causing, or are likely to cause, material injury to an Australian industry, with the aim of arriving at a mutually agreed solution. The commission did not receive a response from the GOC.

At the initiation of this investigation, the commission provided the GOC (being an entity covered by section 269TAACA(2)(b)) of the Act with a questionnaire which included questions relating to the subsidy programs identified in Rondo's application. The commission has not received a response to this questionnaire from the GOC.

7.6 Subsidy programs

7.6.1 Information considered by the commission

The commission has had regard to the following information as part of its assessment of the subsidies received in respect of the goods exported from China:

- information provided by Rondo in its application

- information submitted by Kaize in REQ
- REP 653 relating to certain ceiling steel framing members (CSFM) from China
- (REP 677 relating to steel corner beads and angles (SCBA) from China
- REP 644 and TER 644 relating to certain interchangeable bolted clipping system brackets (brackets) from China
- REP 645 and TER 645 relating to certain interchangeable bolted clipping system clip heads (clip heads) from China
- findings from Continuation inquiry 611 relating to certain zinc coated (galvanised) steel from China
- REP 590 relating to continuation inquiry into HSS exported to Australia from China, Korea, Malaysia, Taiwan
- REP 658 relating to HRC exported to Australia from China.

7.6.2 Subsidies previously found to be countervailable

The commission has recently completed the following subsidy investigations:

- CSFM (REP 653)
- SCBA (REP 677)
- Brackets (REP 644)
- Clip heads (REP 645)

exported to Australia from China. The commission has found in this investigation that subsidy programs found in the previous investigations also apply to LGST. This is because LGST is made using galvanised HRC. To conclude, subsidy programs that benefit Chinese manufacturers of HRC would also benefit Chinese manufacturers of LGST.

In REP 644 and REP 645, the commission found no evidence that any exporters of the goods the subject of those investigations received any of the subsidies identified by Rondo in its application, other than subsidies under 'Program 20[46] - hot rolled steel provided by government at less than fair market value'.[47]

Relevance of INV 644 and INV 645

The commission has considered recent findings from REP 644 and REP 645 and found that it reasonable to conclude that with the exception of Program 20 (hot rolled steel provided by government at less than fair market value), the subsidy programs from REP 590 would also not apply to exporters of LGST. The commission's assessment of Program 20 is at **Appendix B** of this report.

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[46] In the investigation concerning HSS (Investigation 177), a subsidy program entitled 'hot rolled steel provided by government at less than fair market value' was designated as Program 20. This subsidy program was designated as Program 20 in subsequent cases concerning HSS exported from China. The subsidy program entitled 'hot rolled steel provided by government at less than fair market value' was also designated as Program 1 in the investigation concerning zinc coated (galvanised) steel (Investigation 193), and was designated as Program 1 in subsequent cases relating to galvanised steel exported from China, including REP 611.

[47] EPR 644, Termination report, p 16, EPR 645, Termination report, p 16.

In REP 644 and REP 645, the commission found 6 additional subsidy programs that conferred benefits to exporters of brackets and clip heads. These programs are listed in Table 13.

Program #	Program name	Program Type	Countervailable?
1	Transportation subsidy for returning to work after spring festival	Grant	Yes
2	One-time employment retention subsidy	Grant	Yes
3	Reward for overseas business personnel traveling abroad	Grant	Yes
4	Recruitment subsidy	Grant	Yes
5	Industrial reward for 2022	Grant	Yes
6	Preferential tax for micro and small-sized enterprises and individually-owned businesses: Preferential tax rate on income	Tax	Yes

Table 13: REP 644 and REP 645 subsidy programs

Although HRC is the raw material input that goes into CSFM, SCBA, HSS, brackets, clip heads and LGST, the commission considers that LGST and CSFM, SCBA, brackets and clip heads are more comparable given they are further downstream products and use similar raw material inputs being galvanised steel. The commission therefore considers that it is reasonable to assume that subsidies received by Chinese exporters of CSFM, SCBA, brackets and clip heads would also be available to exporters of LGST from China.

7.6.3 Assessment of previously identified programs in REP 611

The commission has verified Australia industry members (Rondo, Etex and Studco) cost data and is satisfied that galvanised steel is the raw material input used to make the goods and is the largest cost element. The commission has therefore examined the evidence associated with the programs identified in REP 611.

In REP 611, the commission identified 37 programs listed in Table 14 are applicable to galvanised steel exported from China. In its application, Rondo alleged that the programs applying to galvanised steel from China will equally apply to Chinese exporters of LGST. Rondo claimed that producers of LGST from China are likely to be in receipt of the same or similar benefits.

Program No	Name	Type[48]	Countervailable subsidy (Yes/No)
1	Hot rolled steel provided by government at less than fair market value	Tax and raw material	Yes
2	Coking coal provided by government at less than adequate remuneration	Tax and raw material	Yes
3	Coke provided by government at less than adequate remuneration	Tax and raw material	Yes
4	Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones	Tax	No
5	Preferential Tax Policies for Foreign Invested Enterprises– Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years	Tax	No
6	Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)	Tax	No
7	Preferential Tax Policies for High and New Technology Enterprises	Tax	No
8	Preferential Tax Policies in the Western Regions	Tax	No
10	Preferential Tax Policies for High and New Technology Enterprises	Tax	No
11	Tariff and value-added tax (VAT) Exemptions on Imported Materials and Equipment	Tax	Yes
9	Land Use Tax Deduction	Grant	No
12	One-time Awards to Enterprises Whose Products Qualify for ‘Well-Known Trademarks of China’ and ‘Famous Brands of China’	Grant	No
13	Matching Funds for International Market Development for Small and Medium Enterprises	Grant	No
14	Superstar Enterprise Grant	Grant	No
15	Research & Development (R&D) Assistance Grant	Grant	No
16	Patent Award of Guangdong Province	Grant	No
17	Innovative Experimental Enterprise Grant	Grant	No
18	Special Support Fund for Non State-Owned Enterprises	Grant	No
19	Venture Investment Fund of Hi-Tech Industry	Grant	No
20	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.	Grant	Yes
21	Grant for key enterprises in equipment manufacturing industry of Zhongshan	Grant	No

[48] A subsidy in the form of a grant is generally where a public body has provided direct funding to the recipient. A subsidy in the form a tax is generally where the recipient has received a lower or preferential tax rate. A subsidy in the form of ‘Less than adequate remuneration’ (LTAR) is generally where a manufacturer has purchased cost inputs at a price that is considered less than adequate remuneration for that input.

Program No	Name	Type[48]	Countervailable subsidy (Yes/No)
22	Water Conservancy Fund Deduction	Grant	No
23	Wuxing District Freight Assistance	Grant	No
24	Huzhou City Public Listing Grant	Grant	No
25	Huzhou City Quality Award	Grant	No
26	Huzhou Industry Enterprise Transformation & Upgrade Development Fund	Grant	No
27	Wuxing District Public List Grant	Grant	Yes
28	Anti-dumping Respondent Assistance	Grant	No
29	Technology Project Assistance	Grant	No
30	Equity injection	Grant	Yes
31	Environmental Protection Grant	Grant	Yes
32	High and New Technology Enterprise Grant	Grant	Yes
33	Independent Innovation and High-Tech Industrialisation Program	Grant	Yes
34	VAT refund on domestic sales by local authority	Grant	Yes
35	Environmental Prize	Grant	Yes
36	Jinzhou District Research and Development Assistance Program	Grant	Yes
37	Enterprise support fund	Grant	Yes

Table 14: Subsidy programs considered in REP 611

For each of the programs identified in Table 14, the commission considered:

- the eligibility requirements of each identified program
- whether the program was likely relevant to the production of the goods during the investigation period (including whether the program has expired)
- whether any benefit under the program may be a subsidy in respect of the goods.

The commission has assessed each of the programs identified by Rondo and considers that there is adequate evidence indicating 14 (highlighted in ‘blue’ in Table 14) out of the 37 programs from REP 611 are relevant to LGST. For these programs, the commission has previously found producers in the Chinese steel industry received a benefit, and that eligibility criteria were not limited to the specific goods in those inquiries; in other words, exporters of LGST may also be eligible to receive a benefit.

These programs were specific for reasons other than being limited to the specific goods in question (such as location) which may be satisfied by producers of LGST. In this regard, the commission examined Chinese exporter data in the ABF import database and observed many exporters located in regions where the commission had identified recipients of countervailable subsidies in REP 611.

The commission considers that the subsidies applying to galvanised steel as identified in REP 611 are relevant because subsidies applying to galvanised steel may also apply to other products made from galvanised steel, such as LGST.

The commission also examined the programs identified by the GOC in its notifications to the WTO.[49] The commission's assessment of subsidy programs is detailed in **Appendix B** of this report.

7.7 Subsidy assessment

7.7.1 Kaize

The commission found that Kaize received a benefit, directly and indirectly, in respect of the goods it exported to Australia during the investigation period under subsidy program 6 identified in Table 13 - *Preferential tax for micro and small-sized enterprises and individually-owned businesses: Preferential tax rate on income*'.

Section 269TDA(2) of the Act requires that the Commissioner must terminate a countervailing investigation in relation to an exporter if countervailable subsidisation for that exporter is determined to be negligible.

7.7.2 Subsidy margin

Based on the information provided by Kaize in its REQ, the commission has calculated a subsidy margin in respect of the goods exported by Kaize of **0.00002%.**

As the subsidy margin in respect of the goods exported by Kaize during the investigation period did not at any time exceed the negligible threshold for countervailable subsidy, the Commissioner has terminated the subsidy investigation in relation to Kaize.

The commission's calculation of the subsidy margin in respect of the goods exported to Australia by Kaize is at **Confidential Attachment 8**.

7.7.3 Uncooperative and all other exporters

In accordance with section 269TAACA of the Act, the Commissioner has relied upon all facts available and had regard to reasonable assumptions in assessing whether Chinese exporters of LGST received countervailable subsidies during the investigation period and the number of countervailing subsidies received.

The commission has made findings in a manner consistent with the findings of REP 653 and REP 677, as previously outlined in this report.

The commission found that the 6 subsidy programs countervailed in REP 644 and REP 645 and presented at Table 13 apply to uncooperative and all other exporters of the goods, based on reasonable assumptions that subsidies received by Chinese exporters of brackets and clips would also be available to exporters of LGST from China. The commission has therefore included these programs in its subsidy calculation for this investigation.

The commission also considers that 12 out of the 37 programs from REP 611 are relevant to this investigation. The commission undertook an assessment of publicly available

[49] WTO G/SCM/N/372/CHN, 27 August 2021

information to consider whether these subsidy programs remain in place. The commission did not identify evidence to indicate these programs have ceased.

Absent any new information that would warrant a reconsideration of the determinations made in the previous inquiries, the commission has therefore maintained its position that these programs are countervailable and are also applicable to uncooperative and all other exporters of the goods.

7.7.4 Subsidy assessment

Noting the subsidy margins presented in Table 12, the Commissioner is satisfied that LGST exported to Australia from China by the *uncooperative and all other* exporters during the investigation period were at subsidised prices, and that:

- the countervailing margins for goods exported by the uncooperative and all other exporters were not negligible; and
- the volume of countervailable goods exported from China by the uncooperative and all other exporters was not negligible.

7.7.5 Subsidy margin

As discussed in Chapter 2.7.6 of this report, the Commissioner has determined that, other than Kaize, all other exporters from China are uncooperative exporters.

The total calculated subsidy margin applicable to exports by uncooperative and all other exporters from China is **4.5%**

The commission's calculation of the subsidy margin in respect of the goods exported to Australia by uncooperative Chinese is at **Confidential Attachment 9.**

7.8 Level of subsidisation

As outlined in Chapter 7.2 of this report, section 269TDA(2) of the Act of the requires that the Commissioner must terminate a countervailing investigation in relation to an exporter if countervailable subsidisation for that exporter is determined to be negligible.

Based on the subsidy margins determined in this Chapter of the report, the Commissioner is satisfied that LGST exported to Australia from China by *uncooperative and all other exporters* during the investigation period were subsidised and the subsidy margin was not negligible and the volume of exports was not negligible.

8 ECONOMIC CONDITION OF THE INDUSTRY

8.1 Findings

The Commissioner has found that Rondo, Studco and Etex, make up the majority of the Australian industry, have experienced injury in the form of:

- lost sales volume
- lower production volumes
- price suppression
- price depression
- loss of profits
- loss of profitability
- decline in asset values
- lower revenue
- reduced return on investment
- reduced capacity utilisation
- reduced productivity
- reduced market share.

As discussed in Chapter 4.3 of this report, the commission has not received sufficient information from Bryko and Nashco to assess the economic condition in relation these two entities.

The Commissioner has found that dumped and subsidised goods undercut Australian industry prices during the investigation period and contributed to price depression and price suppression in respect of the Australian industry's like goods. Overall, the Commissioner considers that the presence and pricing of dumped and subsidised imports constrained the Australian industry's ability to increase prices in line with cost movements, thereby placing downward pressure on selling prices during the investigation period.

8.2 Approach to injury analysis

The matters that may be considered in determining whether the Australian industry producing like goods has experienced material injury are set out in section 269TAE of the Act.

This Chapter analyses the economic condition of the Australian industry producing like goods from 1 April 2021. As discussed in Chapter 4.3 of this report, the Australian industry comprises of Bryko, Etex, Nashco, Rondo and Studco. The analysis is based on verified information provided by Rondo, Studco and Etex, which together account for the majority of Australian production of like goods.

As discussed in Chapter 4.3 of this report, the Commissioner is satisfied that Rondo is the largest of the five Australian industry members manufacturing like goods. Therefore, where sufficient information was not available from Studco or Etex, the commission relied on Rondo's information.

As outlined in Chapter 4.3.6 of this report, the Commissioner did not have sufficient information from Bryko or Nashco to accurately assess their production, sales or economic performance during the relevant period. Accordingly, their information was not included in the assessment of the economic condition of the Australian industry.

For volume, price, profit, profitability and market share, the commission consolidated data for Rondo, Studco and Etex on an annual basis. Each annual period commences on 1 April and ends on 31 March, consistent with the investigation period.

The commission's assessment of the economic condition of the Australian industry is at **Confidential Attachment 10.**

8.3 Volume effects

The Commissioner has found that the Australian industry has experienced injury in the form of lost sales volume and reduced market share during the investigation period.

8.3.1 Injury claims relating to volume

The Australian industry submitted that it has experienced material injury as a result of the ongoing presence and increase in volumes of LGST imported from China. In its application, Rondo stated that since the start of the injury analysis period (April 2021), imports from China have comprised a substantial share of the Australian market. Over this time, import volumes increased and remained at elevated levels, while Australian industry's sales volumes declined.

Rondo also submitted that the Australian market for LGST has contracted since April 2021. It claimed that this contraction has translated into a material loss of market share for the Australian industry, while imports from China have maintained or increased their position in the Australian market.

8.3.2 Market size and share

Figure 4 below depicts the Australian market share of the Australian industry, imports from China and other countries of the goods during the injury analysis period.

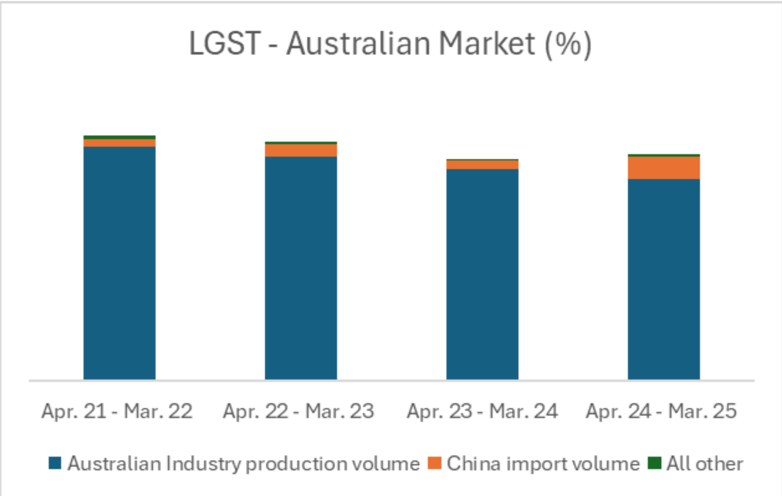

Figure 4: LGST market share in sales volume

Figure 4 shows that, over the injury analysis period, the market share of imports from China increased significantly, while the Australian industry's market share declined. This trend was most pronounced in the year ending 31 March 2025, when increased imports from China displaced Australian industry sales. By contrast, imports from other countries accounted for a relatively small and stable share of the market.

On this basis, the Commissioner considers that the Australian industry suffered injury in the form of lost sales volume and reduced market share during the investigation period.

8.3.3 Production volume

Figure 5 depicts the Australian industry production volume of LGST over the injury analysis period.

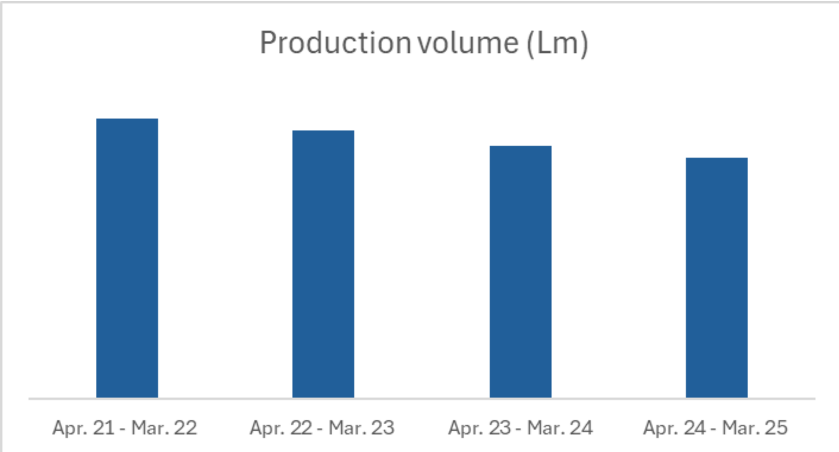

Figure 5: Australian industry production volume of LGST

Figure 5 shows that the Australian industry's production volumes declined over the injury analysis period. Production volumes were highest in the year ending 31 March 2022 and decreased in each subsequent period. The decline was moderate between the years ending 31 March 2022 and 31 March 2023, became more pronounced in the year ending 31 March 2024, and reached its lowest level in the year ending 31 March 2025.

The commission considers that this pattern indicates a sustained reduction in the Australian industry's production volumes over the injury analysis period. On this basis, the Commissioner considers that the Australian industry has experienced injury in the form of lower production volumes.

8.4 Price effects

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. In determining whether price suppression has occurred, the commission may assess:

- whether prices have increased at the same rate as costs over time or within a specified period and/or

- whether prices for the Australian industry's like goods are lower than prices that may have been achieved in the absence of dumping.

8.4.1 Injury claims relating to price

In its application, Rondo claimed that it had suffered price depression and price suppression due to price undercutting by dumped and subsidised imports from China.

To assess this claim, the commission compared the weighted average unit selling price of the goods of Australian industry with the weighted average unit costs to make and sell (CTMS) for those goods over the injury analysis period, as shown in Figure 6.

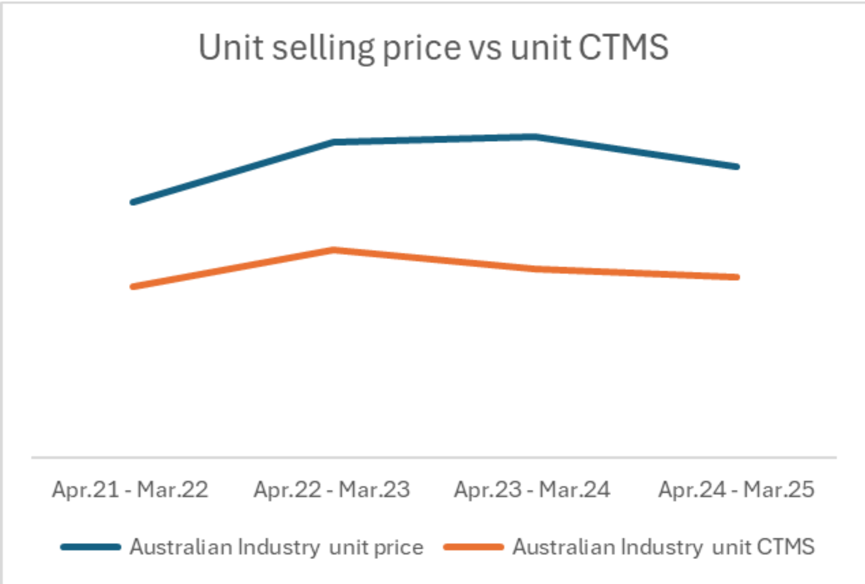

Figure 6: Australian Industry unit selling price and CTMS (AUD/lm)

Figure 6 shows unit price is consistently greater than the unit CTMS over the injury analysis period. It is noted that after peaking in the YE March 2023, unit revenue started declining, narrowing the difference between unit revenue and unit costs in the investigation period.

On this basis, the Commissioner considers that the Australian industry suffered injury in the form of price depression and price suppression, during the investigation period.

The commission's price analysis is at **Confidential Attachment 10.**

8.4.2 Injury claims relating to profit and profitability

In its application, Rondo claimed that relatively high fixed costs required to produce the like goods, together with the loss of sales volume resulted in fixed costs being higher on a unit basis than they otherwise would have been.

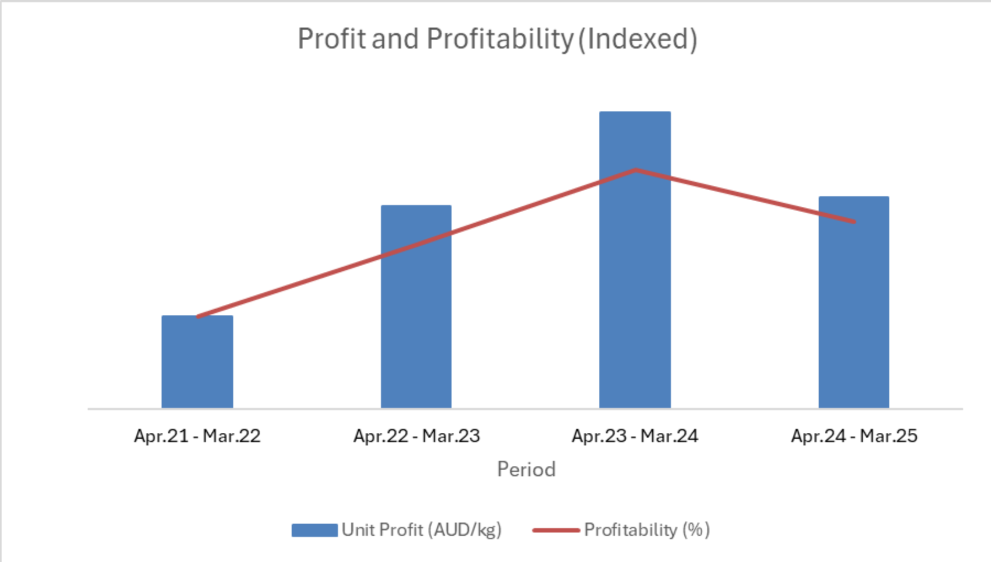

Figure 7: Indexed Australian Industry's total profit and profitability

Figure 7 illustrates the Australian industry's weighted average unit profit and profitability. After reaching its peak in YE March 2024, the Australian industry's profit and profitability declined sharply.

On this basis, the Commissioner considers that the Australian industry has experienced injury in the form of reduced profit and profitability.

8.5 Other economic factors

The commission has not received detailed information in relation to other economic factors from Etex and Studco. Given Rondo is the largest Australian industry member, the commission has relied on Rondo's information for assessment of other economic factors discussed in this Chapter of the report.

In its application, Rondo also claimed injury in the form of the following other economic factors:

- decline in asset values
- lower revenue
- reduced return on investment
- reduced capital utilisation
- reduced research and development (R&D)

8.5.1 Asset values

The applicant claimed that it has experienced a decline in asset values over the injury analysis period.

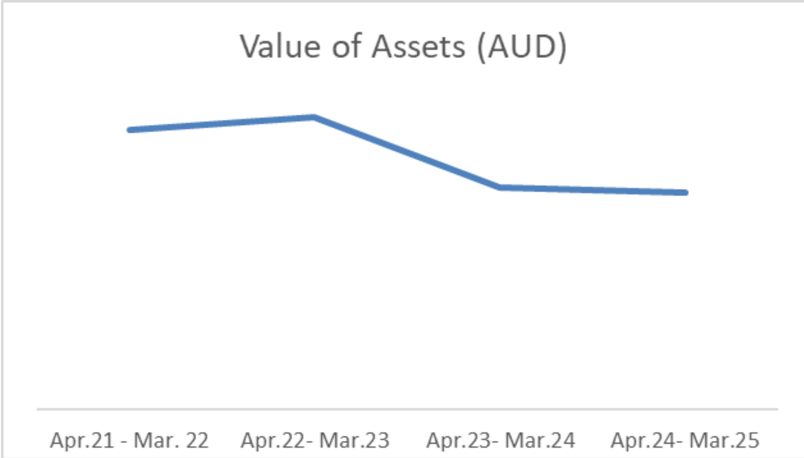

Figure 8: Australian industry value of assets in relation to like goods

Figure 8 illustrates that asset value, after slightly increasing in the YE March 2023 from YE March 2022, decreased the following year and remained low in the YE March 2025

The Commissioner considers that this supports Rondo's claim that it has suffered a decline in the value of its assets.

8.5.2 Revenue

As a result of decline in the market share, price depression and price suppression, the applicant claims that it suffered material impact on its revenue.

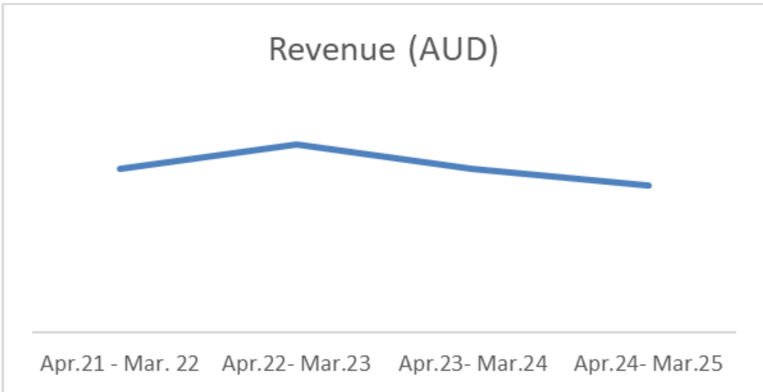

Figure 9: Australian industry revenue in relation to like goods

Figure 9 shows that after peaking its revenue in YE March 2023, there has been a steady decline of revenue all throughout the injury analysis period.

The Commissioner considers that Rondo has suffered a decline in revenue during the investigation period.

8.5.3 Return on investment

In its application, Rondo claimed that it suffered reduced return on investment (ROI) in the investigation period.

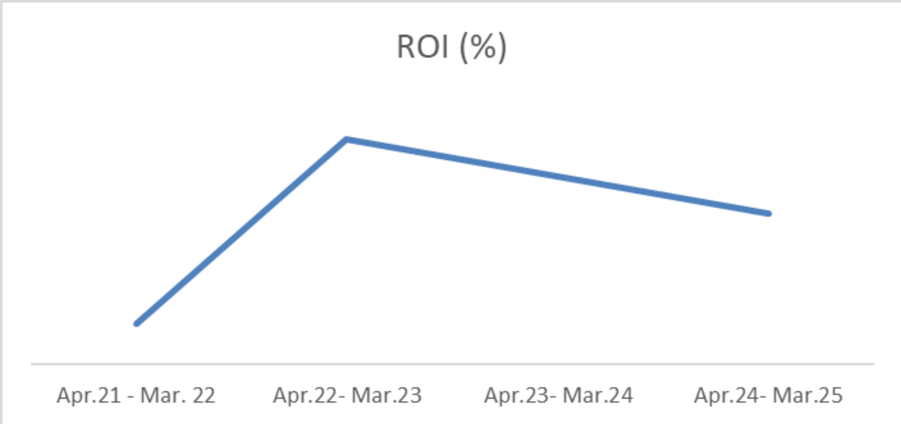

Figure 10: Return on investment

Figure 10 shows a sharp increase in ROI in YE March 2023 from YE March 2022, then has declined throughout the remainder of the injury analysis period.

The Commissioner considers that over the investigation period, that there has been a decline in ROI which supports the Rondo's claims.

8.5.4 Capacity utilisation

The applicant claimed that its capacity utilisation declined over the investigation period.

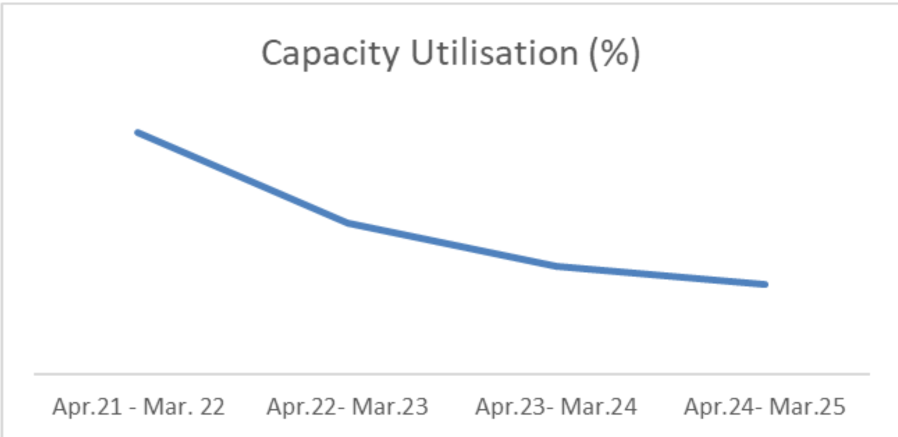

Figure 11: Australian industry capacity utilisation of like goods

Figure 11 illustrates an overall year on year consistent decline on capacity utilisation from YE March 2021 to YE March 2025.

The Commissioner considers that over the investigation period there has been a decline in capacity utilisation which supports the Rondo's claims.

8.5.5 Capacity, capacity utilisation and production

The commission has examined the applicant's capacity utilisation in relation to its capacity to produce like goods as illustrated in Figure 12.

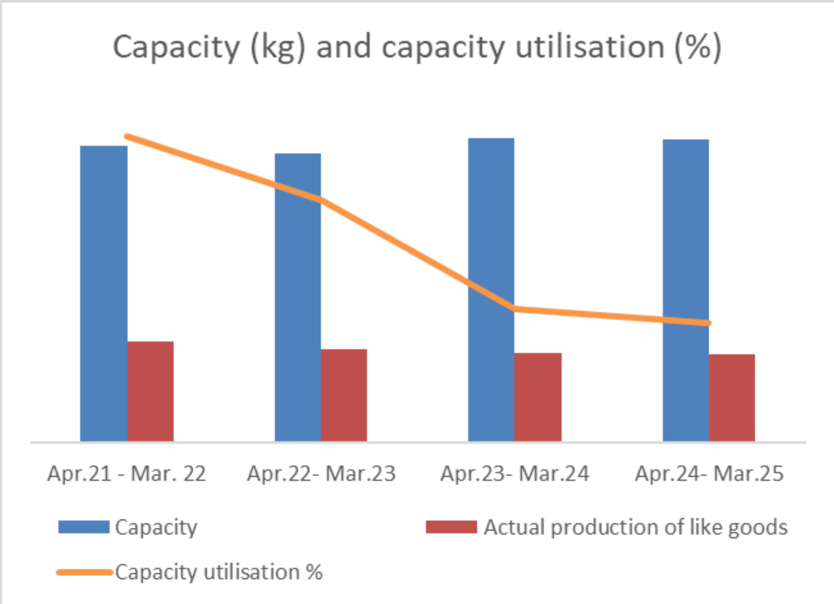

Figure 12: Capacity and capacity utilisation over the injury analysis period

Figure 12 shows the applicant's capacity has fluctuated in cycles throughout the injury analysis period, ending in a declining trend in YE March 2025.

The Commissioner considers that Rondo's capacity utilisation has fallen year on year in the investigation period. Additionally, the Commissioner considers that actual production has also declined over the investigation period.

8.5.6 Research and development

In its application, Rondo claimed that it suffered injury in the form of reduced research and development (R&D) spending in the investigation period.

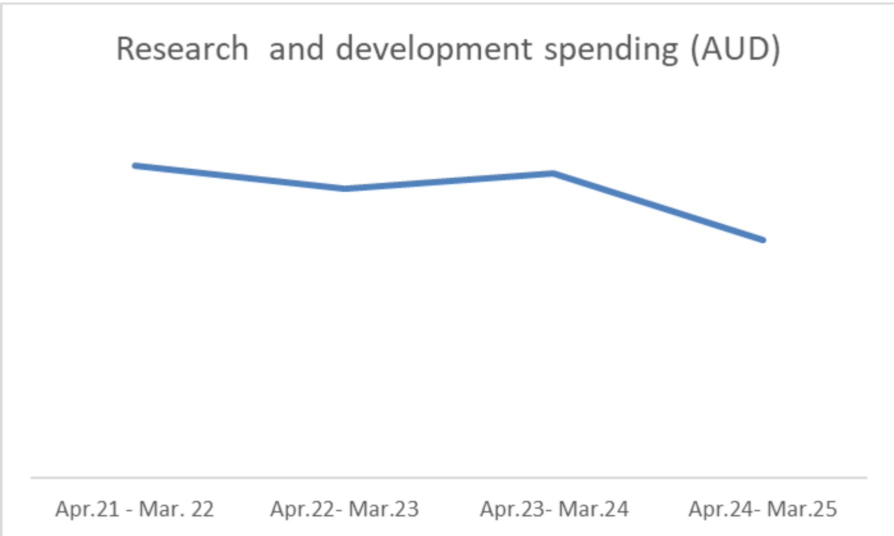

Figure 13: the applicant's R&D spending

Figure 13 illustrates R&D spending was relatively consistent from YE March 2021 to YE March 2024, then dropped in the YE March 2025.

The Commissioner considers the contracting market for LGST factor has played a decisive or causative role in the injury discussed in this chapter of the report.

8.6 Conclusion

The Commissioner is satisfied that the Australian industry has experienced injury in the form of:

- lost sales volume
- lower production volumes
- price suppression
- price depression
- loss of profits
- loss of profitability
- decline in asset values
- lower revenue
- reduced return on investment
- reduced capacity utilisation
- reduced productivity
- reduced market share.

9 HAS DUMPING AND SUBSIDISATION CAUSED MATERIAL INJURY?

9.1 Finding

The Commissioner has found that the Australian industry has experienced material injury caused by dumped and subsidised goods in the investigation period.

The commission has found that:

- dumped and subsidised goods were exported from China to Australia during the investigation period (as detailed in chapters 6 and 7 of this report) and this coincided with the Australian industry experiencing material injury
- importers purchased the goods from China at dumped and subsidised prices in the investigation period, which enabled imported goods to be offered in the Australian market at lower prices than would otherwise have been the case
- the presence of dumped and subsidised imports placed downward pressure on the Australian industry’s selling prices, contributing to price depression and preventing the Australian industry from achieving price increases that might otherwise have occurred, resulting in price suppression
- because of these price effects and in combination with the volume of dumped and subsidised imports, the Australian industry experienced material injury in the form of lost sales volume, reduced market share, price depression, price suppression and reduced profit and profitability.

Accordingly, the Commissioner is satisfied that exports of the dumped and subsidised goods from China caused material injury to the Australian industry producing like goods.

9.2 Legislative framework

Under sections 269TG, 269TJ and 269TJA of the Act one of the matters that the Minister must be satisfied of in order to publish a dumping duty and/or countervailing duty notice is that, because of dumping and subsidisation, material injury has been, or is being caused, or is threatened to the Australian industry producing like goods.

Section 269TAE(1) of the Act outlines the factors, to which the Minister has had regard, and that may be taken into account when determining whether material injury to an Australian industry has been, or is being, caused or threatened. Some of these factors include the size of the dumping and subsidy margin, the volume of dumped and subsidised goods and the difference between the price of dumped/subsidised goods and the price of like goods produced and sold in Australia.

In determining whether material injury has been or is being caused or threatened, section 269TAE(2A) of the Act requires that regard to whether any injury to an industry is being caused by a factor other than the exportation of the goods and provides examples of such factors.

When assessing material injury to the Australian industry, the Commissioner also has regard to the *Ministerial Direction on Material Injury 2012* (Material Injury Direction).[50] The Material Injury Direction directs the Commissioner to consider 'material injury' to be injury that is not immaterial, insubstantial or insignificant. Further, the Material Injury Direction directs that dumping or subsidisation need not be the sole cause of injury to the Australian industry.

Section 269TDA of the Act sets out the circumstances in which the Commissioner must terminate an investigation. If the Commissioner is satisfied that the injury, if any, to an Australian industry, that has been, or may be, caused by goods exported to Australia from a particular country of export, is negligible, then the Commissioner must terminate the investigation in relation to that country:

- in relation to an application for a dumping duty notice, pursuant to section 269TDA(13) of the Act
- in relation to an application for a countervailing duty notice, pursuant to section 269TDA(14) of the Act.

9.3 Approach to causation analysis

The Commissioner considers that the Australian industry has experienced injury as outlined in Chapter 8 of this report and this injury has coincided with the presence of dumped and subsidised goods from China. This Chapter analyses whether the dumped and subsidised goods caused injury and whether the injury is material.

The Commissioner has had regard to the Act, the Manual and the Material Injury Direction when completing this assessment.

Section 269TAE of the Act outlines the requirements for determining whether material injury to an Australian industry is caused by dumping and subsidisation (causation). The Act envisages that causation is examined through the links between the volume of dumped and subsidised goods and their effect on prices in the Australian market and the consequential impact on the Australian industry. Certain analytical tools are available to the commission to perform causation analysis. The Act does not prescribe any particular methodology for performing causation analysis, which is inherently a qualitative assessment based on all available evidence.

Chapter 22 of the Manual states that the most common way to perform causation analysis is by using a 'coincidence analysis'. Where there is a coincidence in timing between declines in the Australian industry's economic indicators and the volume and price trends of dumped and subsidised imports, this may be taken to mean there is a causal link.[51] This involves comparing the state of the Australian industry in the investigation period to a point in time prior to the injury having commenced. Another approach would be to use a 'but for' analytical method, positing what would have happened in the Australian domestic market 'but for' the presence of the dumped goods.

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[50] *Ministerial Direction on Material Injury 2012*, available at www.adcommission.gov.au.

[51] The Manual (December 2021) p 99.

The following evidence were examined for the purposes of assessing injury and causation in this report:

- verified data from Rondo, Etex and Studco regarding volume, price and profit effects during the injury analysis period and investigation period
- verified sales and import data from Hume and Intex to determine export prices, selling prices to Australian customers and associated import costs
- information from the ABF import database to determine import volumes
- the broader context of the economic condition of the Australian industry
- information provided by Kaize, Aoshi and Hongmu in REQs, to determine normal value, countervailable subsidy programs and export costs
- findings from Investigation 653 (REP 653) relating to certain ceiling steel framing members (CSFM) from China
- findings from Investigation 677 (REP 677) relating to steel corner beads and angles (SCBA) from China
- findings from Investigation 644 (REP 644 and TER 644) relating to certain interchangeable bolted clipping system brackets (brackets) from China
- findings from Investigation 645 (REP 645 and TER 645) relating to certain interchangeable bolted clipping system clip heads (clip heads) from China
- findings from Continuation inquiry 611 relating to certain zinc coated (galvanised) steel from China
- findings from Investigation 590 (REP 590) relating to continuation inquiry into HSS exported to Australia from China, Korea, Malaysia, Taiwan
- findings from Investigation 658 (REP 658) relating to HRC exported to Australia from China.
- ABS data to examine movements in residential building and construction activity that form part of the broader economic context for the goods.

The data supporting the commission's analysis of causation (volume and price effects), as detailed in the remainder of this Chapter, is at **Confidential Attachment 10**.

9.4 Rondo's claim concerning injury caused by dumped and subsidised goods

In its application, Rondo claimed that:

- There is a direct correlation between the ongoing presence and increased volumes of LGST imported from China and the Australian industry's decline in annual sales and market share for like goods.
- The Australian market has declined over the injury analysis and investigation period, and this has translated into material loss of market share for the Australian industry while imports from China have maintained their presence.
- The presence and pricing of dumped and subsidised goods from China have influenced the Australian industry's quarterly selling prices for like goods, requiring Rondo to suppress price increases in response to low-priced imports, particularly during the investigation period.
- Competitive pressure from the imported goods has contributed to lower prices, with Rondo asserting that it would have achieved higher prices in the absence of LGST exported from China at dumped and subsidised prices.

- Dumped and subsidised goods have been exported from China at sufficient volumes and at significantly low prices to cause the Australian injury to experience material injury, including lost sales volume, reduced market share, price suppression, price depression and reduced profits and profitability.

Based on the verified data and commission's assessment of the information outlined in Chapter 9.1 of this report, the Commissioner considers that there are sufficient grounds to support Rondo's claims.

9.5 Size of the dumping and subsidy margin

9.5.1 Size of the dumping margin

Section 269TAE(1)(aa) of the Act provides that in assessing material injury, regard may be given to the size of each of the dumping margins worked out in respect of the goods exported to Australia.

As outlined in Chapters 6 of this report, the commission has determined that the dumping margin for all exporters from China to be **41.8%.**

9.5.2 Size of subsidy margin

Section 269TAE(1)(ab) of the Act provides that in assessing material injury, regard may be given to the size of each countervailable subsidy margin worked out in respect of the goods exported to Australia.

As outlined in Chapter 7.7.1 of this report, the subsidy margin in respect of the goods exported by Kaize during the investigation period did not, at any time, exceed the negligible threshold for countervailable subsidy. Accordingly, the Commissioner terminated the subsidy investigation in relation to Kaize.

As outlined in Chapter 7.7.3 of this report, based on the subsidy margins determined in this Chapter of the report, the Commissioner is satisfied that LGST exported to Australia from China by *uncooperative and all other exporters* during the investigation period were subsidised and the subsidy margin was not negligible and the volume of exports was not negligible.

As outlined in Chapters 7 of this report, the commission has determined countervailable subsidy margin for all exporters (except Kaize) to be **4.5%.**

9.5.3 Commissioner's assessment of the dumping and subsidy margin

The Commissioner considers that the dumping and subsidy margins provided exporters with the ability to offer the goods to importers in Australia at prices lower than if there were no dumping and subsidisation.

9.6 Volume effects

The commission found that the Australian industry has experienced injury in the form of lost sales volume and reduced market share during the investigation period.

9.6.1 Injury claims relating to volume

In its application Rondo claimed that it could not maintain or increase sales volumes during the investigation period and attributed its material loss of market share to dumped and subsidised imports from China. Rondo submitted that imports of LGST from China increased over the investigation period, with a particularly marked rise in the year ending March 2024. Accordingly, these imports gained market share at the expense of domestic producers and constrained the Australian industry's ability to maintain sales volumes and market share.

Rondo further submitted that the increase in dumped imports coincided with reduced domestic sales volumes and a loss of market share, and that these imports undercut the Australian industry's selling prices.

The Commissioner considers that there are sufficient grounds to conclude that dumped and subsidised imports of LGST from China undercut the Australian industry's prices and contributed to a material reduction in sales volumes and market share.

9.6.2 Sales volume and market share

Figure 14 shows that the Australian industry lost market share over the four years, while Chinese exports increased their share. This shift occurred alongside an overall decline in total LGST volume in the Australian market.

As outlined in Chapter 8.3 of this report, over the injury analysis period, the market share of imports from China increased, while the Australian industry's market share declined.

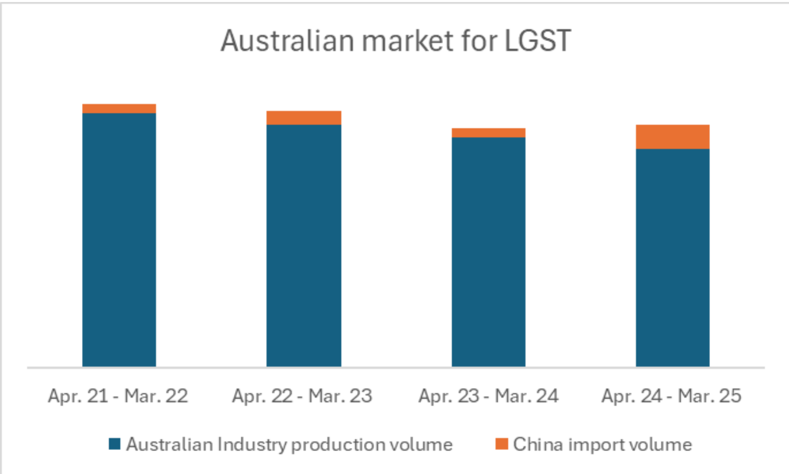

Figure 14: Australian market share by sales volume

Figure 14 indicates that imports from China increased significantly in the year ending 31 March 2025 compared to earlier years, displacing Australian industry production and sales volumes. By contrast, as discussed in Chapter 8.3.2 of this report, imports from other countries represented a relatively small and stable share of the market.

9.7 Price effects

As discussed in Chapter 8.4 of this report, the Commissioner considers that the Australian industry experienced adverse price effects during the investigation period, including price suppression and price depression.

As outlined in Chapter 9.7.2, the commission examined Rondo's prices against those of Intex and Hume. On an aggregate weight basis, measured in kilograms, the commission found that Intex and Hume undercut Rondo's prices by between 13.8% and 17.0%. The commission also assessed price undercutting by number of pieces and by lineal metres and found that Intex and Hume undercut Rondo's prices by between 7.4% and 25.9%.

9.7.1 Rondo's injury claims relating to price

In its application, Rondo claimed that the Australian industry prices had been undercut by dumped and subsidised imports from China and that this undercutting contributed to price depression and price suppression during the investigation period. Rondo further claimed that it would have higher selling prices and would not have experienced these price effects, in the absence of LGST exported from China at dumped and subsidised prices.

9.7.2 Price undercutting assessment

The commission has examined whether imports of LGST from China undercut the Australian industry's prices during the investigation period. This assessment used verified sales data from Australian industry, Hume and Intex and compared weighted-average quarterly unit prices on equivalent delivery and credit terms. For transparency, some credit notes were removed from the sales data provided by Intex as they created negative outliers and were verified as being credit notes rather than sales. The commission noted that Australian manufactured LGST and Chinese exports of LGST are substitutable and considered price is a key factor in customers' purchasing decisions.

While the Australian industry provides customers with price lists detailing recommended retail pricing, final prices are negotiated with customers on a case-by-case basis. Import offers and movements in the price of imports are used by customers to negotiate prices with the Australian industry.

The commission compared Rondo's price to the price achieved by Intex for its Chinese imports by MCC at a common customer level on a quarterly basis. The commission compared the price at an aggregate level by weight, lineal metres and by quantity of pieces.

The commission noted that in relation to a common customer of Rondo and Intex, the sales volumes had shifted from Rondo to Intex during the investigation period, coinciding with the levels of price undercutting observed.

Figure 15 shows that, at the aggregate level, Intex's and Hume's unit prices by weight were below those of the Australian industry in every quarter of the investigation period for which sales data was available. Noting that Hume did not sell imported LGST in the first three quarters of that period.

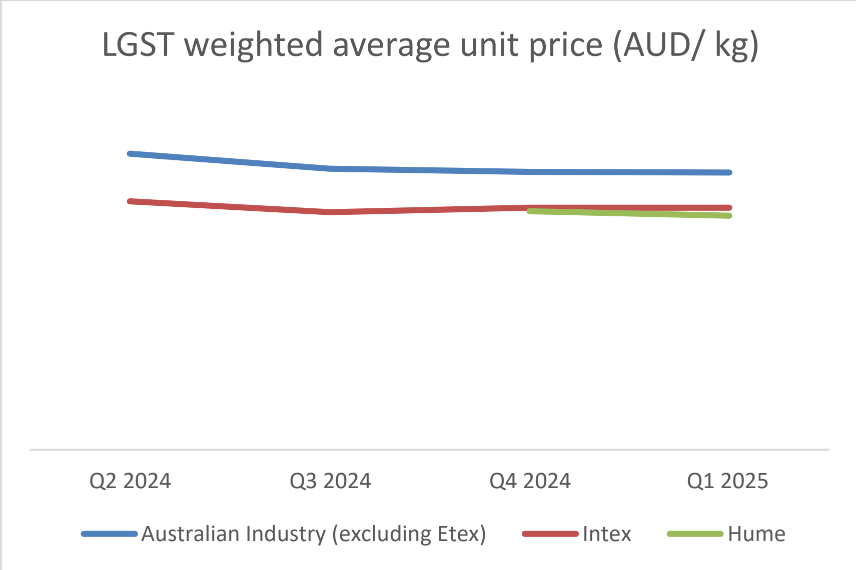

Figure 15: LGST price by weight over the investigation period (kg)

Figure 16 shows that, at the aggregate level, Intex's and Hume's unit prices by lineal meters were below those of the Australian industry in every quarter of the investigation period for which sales data was available. As noted above, Hume did not sell imported LGST in the first three quarters of that period.

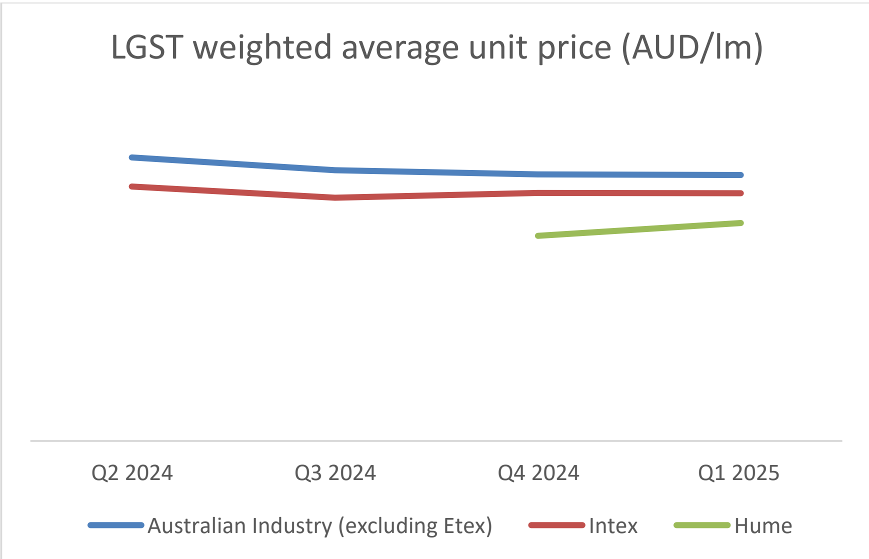

Figure 16: LGST price by length over the investigation period (lm)

The commission's assessment shows that weighted average quarterly unit price at aggregate weight level shows Intex undercutting Australian industry's price between 15.1% and 18.1%, while Hume undercut Australian industry between 16.8% to 18.1%.

Furthermore, prices by length per lineal metre, Intex undercutting Australian industry's prices between 7.4% and 11.1% while Hume undercutting was between 20.2% to 25.9%.

The Commissioner has found that Australian industry's prices were undercut by dumped and subsidised exports from China.

The commission's price undercutting analysis is at **Confidential Attachment 11**.

9.7.3 Common customers assessment

The commission noted that some customers purchased comparable product codes from both Australian industry members and importers during the investigation period. The commission selected high-volume sales to common customers and compared their prices. The commission noted that Intex did not sell the selected products in the first quarter of the investigation period. Accordingly, the comparison of unit prices was limited to the quarters in which both an Australian industry member and the importer made comparable sales.

The commission also examined price undercutting by Intex at the product-code level for those common customers. Furthermore, purchasing patterns showed a shift in supply from Rondo to Intex over the investigation period, with Rondo's sales volumes declining as Intex's volumes increased.

Figure 17 compares the weighted average unit price per kilogram for a common customer purchasing equivalent product codes.

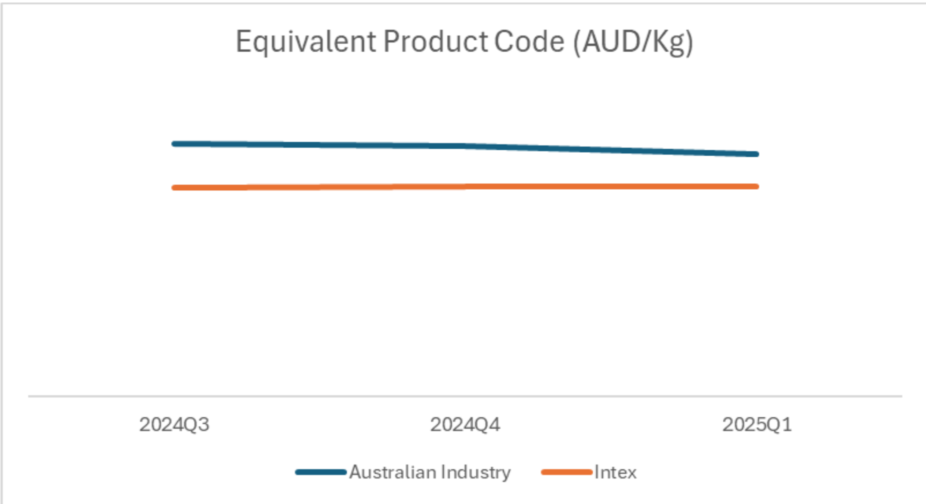

Figure 17: Price comparison models 3S6430 (Intex) and 11203000 (Rondo)

Figure 17 shows that the Australian industry's price declined in each quarter, while Intex's price remained broadly stable during the three quarters in which sales were made to that customer.

Figure 18 compares weighted average unit price per kilogram prices of another comparable product code.

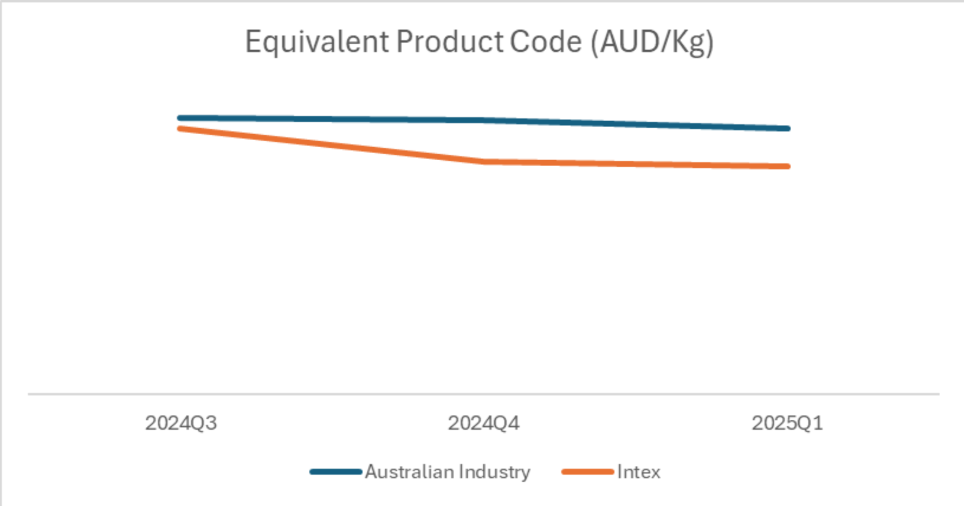

Figure 18: Price comparison models 3S9230 (Intex) and 25103000 (Rondo)

Figure 18 compares prices of another comparable product code, with both the Australian industry and Intex reducing prices, noting that Intex's prices consistently undercut Australian industry's price.

9.7.4 Price suppression and price depression assessment

As discussed in chapter 8.4 of this report, the commission considers that Australian industry experienced price suppression and price depression during the investigation period. Australian industry's selling prices declined in the investigation period at a more significant rate than its costs.

9.7.5 Commission's assessment on price effects

The Commissioner has found that dumped and subsidised imports from China have influenced price of the goods for the Australian industry in the investigation period. There is evidence of sustained price undercutting at the aggregate and the product-code level, price suppression and price depression.

These price effects are relevant to the commission's broader assessment of injury and causation and are considered in conjunction with volume and profit effects discussed below.

9.8 Profit effects

As outlined in Chapter 8.4 of this report, the Commissioner has found that the Australian industry has suffered injury in the form of reduced profit and profitability. This decline was caused by dumped and subsidised imports from China, which limited the Australian industry's ability to increase prices and improve returns.

9.9 Other economic factors

As outlined in Chapter 8.5 of this report, the Commissioner has found that the Australian industry experienced injury in the form of lost sales volume which coincided with an increase in import volumes from China. The increase in imports coincided with a reduction in the volume of like goods produced by the Australian industry. This decline in production activity also contributed to lower productivity outcomes, as the volume of output generated per employee decreased over the investigation period.

The Commissioner further considers that the reduction in production and sales revenue contributed to a decline in Rondo's ROI. While fixed and operating costs remained relatively stable, the decrease in output and revenue resulted in lower profits relative to revenue, thereby reducing Rondo's ROI. The decline in profitability and production also contributed to reduced asset values over the injury period, as the assets generated lower returns. In addition, Rondo's wage bill increased over the injury period, notwithstanding the reduction in production volumes and productivity. The commission considers this increase in wage costs, when assessed against falling production levels, to be indicative of further injury in these other economic factors.

Having regard to the analysis, the Commissioner considers that the presence of dumped and subsidised imports from China contributed to the injury in the form of other economic factors relevant to Rondo during the investigation period.

9.10 Injury factors other than dumping and subsidisation

Section 269TAE(2A) states that the Minister must consider whether any injury to an industry is being caused or threatened by a factor other than the exportation of the goods. If so, the Minister must not attribute such injury solely to the exportation of the goods. Section 269TAE(2A) of the Act lists the following factors to consider:

- the volume and prices of imported like goods that are not dumped or subsidised
- contractions in demand or changes in patterns of consumption
- restrictive trade practices of, and competition between, foreign and Australian producers of like goods
- developments in technology
- the export performance and productivity of the Australian industry.

The Commissioner considers these factors and other potential causes of injury to the Australian industry, other than dumped and subsidised goods exported from China. Certain other factors were raised by Intex in its submissions on injury, which are set out and considered by the commission in PAD 679[52] and are summarised below.

9.11 Pre-SEF submissions on injury

9.11.1 Submissions by Rondo and Intex

The commission received four submissions from Intex challenging Rondo's claims of material injury caused by dumped and subsidised goods from China. The commission also received five submissions from Rondo countering Intex's claims.

As noted in Chapter 2.7.8 of this report, the commission's detailed assessment of Intex's and Rondo's submissions is set out in the PAD published on 25 May 2026.

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[52] PAD 679, pages 32-36 refers.

Other injury factors

In its submissions of 5 and 10 June 2026, Intex made a number of claims, as discussed below.

Intex claims that the commission had not fully considered other market factors influencing the LGST market in Australia, including Rondo's relationship with BlueScope Sheet Metal Supplies. Additionally, Intex raised its concerns regarding the commission's analysis of the information provided by Rondo, Studco and Etex.

Intex claimed that the Australian market for LGST is dominated by three major sellers of ceiling and wall systems: Rondo, Studco and Etex. Intex claimed that there are strong similarities in the business practices of these three entities and emphasised that all of them were highly profitable throughout the investigation period. Intex asserts that the Australian LGST market is oligopolistic, dominated by a small number of large firms (Rondo, Studco and Etex) with significant market power.

Rondo's financial data

Intex claimed that no comparative financial data is presented in Rondo's verification report, which Intex claims negates any conclusions on causation or "material" injury to Australian industry. Intex asserts that Rondo did not lose money on the production of any of its LGST, and that Rondo reduced prices in accordance with standard business practices.

Etex's verification report

Intex claimed that Etex's verification report published on the commission's EPR contains 'unreliable' information. Intex claimed that the economic impact charts in the verification report and consideration of ancillary injury factors, price pressure and market share decline are inappropriate and unsupported.

Intex submitted that price competition is a normal feature of a competitive market and not evidence of material injury caused by imports. Intex claims that Etex's acquisition of a major plasterboard business provides Etex with a competitive advantage through vertical integration and its ability to bundle products, enabling Etex to cross-subsidise LGST sales and operate as a "one-stop shop".

Other Australian manufacturers

Intex alleged that the omission of two other Australian manufacturers, Nashco and Bryko, from the commission's assessment of the Australian market for the goods is likely to understate market size and overstate the market share of imports.

Rondo's relationship with BlueScope

Intex asserts that Rondo and its raw material supplier have a '*special relationship*' that is highly favourable to Rondo. Intex claims that the commission has not investigated this relationship and alleges that prices between the two entities may not be at arm's length.

Rondo's motivations

Intex questioned Rondo's rationale for lodging anti-dumping applications in relation to this investigation and two recently completed investigations, cases 653 and 677. Intex submitted that Rondo was seeking to strengthen its position in a declining market and was responding to investment activity by other Australian industry participants, including Etex's acquisition of an Australian plasterboard business.

9.11.2 Commission's assessment

Other injury factors

As outlined in Chapter 9.9 of this report, the commission has considered injury factors other than dumping and subsidisation.

As outlined in Chapter 8 of this report, the commission's analysis of sales volumes and market shares across Australian manufacturers shows that the Australian industry experienced declines in LGST sales and market share over the injury analysis period. As noted in Chapters 5 and 9 of this report, demand for LGST weakened following the peak in residential construction in FY2021. However, as outlined in Chapter 5.4 of this report, despite this overall contraction in demand, there has been an increase in market share for the goods, with imports from China displacing the Australian industry's market share.

As discussed in Chapter 8 of this report, the Commissioner has found that dumped and subsidised goods undercut Australian industry prices during the investigation period and contributed to price depression and price suppression in respect of the Australian industry's like goods. Overall, the Commissioner considers that the presence and pricing of dumped and subsidised imports constrained the Australian industry's ability to increase prices in line with cost movements, thereby placing downward pressure on selling prices during the investigation period.

Rondo's financial data

The Commissioner has noted that Rondo is the largest Australian manufacturer, accounting for approximately 60% of industry production. Rondo also accounts for more than 25% of total production of like goods in Australia. Accordingly, Rondo's information is sufficient to satisfy the application requirements and to support the commission's injury assessment.

While Studco and Etex supported Rondo's application, provided information to the commission, and were verified by the commission, Rondo's verified information was sufficient to assess the economic condition of the industry.

The verifications conducted by the commission were in line with the commission's verification procedures and reporting requirements published on the commission's website. In assessing the economic condition of the Australian industry outlined in Chapter 8 of this report, the commission consolidated verified data submitted by Rondo, Studco and Etex on an annual basis, with each period commencing on 1 April and ending on 31 March, consistent with the investigation period.

As outlined in Chapter 9.8 of this report, the Commissioner considers that the Australian industry has suffered injury in the form of reduced profit and profitability. This decline was caused by dumped and subsidised imports from China, which limited the Australian industry's ability to increase prices and improve returns.

Other Australian manufacturers

As outlined in Chapter 4 of this report , during the course of the investigation the commission become aware that Bryko and Nashco may also be Australian manufacturers of the goods and has sent Australian industry member market questionnaires to both companies. Bryko and Nashco did not respond to the commission's request.

Furthermore, as outlined in Chapter 4.3.6 of this report, given their nominal volume of sales, the commission considers that Bryko and Nashco are likely to have only a minimal effect on the Australian market assessment and injury factors.

Rondo's relationship with BlueScope

As outlined in Chapter 4.3 of this report, the commission verified information submitted by Rondo in its application. During verification, the commission examined the relationships between Rondo and parties involved in the production and sale of the goods. The commission did not find evidence of non-arm's length transactions involved in the production and sale of the goods, including in relation to BlueScope Sheet Metal Supplies.

The Commissioner has noted Intex's concerns in relation to Rondo's anti-dumping applications in this case and two other recently completed cases, 653 and 677.

9.12 Conclusion

Having regard to all available information to the commission, the Commissioner considers that factors such as construction market conditions and competition from other Australian industry manufacturers may have contributed to aspects of Rondo's overall commercial performance. However, these factors do not adequately explain the adverse price outcomes identified for LGST. The evidence shows that LGST are not system-integrated components, that customers purchased LGST as standalone items rather than as part of system bundles and that imported LGST exerted direct pricing pressure during the investigation period.

9.13 Materiality of injury

The Commissioner is satisfied that the Australian industry has experienced material injury caused by dumped and subsidised goods exported to Australia from China in the investigation period.

9.13.1 Materiality assessment

The term 'material' in the context of determining whether material injury has been or is being caused is not defined in the Act. However, the Material Injury Direction directs the commission to consider 'material injury' to be injury that is not 'immaterial, insubstantial or insignificant'.[53] There is no threshold amount that is capable of general application and identifying material injury will depend on the circumstances of each case and will differ from industry to industry and from time to time. A material injury assessment involves a range of factors that are considered together, and no one or several of these factors can necessarily give decisive guidance.

The Material Injury Direction provides that injury from dumping and subsidisation need not be the sole cause of injury to the industry, where injury caused by dumping and/or subsidisation is material in degree. It further provides that the commission will judge the materiality of injury caused by a given degree of dumping or subsidisation differently, depending on the economic condition of the Australian industry suffering the injury.

In considering the circumstances of each case, the Commissioner must consider whether an industry that at one point in time is healthy and could shrug off the effects of the presence of dumped or subsidised products in the market, could at another time, weakened by other events, suffer material injury from the same amount and degree of dumping or subsidisation.

When considering the materiality of the injury caused by dumping, the commission had regard to several factors, including:

- the size of the dumping and subsidy margins as outlined at Chapter 9.5 of this report
- the magnitude of price undercutting by dumped and subsidised imports as outlined in Chapter 9.7 of this report, and the perceived importance of price in purchasing decisions
- the change in Australian industry's prices relative to the prices of imports from China
- the change in the volume and market share of imports and of the Australian industry.

Noting the Commissioner's has found that the Australian industry has suffered injury in the LGST market from dumped and subsidised goods, the Commissioner assessed whether this injury is material.

9.13.2 Pricing injury

As set out in Chapter 9.7 of this report, the Commissioner considers that the Australian industry experienced adverse price effects during the investigation period, including price suppression and price depression.

The Australian industry's selling prices declined during the investigation period despite relatively stable CTMS, and prices did not increase in line with rising costs earlier in the injury analysis period. The commission's price undercutting assessment indicates that, in the absence of dumping and subsidisation, the Australian industry would likely have achieved materially higher prices for LGST.

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[53] ADN 2012/24, New Ministerial Direction on Material Injury.

9.13.3 Volume injury

As outlined in Chapters 5.4 and 9.6.2 of this report, the Australian industry's sales volume and market share declined while imports from China increased their share of the Australian market during the investigation period. While overall market demand contracted following the FY2021 peak in construction approvals and commencements, the Australian industry's loss of market share during the investigation period occurred at a time when imports from China increased. This pattern is consistent with imports displacing sales of Australian produced like goods.

9.13.4 Profitability effects

The verified financial data for the Australian industry shows a significant decline in profitability for LGST during the investigation period, driven by suppressed selling prices and a narrowing margin between revenue and CTMS. This reduction in profitability is consistent with the price effects identified and with the commission's assessment that the Australian industry was unable to increase or maintain prices in response to cost movements due to the presence of lower-priced imported goods.

9.13.5 The commission's assessment

The Commissioner considers that the Australian industry has suffered injury in the form of price suppression and price depression. The Australian industry has also suffered volume injury as a result of the increased volume of goods imported at dumped and subsidised prices from China. The combined effects on price and volume caused by dumping and subsidisation has led to a reduction in the Australian industry's profit and reduced its profitability.

When considered in totality, the Commissioner has found that the injury experienced by the Australian industry caused by dumped and subsidised goods is not immaterial, insubstantial or insignificant. Therefore, the Commissioner is satisfied that exports of the dumped and subsidised goods caused material injury to the Australian industry producing like goods.

10 WHETHER DUMPING AND SUBSIDISATION MAY CONTINUE

10.1 Findings

The Commissioner has found that exports of the goods to Australia from China may continue in the future at dumped and subsidised prices.

10.2 Legislative framework

When publishing a notice under sections 269TG(2) and 269TJ(2) of the Act, the Minister must be satisfied that, among other things, dumping and subsidisation may continue.

In assessing whether dumping may continue, the Commissioner considers the term ‘may’ to mean ‘possible’.

10.3 Whether dumping may continue

In assessing whether dumping may continue, the Commissioner considers prior evidence of dumping to be a relevant consideration. To assess whether dumping and subsidisation may continue, the commission has had regard to the following:

- dumping and subsidisation in the investigation period
- competition between Chinese suppliers
- sales volumes in the Australian market
- distribution links, and
- production capacity.

10.3.1 Dumping and subsidisation in the investigation period

In assessing whether dumping and subsidisation may continue, the Commissioner considers prior evidence of dumping and subsidisation to be a relevant consideration in that assessment.

The commission found that the goods were exported to Australia from China during the investigation period at dumped prices. The dumping margins were 41.8% as outlined in section 6.1 of this report. Given the significance of the dumping margins, the commission considers that dumping may continue into the future.

The commission also found significant rates of subsidisation in relation to *uncooperative and all other exporters* from China during the investigation period. The subsidy margins were 4.5% as outlined in section 7.1 of this report. The legislation and policies underpinning many of these countervailing subsidy programs also indicate that these subsidies will remain in place. The Commissioner is consequently satisfied that these subsidy programs may continue into the future.

10.3.2 Competition

Evidence before the Commissioner suggests that Australian industry and importers compete to supply the Australian market with price being a relevant consideration in customers’ purchasing decisions. Given the substitutability of the goods from China, sourcing from an import source is a relevant consideration in customers' purchasing decisions.

The nature of competition in the Australian market is such that the multiple exporters of the goods may continue to compete by exporting the goods at dumped and subsidised prices in the future.

10.3.3 Volume trends

The commission further examined imports after April 2025. This examination indicates that imports of the goods have continued after the investigation period and have been imported in greater volumes.

The commission considers that the trend in increasing sales volumes of imported goods from China indicates that dumped and subsidised goods are increasingly being preferred over those being sold by the Australian industry, which is supported by the finding that the Australian industry has lost market share over the period examined. According to the ABF data the import volumes from China have continued to increase since the investigation period. Therefore, exporters of the goods may have an incentive to continue selling goods to importers at dumped and subsidised prices so that importers remain competitive on price and continue to increase their sales volumes in the Australian market.

10.3.4 Distribution links

The commission identified that importers of the goods have existing supply arrangements with Chinese exporters, which were in place prior to and during the investigation period. The commission considers that these importers are established importers and distributors of LGST in the Australian market and therefore will likely remain major participants in the Australian market on the presumption that those goods are sold at dumped and subsidised prices.

10.3.5 Available production capacity

According to the OECD Steel Outlook 2025 report, the global steel market is in a precarious state with excess capacity growing from unsustainably high levels.[54] Asian economies are expected to account for 60% of the new capacity, led by substantial increases in China, India and the Association of Southeast Asian Nations (ASEAN).[55] The excess production capacity may induce manufacturers of the goods to continue exporting the goods to Australia at dumped and subsidised prices.

10.4 Conclusion

Based on the available evidence, and for the reasons set out above, the Commissioner is satisfied that exports of the goods from China may continue in the future at dumped and subsidised prices.

[54] OECD Steel Outlook 2025, p 16.

[55] Ibid.

11 NON-INJURIOUS PRICE

11.1 Findings

The Commissioner has found that the non-injurious price (NIP) is less than the normal value for all exporters from China, and that none of the exceptions to the mandatory consideration of the 'lesser duty rule' apply.

The NIP was established based on a constructed unsuppressed selling price (USP), which is discussed below. Consequently, the Minister is required to have regard to the desirability of specifying a lesser amount of duty in respect of the goods exported by each exporter.

The Commissioner considers that the Minister should apply the lesser duty rule (such that the sum of the ascertained export price and the IDD does not exceed the NIP) on the basis that the lesser amount is adequate to prevent the injury caused to the Australian industry by dumped and subsidised goods.

11.2 Legislative framework

Interim dumping duty (IDD) may be applied where it is established that dumped imports have caused material injury to the Australian industry producing like goods. The level of IDD imposed by the Minister cannot exceed the margin of dumping. Where the Minister is required to determine the IDD, section 8(5B) of the (Dumping Duty Act) applies. Similarly, where the Minister is required to determine the interim countervailing duty (ICD), section 10(3C) of the Dumping Duty Act applies. Where the Minister is required to determine both IDD and ICD in respect of the same goods at the same time, sections 8(5BA) and 10(3D) apply.

The NIP is relevant to sections 8(5B), (5BA), 10(3C) and (3D) of the Dumping Duty Act, which requires the Minister to consider the desirability of specifying a lesser amount of duty if sufficient to remove injury to the Australian industry,[56] unless one of the exceptions in sections 8(5BAA), (5BAAA), 10(3CA) or (3DA) of the Dumping Duty Act applies. The commission also utilises the NIP as an additional test to establish whether there is a causal link between the alleged dumping/subsidisation and material injury.

The Manual specifies that the commission will generally derive the NIP from an unsuppressed selling price (USP). The USP is a selling price that the Australian industry could reasonably achieve in the market in the absence of dumped or subsidised imports.[57]

The commission's preferred approach to establishing the USP is outlined in Chapter 24 of the Manual and observes the following hierarchy:

- Australian industry's selling prices at a time unaffected by dumping or subsidisation

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[56] This is determined by ensuring that the sum of the ascertained export price and the IDD does not exceed the NIP.

[57] *Dumping and Subsidy Manual*, page 137.

(market price method)
- constructed industry prices, using the Australian industry's CTMS and a rate for profit, or
- selling prices of undumped imports.

11.3 Assessment of USP and NIP

The commission has calculated the USP by applying the constructed approach, using the Australian industry's CTMS data and a reasonable amount for profit.

The commission has found that the goods exported to Australia from China during the investigation period were dumped and subsidised. Furthermore, the commission found that imports from China were prevalent in the Australian market in preceding periods. The commission also considers that the Australian industry selling prices remain affected by dumping and that the market will continue to be supplied by dumped imports. The commission considers that a USP, and therefore NIP, derived using the Australian industry's actual selling prices during these periods would not be effective in preventing the injury, or a recurrence of the injury, caused by dumping and subsidisation

Noting that the Australian industry's selling prices in the investigation period are not suitable for establishing a USP, the commission considers that a constructed USP using the Australian industry's CTMS and an amount for profit would be preferable. Accordingly, the commission determined a USP having regard to the Australian industry's CTMS in the investigation period and weighted average profit achieved by the Australian industry prior to the investigation (12 months ending on 31 March 2024).

The commission used the profit based on the commission's assessment that this period was the least affected by the presence of dumped imports. By using the profit margin, the commission aimed to ensure that the constructed USP reflects the level of profitability that the Australian industry could reasonably expect to achieve under normal market conditions, absent the effects of dumping. However, the commission recognises that the Australian market during this period was still supplied by a material volume of imports from China and therefore the Australian industry's profit may also have been suppressed in this period because of these imports.

To derive a NIP at FOB terms for goods exported from China, the commission deducted from the USP the following verified costs obtained from Hume:

- importer SG&A expenses and an amount for profit
- overseas freight and marine insurance
- port handling and other charges
- inland freight

The commission's USP and NIP calculations are at **Confidential Attachment 12.**

11.4 Lesser duty rule

The Minister is not required to have regard to the lesser duty rule where the Minister is satisfied that certain circumstances exist:

- the normal value of the goods was not ascertained under section 269TAC(1) of the

Act because of the operation of section 269TAC(2)(a)(ii) of the Act; or

- the Australian industry in respect of like goods consists of at least two small-medium enterprises (SMEs);[58] or
- the country in relation to which the subsidy has been provided has not complied with Article 25 of the SCM Agreement for the compliance period.

Where any of these exceptions apply, the Minister is not required to consider the lesser duty rule but may still exercise the discretion to do so.

Exception 1

The commission notes that the normal value of the goods was not determined under section 269TAC(1) of the Act. The normal value was determined under section 269TAC(2)(c) of the Act. This was because of the operation of section 269TAC(2)(b) of the Act. Section 269TAC(2)(a)(ii) of the Act was not operative in determining the normal value of goods.

Exception 2

Post-SEF submission by Rondo

In its submission of 7 July 2026, Rondo submitted that the Commissioner should recommend that the Minister is not required to apply the lesser duty rule in this inquiry. Rondo submitted that this exception applies because the Australian industry producing like goods consists of at least two small–medium enterprises (SMEs), namely Bryko and Nashco.

Rondo stated that, if at least two of the five Australian manufacturers are SMEs, the exception in sections 8(5BAA) and 8(5BAAA) of the Dumping Duty Act apply, and the Minister is therefore not required to consider the lesser duty rule. Rondo provided confidential email correspondence from Bryko and Nashco in which both entities stated that they meet the SME requirements. This correspondence is at **Confidential Attachment 13.**

Rondo also submitted that Bryko and Nashco manufactured and sold two other products in the Australian market that were recently investigated by the commission, namely *steel battens and furring channels members (case 653) and steel corner beads and angles* (case 677). On this basis, Rondo submitted that the lesser duty rule should not apply in those cases if Bryko and Nashco are SMEs.

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[58] 'Small-medium enterprise' has been prescribed by the *Customs (Definition of "small-medium enterprise") Determination 2023* for the purposes of section 269T(1) to mean, a producer or manufacturer with 200 or fewer full-time staff, which is independently operated and which is not a related body corporate for the purposes of the *Corporations Act 2001*.

Commission's assessment

As discussed above, the Minister is not required to have regard to the lesser duty rule where the Minister is satisfied that there is an Australian industry in respect of like goods that consists of at least 2 SMEs.

The definition of SME is set out in the *Customs (Definition of "small-medium enterprise") Determination 2023*, which states that:

> For the purposes of subsection 269T(1) of the *Customs Act 1901,* the term small-medium enterprise is defined to mean a producer or manufacturer with 200 or fewer full-time staff, which is independently operated and which is not a related body corporate for the purposes of the *Corporations Act 2001.*

Section 50 of the *Corporations Act 2001* defines a *related body corporate* as follows:

> Where a body corporate is:
> (a) a holding company of another body corporate; or
> (b) a subsidiary of another body corporate; or
> (c) a subsidiary of a holding company of another body corporate;
> the first-mentioned body and the other body are related to each other.

Based on the information submitted by Rondo and the commission's own research, the commission is not satisfied that Bryko and Nashco are SMEs for the purpose of this investigation. This is because:

- The commission conducted a search of the Australian Securities and Investments Commission (ASIC) database. The ASIC search indicated that a number of entities may be associated with Bryko and Nashco, and therefore both companies would be a related body corporate and not meet the SME definition. ASIC information is at **Confidential Attachment 14**.
- Nashco and Bryko did not respond to the Australian industry market questionnaire, nor did either company provide a submission to the commission. Accordingly, the commission was unable to verify or validate the information submitted by Rondo in relation to Bryko and Nashco.

The commission has noted Rondo's concerns regarding recently completed cases 653 and 677. However, as discussed above, the Commissioner is not satisfied that Bryko and Nashco are SMEs. Accordingly, no further consideration is required in relation to cases 653 and 677.

Exception 3

The commission has noted that information on the World Trade Organization website indicates that China has notified the WTO on subsidies under Article 25 of the SCM Agreement.[59]

11.5 Conclusion

Based on the above assessments, The Commissioner is satisfied that none of the exceptions apply in this investigation.

Additionally, while the Minister must have regard to the desirability of applying the lesser duty rule, the Minister retains discretion as to whether a lesser amount of duty should ultimately be applied. In this case, the Commissioner considers that the Minister should exercise their discretion to fix a lesser amount of duty (as outlined in Table 15, which is less than the dumping and subsidy margin for each exporter) on the basis that the lesser amount of duty is adequate to prevent the injury caused to the Australian industry by dumped and subsidised goods.

Exporter	Duty method	Effective rate of ICD and IDD before application of lesser duty	Effective rate of ICD and IDD after application of lesser duty
Kaize	*Ad valorem*	41.8%	37.8%
Uncooperative and all other exporters	*Ad valorem*	45.3%	37.8%

Table 15: Interim duty rates on the application of lesser duty rule

Chapter 12.4 of this report sets out the combined dumping and subsidy margins before and after application of the lesser duty rule, removal of LTAR, and elimination of double counting.

Post-SEF submission by Hume

In its submission dated 2 July 2026, Hume submitted that the commission's proposed NIP appeared to exceed the level necessary to remedy any injury attributable to dumping.

Hume requested that the commission consider the invoices, discussed in Chapter 6.8.1 of this report, as evidence before making its final recommendation to the Minister. Hume further submitted that the commission should reassess the proposed measures in the SEF by reference to actual market pricing and, where necessary, amend those measures to ensure they do not exceed the level required to remedy any injury caused by dumping.

[59] World Trade Organization, Committee on Subsidies and Countervailing Measures, Subsidies: New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures, G/SCM/N/430/CHN.

Commission's assessment

The commission's assessment of the invoices is set out in Chapter 6.8.1 of this report. As the Commissioner is not satisfied that the information provided by Hume constitutes sufficient evidence, the commission is satisfied that no further assessment of the NIP in relation to uncooperative and all other exporters is required.

12 DUTY METHOD AND RATES OF DUTY

12.1 Findings

The Commissioner recommends the Minister determines that IDD payable on goods is an amount worked out in accordance with the *ad valorem* duty method that may become payable by importers of the goods exported from China.

In respect to the subsidy investigation, the Commissioner recommends the Minister determines that ICD payable on goods is an amount worked out in accordance with the *ad valorem* duty method that may become payable by importers of the goods exported by *uncooperative and all other exporters* from China.

12.2 Dumping and countervailing duty methods

12.2.1 Legislative framework

The *Customs Tariff (Anti-Dumping) Regulation 2013* prescribes the forms of duty available to the Minister when imposing anti-dumping measures. They are:

- fixed duty method ($X per tonne)
- floor price duty method
- combination duty method
- *ad valorem* duty method (i.e. a percentage of the export price).[60]

The forms of duty available in relation to countervailing measures are outlined in section 10(3B) of the *Customs Tariff (Anti-Dumping) Act 1975*.

The various forms of duty all have the purpose of removing the injurious effects of dumping and/or subsidisation. In achieving this purpose, certain forms of duty will better suit particular circumstances. 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* (the Guidelines) and relevant factors in the market for the goods.[61]

12.2.2 Fixed duty method

A fixed duty method operates to collect a fixed amount of duty – regardless of the actual export price of the goods. The fixed duty is determined when the Minister exercises their powers to ascertain an amount for the export price and the normal value.

12.2.3 Floor price duty method

The floor price duty method sets a ‘floor’ – for example, a normal value of $100 per tonne – and duty is collected when the actual export price is less than that normal value of $100

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[60] Section 5 of the *Customs Tariff (Anti- Dumping) Regulation 2013*.

[61] *Guidelines on the Application of Forms of Dumping Duty* (November 2013).

per tonne. The floor price is either the normal value or the NIP, whichever becomes applicable under the duty collection system.

12.2.4 Combination duty method

The combination duty method comprises 2 elements: the ‘fixed’ element and the ‘variable’ duty element. The fixed element is determined when the Minister exercises powers to ‘ascertain’ an amount (i.e. set a value) for the export price and the normal value. Either this may take the form of a fixed duty or an *ad valorem* applied to the ascertained export price.

If the actual export price of the shipment is lower than the ascertained export price, the variable component works to collect an additional duty amount, i.e. the difference between the ascertained export price and the actual export price. It is a ‘variable’ element because the amount of duty collected varies according to the extent the actual export price is beneath the ascertained export price.

12.2.5 *Ad valorem* duty method

The *ad valorem* duty method applies a proportion of the actual 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 protective effect.

12.3 The commission’s consideration on duty methods

The Commissioner recommends that the IDD and ICD payable on the goods exported from China should be worked out using the *ad valorem* duty method.

The commission found that there are many different types of LGST that are exported to Australia. The commission also found that there is significant price variation between the different LGST types. The Guidelines specify that the *ad valorem* duty method has an advantage where there are many models or types of goods which have varied prices, as the method does not require an ascertained export price or floor price which may not be meaningful where prices differ significantly between models.

Given this, the Commissioner considers the *ad valorem* duty method to be the most appropriate method to remove the injurious effects of dumping and subsidisation.

As the NIP is less than the normal value determined for all exporters from China, the Commissioner had regard to the NIP in working out the amount of duty payable. The Commissioner considers that a lesser amount of duty, such that the sum of the ascertained export price, ICD and the IDD does not exceed the NIP, is adequate to prevent the injury caused to the Australian industry by dumped and subsidised goods.

Using the *ad valorem* duty method, the IDD payable on the goods exported from China is worked out by calculating the amount of the difference between the ascertained export price of the goods and the NIP. The amount of the difference is expressed as a proportion or percentage of the ascertained export price to derive a fixed rate of IDD. The fixed rate is applied to the actual export price of the goods to determine the amount of IDD payable on the imported goods.

As noted in the Manual for ICD, in most instances the *ad valorem* duty method is likely to be the most suitable duty method as the rate of subsidisation is expressed as a percentage of the value of the goods. Consequently, the commission recommends the *ad valorem* duty method in relation to ICD.

The rate of IDD and ICD payable on the goods imported from China is summarised in Table 16 of this report.

12.4 Avoidance of 'double counting' of subsidy program in the dumping margin

The Commissioner has found that *uncooperative and all other exporters* received countervailable subsidies under *Program 1 – Hot rolled steel provided by government at less than fair market value.* When there is both an adjustment to raw material costs as part of constructing a normal value and a countervailable LTAR subsidy (such as Program 1), the commission will generally 'back out' the relevant subsidy from the dumping margin in order to avoid any double counting.

The Manual provides a further explanation:

> *The Commission may decide to construct normal value for the goods in question under section 269TAC(2)(c) of the Act in certain circumstances. In some of these circumstances, the cost of an input may not reasonably reflect competitive market costs and therefore an adjustment to that input cost is made in constructing normal value. Where that input was also the subject of a less than adequate remuneration subsidy finding, it is necessary to 'back out' the relevant subsidy from the dumping margin in order to avoid any double counting.*[62]

Program 1 is in respect of hot rolled steel provided at LTAR (in the subsidy margin calculation) and the commission has adjusted galvanised steel cost as a cost input in constructing the normal value for exporters, therefore the dumping margin calculation also addresses the impact of Program 1 on exporters' costs.

To avoid this double counting, it is necessary for the commission to 'back out' the Program 1 subsidy from either the dumping margin or the subsidy margin for all exporters of the goods from China. The commission's usual practice to avoid a double count is to deduct the LTAR subsidy margin from the dumping margin, as outlined in the Manual.

Table 16 provides a summary of the resulting combined dumping and subsidy margins before and after applying the lesser duty rule and removing LTAR and double counting.

[62] The Manual (December 2021) p 93.

Exporter	Rates	IDD			ICD	Combined IDD and ICD	Form of measures
		Before LTAR removed[63]	LTAR	After LTAR removed			
Kaize	Before lesser duty rule applied	41.8%	N/A	41.8%[64]	N/A	41.8%	*Ad valorem IDD only*
	After lesser duty rule applied	37.8%	N/A	37.8%	N/A	**37.8%**	
Uncooperative and all other exporters	Before lesser duty rule applied	41.8%	1.0%	40.8%	4.5%	45.3%	*Ad valorem IDD and ICD*
	After lesser duty rule applied	34.8%	1.0%	33.3%	4.5%	**37.8%**	

Table 16: Recommended duty rates and form of measures

The commission notes that the proposed IDD rate for Kaize and combined rate of IDD and ICD for *uncooperative and all other exporters* is 37.8%. This is due to consideration of the lesser duty rule as outlined in Chapter 11.4 of this report.

[63] Less than adequate remuneration (LTAR).

[64] LTAR is not applicable to Kaize.

13 RECOMMENDATIONS

The Commissioner has found that the dumped and subsidised LGST exported to Australia from China has caused material injury to the Australian industry producing like goods. The Commissioner recommends that the Minister publish:

- a dumping duty notice in relation to LGST exported to Australia from China by *all exporters;* and
- a countervailing duty notice in relation to LGST exported to Australia from China by *uncooperative and all other exporters.*

The Commissioner recommends the Minister **be satisfied that**:

- in accordance with section 269TAB(3) of the Act, sufficient information has not been furnished, or is not available, to enable the export price of LGST exported to Australia from China to be ascertained under the section 269TAB(1) of the Act
- in accordance with section 269TAC(6) of the Act, sufficient information has not been furnished, or is not available, to enable the normal value of LGST exported to Australia from China to be ascertained under the preceding sections of section 269TAC of the Act
- the weighted average of export prices over the investigation period is less than the weighted average of corresponding normal values over that period and therefore, in accordance with section 269TACB(4) of the Act:
  - the goods are taken to have been dumped;
  - the dumping margin for those goods is the difference between the weighted average of export prices during the investigation period and the weighted average of normal values during that period, as set out in chapter 6 of this report;
- in accordance with section 269TACD(1) of the Act, countervailable subsidies have been received in respect of LGST exported to Australia from China by *uncooperative and all other exporters*
- in accordance with section 269TG(1) of the Act, the amount of the export price of LGST that have been exported to Australia from China is less than the amount of the normal value of those goods and because of that, material injury to an Australian industry producing like goods would have been caused if security under section 42 of the Act had not been taken
- in accordance with section 269TG(2) of the Act, the export price of LGST that have already been exported to Australia from China is less than the normal value of those goods and the export price of LGST that may be exported to Australia from China in the future may be less than the normal value of the goods and because of that, material injury to the Australian industry producing like goods is being caused

- in accordance with section 269TJ(1) of the Act, countervailable subsidies have been received in respect of LGST that have been exported to Australia from China by *uncooperative and all other exporters* and because of that, material injury to an Australian industry producing like goods would have been caused if security under section 42 had not been taken

- in accordance with section 269TJ(2) of the Act, countervailable subsidies have been received in respect of LGST that have already been exported to Australia from China by *uncooperative and all other exporters*, and may be received in respect of like goods that may be exported to Australia from China in the future and because of that, material injury to the Australian industry producing like goods is being caused

- in accordance with section 269TJA(1) of the Act, that as to LGST that have been exported to Australia from China:

  a) the export price of LGST is less than the normal value of those goods; and

  b) countervailable subsidies have been received in respect of LGST; and

  c) because of the combined effect of the difference in paragraph (a) and of the subsidy referred to in paragraph (b), material injury to the Australian industry producing like goods is being caused;

- in accordance with section 269TJA(2) of the Act:

  a) the export price of like goods that have already been exported to Australia from China is less than the normal value of those goods and the export price of like goods that may be exported to Australia in the future may be less than the normal value of the goods; and

  b) countervailable subsidies have been received in respect of LGST that have already been exported to Australia from China by *uncooperative and all other exporters* and may be received in respect of like goods that may be exported to Australia in the future; and

  c) because of the combined effect of the difference referred to in paragraph (a) and of the subsidy referred to in paragraph (b), material injury to the Australian industry producing like goods is being caused.

The Commissioner recommends the Minister **determine:**

- having had regard to sections 269TAAC(2) and (3) of the Act, and in accordance with sections 269TAAC(4) and (5) of the Act, that all relevant subsidies referred to in Chapter 7 of this report and as set out in **Confidential Attachments 8 and 9** are specific having regard to all matters from sections 269TAAC(2), (3), (4), and (5) of the Act.

- in accordance with section 269TAB(1)(b) of the Act, the export price of goods exported by Kaize is the price that the importer sold the goods, less the prescribed deductions, as set out in **Confidential Attachment 2**

- in accordance with section 269TAB(3) of the Act, that having regard to all relevant information, that the export price for uncooperative and all other exporters is as set out in **Confidential Attachment 5**
- in accordance with section 269TAC(2)(c)(i) of the Act, the amounts of the cost of production or manufacture of the goods in China for Kaize is as set out in **Confidential Attachment 3**
- in accordance with section 269TAC(2)(c)(ii), on assumption that the goods, 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, with adjustments as necessary under section 269TAC(9), for Kaize are as set out in **Confidential Attachment 3**
- in accordance with section 269TAC(6) of the Act, having regard to all relevant information, that the normal value for uncooperative and all other exporters is as set out in **Confidential Attachment 6**
- having applied section 269TACB(2)(a) of the Act and in accordance with sections 269TACB(1) and (4) of the Act, that LGST exported to Australia from China are taken to have been dumped, and the dumping margin for Kaize is as set out in **Confidential Attachment 4** and the dumping margin for uncooperative and all other exporters is as set out in **Confidential Attachment 7**
- in accordance with section 269TACC(1) of the Act, having regard to all relevant information and sections 269TACC(2) and (3) of the Act, in respect of the relevant programs discussed in Chapter 7 and as set out in **Confidential Attachments 8 and 9**, that the financial contribution in respect of the goods confers a benefit
- in accordance with section 269TACD(1) of the Act, that the amount of countervailable subsidy received in respect of LGST by *uncooperative and all other exporters*, expressed as a percentage of the ascertained export price, is **4.5 per cent**
- in accordance with section 8(5) of the Dumping Duty Act, that the IDD payable in respect of LGST exported to Australia from China is an amount which will be worked out in accordance with the *ad valorem* duty method pursuant to section 5(7) of the *Customs Tariff (Anti-Dumping) Regulation 2013*
- in accordance with section 10(3B) of the Dumping Duty Act, that the ICD payable in respect of LGST exported to Australia from China is to be ascertained pursuant to section 10(3B)(a) of the Dumping Duty Act

The Commissioner recommends the Minister **declare:**

- in accordance with section 269TG(1) of the Act, by public notice, that section 8 of the Dumping Duty Act applies to (subject to section 269TN of the Act):

  a) LGST exported to Australia from China; and

   b) like goods that were exported to Australia from China after the Commissioner made a PAD under section 269TD of the Act on 25 May 2026 but before publication of the notice

- in accordance with section 269TG(2) of the Act, by public notice, that section 8 of the Dumping Duty Act applies to like goods that are exported to Australia from China, after the date of publication of the notice
- in accordance with section 269TJ(1) of the Act, by public notice, that section 10 of the Dumping Duty Act applies (subject to section 269TN of the Act):

   a) LGST exported to Australia from China; and

   b) like goods that were exported to Australia from China after the Commissioner imposed countervailing securities on or after 18 June 2026 but before publication of the notice

- in accordance with section 269TJ(2) of the Act, by public notice, that section 10 of the Dumping Duty Act applies to like goods that are exported to Australia from China, after the date of publication of the notice.

The Commissioner considers the Minister ought to **have regard to**:

- in accordance with section 8(5BA) of the Dumping Duty Act, in relation to LGST exported to Australia from China, the desirability of specifying a method such that the sum of the amounts outlined in sections 8(5BA)(c), (d) and (e) of the Dumping Duty Act do not exceed the NIP
- in accordance with section 10(3D) of the Dumping Duty Act, in relation to ICD in respect of LGST exported to Australia from China, the desirability of fixing the amount of ICD in respect of the goods such that the sum of the amounts outlined in section 10(3D)(a), (b) and (c) of the Dumping Duty Act do not exceed the NIP

14 APPENDICES AND ATTACHMENTS

Appendix A	Cost of production in China
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Confidential Attachment 10	Economic condition of the Australian industry
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Confidential Attachment 14	ASIC information
Confidential Attachment 15	Confidential benchmark data

APPENDIX A - COST OF PRODUCTION IN CHINA

A.1 Findings

The Commissioner has established the cost of production for the goods in China, as the country of export, under section 269TAC(2)(c)(i) of the Act. This assessment is based on Kaize's recorded costs, adjusted by reference to Japanese HRC as a benchmark, sourced from MEPS.

The benchmark reflects the difference between Chinese and Japanese prices for galvanised HRC, with necessary adjustments made to establish a cost of production for galvanised HRC in China.

A.2 Legislative framework

Where the Minister is satisfied that normal value cannot be determined under sections 269TAC(1) and section 269TAC(2)(c) of the Act provides that the normal value is:

> … the sum of:
>
> (i) such amount as the Minister determines to be the cost of production or manufacture of the goods in the country of export, and
> (ii) on the assumption that the goods, instead of being exported, had been sold for home consumption in the ordinary course of trade in the country of export—such amounts as the Minister determines would be the administrative, selling and general costs associated with the sale and the profit on that sale.

Sections 269TAC(5A) and 269TAC(5B) of the Act provide that the construction of normal values under section 269TAC(2)(c) of the Act is to be worked out in such a manner, and taking account of such factors, as the Regulation provides in respect of those purposes.

Section 43(2) of the Regulation requires that the Minister must work out the cost of production or manufacture using the information set out in the exporter or producer's records if:

- an exporter or producer of the goods keeps records relating to the goods that are in accordance with GAAP in the country of export (section 43(2)(b)(i) of the Regulation), and
- those records reasonably reflect competitive market costs associated with the production or manufacture of like goods (section 43(2)(b)(ii) of the Regulation).

Section 43(2) of the Regulation imposes an obligation on the Minister to use an exporter's records, where the prescribed criteria are met. Neither the Act nor the Regulation prescribe a particular method for the Minister to determine the cost of production or manufacture under section 269TAC(2)(c)(i) of the Act in circumstances where the exporter or producer's records do not satisfy section 43(2) of the Regulation. Additionally, neither the Act nor the Regulation limit the data that the Minister may use in this regard.

In respect of the ADA, the relevant obligations for determining normal values are set out in Article 2. The determination of whether an exporter's recorded costs are to be used in determining the cost of production in the country of origin are set out in Article 2.2.1.1. Article 2.2.1.1 provides that, where an exporter's recorded costs are in accordance with the GAAP of the exporting country, and reasonably reflect the costs associated with production (collectively, the first two conditions of Article 2.2.1.1), costs "shall normally" be calculated on the basis of those records.

The commission notes that, where the first two conditions of Article 2.2.1.1 are met, consideration of whether the obligation to "normally" calculate the cost of production on the basis of the exporter's records should be departed from may be informed by some of the same factual findings that also informed:

- the commission's assessment under section 43(2) of the Regulation
- the commission's assessment of the existence of a particular market situation in the HRC market in China (as found in investigation 658).

Where the commission has had regard to the same factual matters for multiple purposes it has done so mindful that the legal tests being considered are distinct.

A.3 Generally accepted accounting principles

The commission assessed Kaize's REQ and has determined the response to be sufficient. The Commissioner is satisfied that Kaize is an exporter of the goods and the information provided by Kaize is reliable for the purpose of ascertaining variable factors. As part of the assessment process, the Commissioner has accepted that Kaize kept records relating to the cost of production of like goods and is satisfied that those records were in accordance with GAAP in China. The Commissioner also accepted that Kaize's cost to make and sell data was complete and relevant to this investigation. Accordingly, the Commissioner is satisfied that the exporters kept records relating to the cost of production of like goods, and that those costs were in accordance with GAAP in China and reasonably reflected the actual cost of production.

A.4 Do records reasonably reflect competitive market costs?

Section 43(2)(b)(ii) of the Regulation requires the Minister to use an exporter's records where those costs reasonably reflect *competitive* market costs.

As outlined in REP 658, the commission considers that the significant influence of the GOC has materially altered prices in the steel industry and HRC market in China. The commission also considers that the GOC's influence has also materially altered the prices of production inputs including (but not limited to) raw materials used to make steel in China. In particular, the GOC's influence has resulted in artificially low prices for the key raw materials, as well as the other inputs associated with the production steel, including galvanised HRC.

The commission considers that direct and indirect influences of the GOC affect Chinese manufacturers' costs to produce HRC, and therefore Kaize's recorded costs do not reflect competitive market costs. The records of the case 658 exporters indicate that steel slab costs comprise on average over 90% of the cost to make HRC. Similarly, in this investigation, Kaize's records indicate that the cost of galvanised HRC represents approximately 96% of the cost to make LGST. The Commissioner therefore considers that Kaize's recorded costs for HRC do not reflect competitive market costs.

The commission has used benchmark data for the determination of the appropriate cost of production.

A4.1 Assessment of Program 2 and 3

Program 2 – Coking coal provided by government at less than adequate remuneration and Program 3 – Coke provided by government at less than adequate remuneration have been examined in previous cases where the commission found that they were countervailable programs.

The commission is not aware of the current status of these programs given that the GOC has declined to participate in this investigation. The commission considers that no new information has been provided that would warrant a reconsideration of the determinations made in the previous inquiries and has therefore maintained its position that these programs are countervailable.

In REP 611, the commission found that exporters of galvanised steel were not vertically integrated and because coke and coking coal are not inputs to their production, none of the exporters could be in receipt of Programs 2 or 3. As such, in REP 611, the commission found that it did not have sufficient relevant information to find that any exporters of galvanised steel from China would have received a benefit in respect of Programs 2 and 3. Therefore, the commission has excluded Programs 2 and 3 from the calculation of the uncooperative subsidy rate in that case.

In this current investigation, the commission has found that manufacturers of LGST in China are not fully integrated producers producing both the galvanised coil and the goods. Based on information submitted by Kaize in REQ and open source research and considering the manufacturer's product catalogues, promotional videos and photos of their facilities, and descriptions of their production capabilities, there is no indication that manufacturers of LGST produce their own galvanised coil, rather they cut, bend, roll and shape steel coils they purchase to the required specifications. Therefore, the commission has excluded Programs 2 and 3 from the calculation of the uncooperative subsidy rate in this case.

A.5 Do the exporter's records meet the first two conditions of Article 2.2.1.1?

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) of the Act having regard to all relevant information. The Minister is neither required to, nor prohibited from, using an exporter's records to determine normal values under section 269TAC(2)(c)(i) of the Act, however, the Minister is to exercise their discretion in section 269TAC(2)(c)(i) of the Act in accordance with the requirements of the ADA.[65]

[65] See *Steelforce Trading Pty Ltd v Parliamentary Secretary to the Minister for Industry, Innovation and Science* [2018] FCAFC 20; 259 FCR 478, [108], Pagone and Bromwich JJ agreeing at [128] and [137] respectively. Cited affirmatively by Griffith J in Changshu Longte Grinding Ball Co., Ltd v Parliamentary Secretary to the Minister for Industry, Innovation and Science (No 2) [2018] FCA 1135, [50].

Article 2.2.1.1 of the ADA provides a presumption in favour of using the information in the 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.

The commission has found that the exporter's records are kept in accordance with GAAP of China and reasonably reflect the costs associated with production of LGST. However, Article 2.2.1.1 does not mandate the use of the information in an exporter's records where those conditions are met in all circumstances. It provides that where those conditions are met, costs 'shall normally' be calculated based on the exporter's records.

The commission's consideration of the domestic market for LGST in China, including the factual findings set out in in REP 658, suggest it should examine whether circumstances are normal and ordinary such that the presumption in Article 2.2.1.1 should apply. Consequently, the commission has further considered the exporter's recorded HRC costs to assess whether the circumstances in which the exporter's costs were formed were normal and ordinary, such that they should be used as the costs of production pursuant to section 269TAC(2)(c)(i) of the Act.

The commission's confidential benchmark data for the determination of the appropriate cost of production is at **Confidential Attachment 15**.

A.6 Are circumstances 'normal and ordinary'?

The commission considers there are compelling reasons for determining that circumstances in which Kaize's cost records were formed were not 'normal and ordinary' such that using Kaize's cost records to construct a normal value is not appropriate. This is despite the commission's finding that Kaize's records comply with Chinese GAAP and reasonably reflect actual costs incurred in the production of the goods.

It is the commission's view that the circumstances in which the cost of HRC has been formed are not normal and ordinary, resulting in Kaize's recorded costs of HRC reflecting an unreliable cost of production for LGST. This unreliability means that it is not appropriate to use Kaize's recorded cost of HRC.

The commission's assessment of the circumstances in which HRC costs were formed and the impact this had on the Kaize's recorded costs is informed the two key factors.

- Firstly, as noted in REP 658, the GOC has intervened extensively in the markets for key raw materials used in steel production. This has resulted in lower prices of critical inputs such as iron ore, coal, steel scrap, and electricity than what would have otherwise prevailed in the absence of GOC intervention.
- Secondly, as these raw materials represent the majority of the cost to produce galvanised HRC, the effects on raw material pricing have also flowed through to the Kaize's recorded cost of production.

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

The commission's assessment of these circumstances, and their impact on the Kaize's recorded costs, is supported by the following findings.

A.6.1 Circumstances are not normal and ordinary

The commission has examined the information before it in relation to investigation 658, which concerns the production of HRC manufactured in China and exported to Australia. In that case, the exporters of HRC are integrated steel manufacturers, producing steel from raw materials including iron ore and coke, casting the steel into steel slabs and rolling the slabs at high temperature to produce HRC. The investigation period for investigation 658 overlaps half the investigation period for this investigation.

In REP 658, the commission considered that the circumstances involving the cost of production for steel slab in the records of the Chinese HRC manufacturers are not normal and ordinary. This has subsequently affected those manufacturers' cost of production records and selling prices for HRC.

The evidence before the commission in INV 658 shows that steel slab is a key cost component in producing HRC, representing over 90% of Kaize's cost to make for HRC. As this component reflects the cost of upstream raw materials and other inputs – for example, iron ore, coal, steel scrap, and electricity – any effect due to the GOC's influence on those input prices directly affects the cost of production for HRC.

The commission considers that the GOC has significant involvement in the raw material markets specific to the production of steel. A summary of these findings in REP 658 is below:

- The GOC established the China Mineral Resources Group Limited in 2022 as a SOE to centralise iron ore procurement and increase control over iron ore pricing. This measure increases the GOC's control over iron ore pricing in China and allows tolerance for losses due to state backing, materially altering iron ore prices.
- The GOC influences coal prices through production caps, export licencing requirements, and subsidies. These measures have led to oversupply and reduced coal prices, lowering steel making costs.
- The GOC maintains high export duties on steel scrap (40%) and pig iron (20%), discouraging exports and increasing domestic supply, which reduces raw material prices and lowers steel production costs.
- Electricity is regulated under the *Pricing Law of the People's Republic of China*, and the GOC maintains control over pricing through mechanisms such as coal-electricity price linkage, resulting in electricity prices that differ from those that would prevail in the absence of that price regulation and control.
- The support afforded SOEs contributes to excess capacity and depresses prices for raw materials as SOEs can absorb losses and maintain demand for inputs, creating material alterations in input pricing.

The cumulative effect of these factors is that the circumstances in which Kaize's cost records were incurred or formed cannot be considered normal and ordinary. To make this assessment, the commission considered previous findings on the effect of the GOC's influence on Chinese steel markets and compared Kaize's purchase of HRC in China to the domestic price of HRC in other countries.

Furthermore, as summarised in Table 17 below, 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.

Report no	Goods investigated
REP 658[66]	Hot-rolled coil (HRC) exported to Australia from China – see Appendix A to D
REP 611[67]	Zinc coated (galvanised) steel (HDG-Zn HRC) exported to Australia from China, Korea and Taiwan – see Appendix A to D
REP 610[68]	Aluminium zinc coated steel (≥ 600mm) (HDG-AlZn HRC) exported to Australia from China – see Appendix A and B
REP 590[69]	Hollow structural sections (HSS) exported to Australia from China, Korea, Malaysia and Taiwan – see Appendix A to D
REP 550[70]	Precision pipe and tube steel (PP&T) exported to Australia from China, Korea – see Appendix A and B

Table 17: Relevant cases that found abnormal market conditions for steel coils in China

A.6.2 Circumstances not being normal and ordinary leading to materially altered production costs

The commission considers that the not normal and ordinary circumstances (the circumstances) materially affect the cost of production of HRC in China. In REP 658, the commission examined the HRC manufacturers' cost of production for steel slab to assess the materiality of the effect of the circumstances on their cost of production for HRC.

The commission also found in REP 658 that domestic prices for HRC in China tracked with domestic costs and the margins achieved on domestic sales of HRC were small, and in some cases sales were unprofitable. This indicates that domestic selling prices of HRC in China are not normal and ordinary and therefore Kaize's recorded costs for HRC are materially altered by a PMS for HRC in China.

A.7 Selection of appropriate benchmark

The Commissioner considers that a benchmark is an appropriate measure of the effect of the circumstances on the Chinese HRC manufacturers' cost of production for HRC. An appropriate benchmark represents a cost of production in China that is free from the effects of the circumstances.

In REP 658, the commission considered whether there is an appropriate alternative to using a benchmark for the purposes of assessing the effect of the circumstances on the HRC manufacturers recorded costs. Instead of a benchmark, the commission considered

66 EPR 658 – document 44 refers, REP 658 (dated 2 April 2026).

67 EPR 611 – document 29 refers, REP 611 (dated 22 June 2023).

68 EPR 610 – document 12 refers, REP 610 (dated 22 June 2023).

69 EPR 590 – document 41 refers, REP 590 (dated 27 May 2022).

70 EPR 550 – document 71 refers, REP 550 (dated 27 August 2021).

whether it could have quantified the effect of the GOC's influence on the raw material markets and steel costs. However, the commission considers that the broad ranging and multifactorial nature of the GOC's influence over raw material markets and resulting steel costs mean that such a quantification is likely to have a high risk of containing inaccuracies or not fully accounting for the whole of the effect. The use of a benchmark provides a wholistic comparison of the HRC manufacturers recorded costs to a cost that is free from the effects of the circumstances.

For the purposes of selecting an appropriate benchmark to compare to the HRC exporters recorded HRC cost, the commission considered:

- China and Taiwan HRC prices and noted that these prices would likely be a cost in China influenced by the GOC based on the information considered for case 658.
- Korea HRC prices - in INV 658 the commission noted that cooperating Chinese exporters in that case exported a large volume of HRC to Korea and therefore the Korean HRC prices are likely to have been influenced by the GOC.
- INV 658 benchmark approach – there were limitations given there is only two quarters of overlap (658 investigation period is from 1 October 2023 to 30 September 2024, while 679 investigation period is from 1 April 2024 to 31 March 2025).
- Japan HRC prices – the commission found that Japan's HRC prices are not influenced by the GOC or by any other thirty party and therefore is an appropriate benchmark for the purpose of this investigation. The commission also finds that it is appropriate to use Japanese HRC prices as a benchmark as Japanese HRC prices can be directly compared with the Chinese HRC prices.
- Japan HRC prices benchmark has also been used for another concurrent case *689 – Precision pipe and tube steel*. SEF 689[71] provides detailed assessment of the benchmark prices of HRC including all relevant adjustments made to that Benchmark. The commission notes that three quarters of the investigation period for case 689 overlap with this case - 689 investigation period is from 1 July 2024 to 30 June 2025, while 679 investigation period is from 1 April 2024 to 31 March 2025).

Furthermore, the commission considers that the impact of the GOC's influence over the steel markets in China results in a material decrease in the cost of production for HRC. Accordingly, the commission considers that the difference between the Japanese and Chinese market price reflects the impact of the GOC's influence over the steel markets in the form of lower HRC costs over the investigation period. This means that those costs are not a reliable indication of the cost of production of HRC in China.

On this basis, and in accordance with Article 2.2.1.1 of the ADA, the Commissioner has found that it is not appropriate to use Kaize's unadjusted records to construct the normal value. The commission calculated the normal value for Kaize having regard to the following information:

- Kaize's export cost to make including an adjustment to HRC costs – using Japanese benchmark data of galvanised HRC costs.

[71] SEF 689

- Kaize's export (as there were no domestic sales) SG&A. The export SG&A is similar amount to domestic SG&A for a Chinese exporter of steel product found in another concurrent case.
- Chinese domestic profit achieved on sales of the goods in the OCOT from another concurrent case using HRC as a raw material input.
- An amount for export port handling charges.
- An amount for export inland freight.
- An amount of slitting costs using Australian industry's slitting costs (converted to RMB) as the most relevant available information during the investigation period.

The commission also considered the following analysis and adjustments were made to the benchmark:

i. Average monthly domestic Japanese delivered HRC prices.
ii. Removal of Japanese inland freight, SG&A and profit to make the HRC price reflective of price in Japan.
iii. Adjusted above costs to reflect comparative advantages (or disadvantages) in China (i.e. to make the cost more reflective of China).
iv. Added back Chinese inland freight, SG&A and profit to make the cost reflective of a price in China (noting that Kaize purchases all galvanised HRC from Chinese manufacturers).

A.7.1 Comparative advantage adjustments

i. The adjustments for comparative advantage were done with a cost model done by Independent Strategic Advisory Services for the Global Steel Industry[72]. The cost model is for 2025 and therefore is relevant to this investigation. For a notional steel producer, a typical size integrated basic oxygen furnace (BOF) plant producing 3m tonnes per year at a Japanese coastal site with its own coke and sinter plant using imported coal purchased at international prices with third party transport.
ii. The cost model breaks down the steel making process into components such as iron ore, iron ore transport, coal, coal transport, and a variety of other costs that go into producing liquid steel.
iii. Majority of the costs are based on international market prices, e.g. coal and coke.
iv. The commission adjusted costs that can be replaced with Chinese costs, e.g. iron ore transport, coal transport, steel scrap delivery, by-product credits, emissions trading and labour (makes the cost more akin to a Chinese cost) using Kaize's records where possible.
v. The above leads to a downwards adjustment to the liquid steel component of the steel making process.
vi. A cost model from the same source as above is used to add the conversion cost of liquid steel to HRC, after replacing the Japanese labour component with a Chinese labour component.

[72] Published on www.steelonthenet.com by a Cambridge-educated economist and OECD Steel Committee recognized authority specialising in steel cost benchmarking and economic analysis.

APPENDIX B - ASSESSMENT OF ALLEGED SUBSIDY PROGRAMS

B.1 Introduction

In its application, Rondo identified 37 subsidy programs from REP 611 and 59 programs from REP 590 that the commission found to be countervailable in previous investigations and inquiries. As noted in chapter 7.6 of this report, the commission's recent investigations into brackets and clip heads found no evidence that any exporters of the goods the subject of those investigations received any previously countervailed subsidies from REP 590, other than subsidies under '*Program 20 - hot rolled steel provided by the GOC at less than fair market value'*.

The commission considers that LGST, brackets and clip heads are comparable as they are downstream products made from galvanised steel. The commission therefore considers that it is reasonable to assume that those subsidies not received by Chinese exporters of brackets and clip heads would also not be available to exporters of LGST from China.

REP 644 and 645 found 6 subsidy programs not previously countervailed as applying to exporters of brackets and clips from China. The commission considers that it is reasonable to assume that subsidies received by Chinese exporters of brackets and clip heads would also be available to exporters of LGST from China. This is because the commission considers that brackets, clip heads and LGST have the same raw material inputs, being galvanised steel.

In relation to the 37 subsidy programs identified by Rondo in its application that were countervailable by the commission in REP 611, the commission found that 23 programs overlapped with the programs in REP 590. The commission also considered publicly available information to assess whether the subsidy programs identified in REP 611 remain active and continue to apply to the goods.

For the remaining programs identified in REP 611, the commission considered:

- the eligibility requirements of each identified program
- whether the program was likely relevant to the production of the goods during the investigation period (including whether the program has expired)
- whether any benefit under the program may be a subsidy in respect of the goods.

B.2 Legislative framework

B.2.1 Definition of 'subsidy' and 'countervailable subsidy'

Section 269T(1) of the Act defines '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.[73]

Without limiting the definition of 'subsidy' in section 269T(1) of the Act, a financial contribution or income or price support may confer a benefit in relation to goods exported to Australia if that contribution or support is made in relation to goods or services used in relation to the production, manufacture or export of the goods exported to Australia.[74] Section 269TAAC of the Act defines a 'countervailable subsidy' as follows:

(1) For the purposes of this Part, a subsidy is a countervailable subsidy if it is specific.

(2) Without limiting the generality of the circumstances in which a subsidy is specific, a subsidy is specific:

(a) if, subject to subsection (3), access to the subsidy is explicitly limited to particular enterprises; or
(b) if, subject to subsection (3), access is limited to particular enterprises carrying on business within a designated geographical region that is within the jurisdiction of the subsidising authority; or
(c) if the subsidy is contingent, in fact or in law, and whether solely or as one of several conditions, on export performance; or
(d) if the subsidy is contingent, whether solely or as one of several conditions, on the use of domestically produced or manufactured goods in preference to imported goods.

(3) Subject to subsection (4), a subsidy is not specific if:

(a) eligibility for, and the amount of, the subsidy are established by objective criteria or conditions set out in primary or subordinate legislation or other official documents that are capable of verification; and
(b) eligibility for the subsidy is automatic; and

[73] Section 269TACC of the Act sets out the steps for working out whether a financial contribution or income or price support confers a benefit.

[74] Section 269T(1)(2AA) of the Act.

(c) those criteria or conditions are neutral, do not favour particular enterprises over others, are economic in nature and are horizontal in application; and
(d) those criteria or conditions are strictly adhered to in the administration of the subsidy.

(4) The Minister may, having regard to:

(a) the fact that the subsidy program benefits a limited number of particular enterprises; or
(b) the fact that the subsidy program predominantly benefits particular enterprises; or
(c) the fact that particular enterprises have access to disproportionately large amounts of the subsidy; or
(d) the manner in which a discretion to grant access to the subsidy has been exercised;

determine that the subsidy is specific.

(5) In making a determination under subsection (4), the Minister must take account of:

(a) the extent of diversification of economic activities within the jurisdiction of the subsidising authority; and
(b) the length of time during which the subsidy program has been in operation.

Section 269TACD of the Act provides that if the Minister is satisfied that a countervailable subsidy has been received in respect of the goods, the Minister must, if the amount of the subsidy is not quantified by reference to a unit of the goods, work out how much of the subsidy is properly attributable to each unit of the goods.

B.2.2 Definition of government, public and private bodies

As noted above, under section 269T(1) of the Act, for a financial contribution to be a subsidy, it must be provided 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.

In its assessment of each subsidy, the commission has had regard to the entity responsible for providing the financial contribution under the relevant program, as part of the test under section 269T(1) of the Act for determining whether a financial contribution is a subsidy.

Government

As noted in section 16.2 of the Manual, the commission considers that the term ‘government’ includes government at all different levels, including at a national and sub-national level.[75]

[75] The Manual (December 2021).

Public body

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 partly 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)*.[76] In that case, the Appellate body referred to the following three 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
- where there is evidence that an entity is, in fact, exercising governmental functions
- where 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.[77]

Private body

Where an entity is neither a government nor public body, the commission will consider it a private body, in which case, a government direction to make a financial contribution in

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[76] DS379 United States – Definitive Anti-Dumping and Countervailing Duties on Certain Products from China.

[77] 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].

respect of the goods must be established in order for the contribution to be considered a subsidy, as defined by section 269T(1) of the Act.

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.

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. The test is satisfied where the private body is a proxy by government to give effect to financial contributions.

B.3 Assessment of subsidy programs

In REP 611 the commission found that there were 37 existing subsidy programs applying to galvanised steel exported from China, which were assessed in Review No 521.[78] As noted this appendix, some of these programs also applied to exporters of HSS.[79] As the commission did not find evidence that the programs assessed in REP 590 relating to HSS apply to exporters of brackets and clip heads following the recently competed investigations into these goods, the commission has not included these programs in the assessment of LGST.

B.3.1 Assessment of LTAR program – Hot rolled steel provided by government at less than fair market value

There is no single legislative authority or policy establishing this subsidy program. Rather, the commission considers this program as a collective term to describe conditions within the Chinese steel market under which Chinese SOEs or SIEs (being public bodies) provide hot rolled steel (such as HRC and galvanised steel) at a price lower than a competitive market price (i.e. at less than adequate remuneration, or 'LTAR', having regard to the prevailing market conditions in China).[80]

The commission has countervailed this subsidy program in previous cases concerning steel, including in Investigation 177 and Investigation 193 and the subsequent

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[78] Review No 521 concerns a review of measures relating to zinc coated (galvanised) steel from China, India, Korea, Malaysia, Taiwan and Vietnam.

[79] REP 590 refers.

[80] The commission considers that the term 'hot rolled steel' captures all forms of steel that has initially gone through a rolling process at high temperatures before undergoing further rolling or processing and therefore captures HRC and galvanised HRC/galvanised steel.

continuation inquiries where the raw material used to produce the goods the subject of those investigations was HRC.[81]

In the recently completed investigations REP 644 and REP 645, the commission again found that galvanised steel is a key input in the manufacture of downstream products including brackets and clip heads. It was apparent to the commission that only enterprises engaged in the manufacture of these products would benefit from the provision of the input by the GOC at less than adequate remuneration. For this reason, the commission determined that the subsidy is specific and therefore countervailable.

As noted at chapter 7.5 of this report, at initiation, the commission requested that the GOC complete a questionnaire. The questionnaire included questions relating to this subsidy program, including questions relating to the operation, governance and prevalence of SOEs and SIEs in the steel industry, and questions concerning the ownership of steel producers in China. The GOC did not complete this questionnaire.

Furthermore, as discussed in chapter 2.7.4 of this report, Kaize provided REQ relating to the subsidy programs. The commission has considered Kaize's information to calculate its subsidy margin.

The commission noted that galvanised steel constitutes approximately 96% of the overall costs of manufacture of the goods.[82] Accordingly, the commission considers that it is reasonable to assume that the benefit has passed through fully to producers of the final product subject of this investigation.

For uncooperative and all other exporters, the commission has acted on the basis of all facts available and made assumptions that the Commissioner considers reasonable. The commission considers that no new information has been provided that would displace the prior findings of the commission. The commission observes that it has found in previous steel cases, including the most recent cases relating to brackets and clips, that Chinese SOEs and SIEs provide hot rolled steel (such as HRC and galvanised steel) at less than adequate remuneration, the commission considers that it is reasonable to assume that Chinese exporters of the goods are also in receipt of these subsidies.

In its submission of 11 March 2026, Intex provided information it considered relevant to the nature of Chinese entities within its supply chain, specifically claiming that its Chinese supplier acquires steel coils from a privately held galvanising company, and that the galvanising company acquires the steel coils from a privately held steel making company. Intex submitted that on that basis, Intex's supplier of goods is best classified as a privately held, family-controlled enterprise, not a state-invested enterprise.

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[81] Subsidy program entitled 'hot rolled steel provided by government at less than fair market value' was designated as Program 20 in Investigation 177 and in subsequent cases concerning HSS exported from China. This subsidy program with the same title was also designated as Program 1 in the investigation concerning zinc coated (galvanised) steel (Investigation 193) and was designated as Program 1 in subsequent cases relating to galvanised steel exported from China, including REP 611.

[82] The proportion of galvanised steel was estimated based on the data from the dumping margin assessment.

On 11 March 2026, the commission sought further information from Intex to consider its claims regarding the information submitted in relation to Intex's supplier. Intex has not responded to the commission's request.

In its submission of 24 March 2026, Rondo submitted that the commission should not have regard to the information submitted by Intex regarding its supplier, on the basis that the concerned Chinese supplier did not provide a REQ.

Details of the subsidy margin calculations for *uncooperative and all exporters* from China are at **Confidential Attachment 9.**

B.3.2 Assessment of existing tariff and VAT exemptions

Programs 11 and 34 were found to be countervailable in Investigation No 193 and again in subsequent reviews for zinc coated (galvanised) steel.

The commission noted that Kaize purchased galvanised steel from local manufacturers. The commission is not aware of the current status of these programs given that the GOC has declined to participate in this investigation.

Further, no new information has been provided to the commission that would warrant a reconsideration of the determinations made in the previous inquiries and the Commissioner has therefore maintained its position that these programs are countervailable.

B.3.3 Assessment of existing grant programs relevant to zinc coated (galvanised) steel

Programs 33, 35 and 36 were found countervailable in Investigation No 193 and again in subsequent reviews for aluminium zinc coated steel.

The commission first assessed Program 37 in Review 409 and 410 wherein Program 37 was found countervailable and again in subsequent reviews for zinc coated (galvanised) steel.

The commission is not aware of the current status of these programs given that the GOC did not provide evidence in relation to this inquiry.

The commission considers that no new information has been provided that warrants a reconsideration of the determinations made in the previous inquiries and the Commissioner has therefore maintained its position that these programs are countervailable.