THE DIRECTOR, INVESTIGATIONS 1
Anti-Dumping Commission
GPO Box 2013
CANBERRA ACT 2600

BY EMAIL:
investigations1@adcommission.gov.au

16 September 2026

Dear Director,

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

AUSTRALIAN INDUSTRY SUBMISSION

InfraBuild (Newcastle) Pty Ltd (**InfraBuild**) is an Australian industry applicant[1] for the publication of a dumping duty notice in respect of certain welded steel mesh sheets (**mesh**) exported to Australia from the People's Republic of China (**China**) and Malaysia.

A recent submission[2] by Chinese mesh exporter Anhui BRC & Ma Steel Weldmesh Co., Ltd. (**MGBRC**) expresses indignation over the decision by the Anti-dumping Commission (**Commission**) to substitute verified Malaysian rod in coil (**RIC**) prices for the exporter's purchase prices of RIC in their cost to make and normal value assessment for mesh. The exporter further rejects any suggestion that the large volumes of imported dumped Chinese mesh was responsible for injury experienced by Australian industry. InfraBuild responds to these matters in turn.

1. <u>Validity of Malaysian RIC substitution into normal value assessment</u>

The MGBRC submission states in relevant part:

> *Under Article 2.2.1.1 of the WTO Anti-Dumping Agreement (ADA), when an exporter's records are kept in accordance with the GAAP of the exporting country and reasonably reflect the costs associated with the production and sale of the product under consideration, the investigating authority **must ("shall normally")** calculate costs on the basis of these records.*[3]

[1] Joint application with the Steel Reinforcement Institute of Australia (**SRIA**)
[2] EPR 692/057.
[3] EPR 692/057, p. 3.

InfraBuild notes the recent publication of the Anti-Dumping Review Panel (**ADRP**) *Report No. 180* concerning *Hot Rolled Coil Steel exported from the People's Republic of China* which recommended that the Minister affirm the Reviewable Decision.

Ground 1 for the Chinese exporters (collectively referred to as '**Baosteel**') appears to be similar to the argument being made in this instance by MGBRC:

> *The Minister **erred in law and fact by accepting the REP 658 recommendation to reject Baoshan's verified GAAP-compliant steel slab cost records**, and substitute with an inflated Brazilian benchmark, relying on a generalised particular market situation without any evidence that the records failed to reflect actual costs.*

Upon detailed consideration of the Commission's assessment of exporter costs, the Panel member concluded (at [108]):

> *The Review Panel rejects this ground of review because the ADC considered the applicants' actual costs and found that the circumstances in which they were formed were **not normal and ordinary** because such costs were substantially lower due to the GOC influence in the raw materials costs used in steel production. This was demonstrated by the degree to which they were below the benchmark. Such conditions are directly influenced by the involvement of the GOC as outlined in REP 658 pages 167 – 169.*
>
> *The Review Panel is satisfied that:*
>
> > *a) **the ADC correctly applied the relevant legislative provisions and Article 2.2.1.1**, and found the applicants' actual costs were not normal and ordinary and were 'unreliable' for the Minister to determine the cost of production under s 269TAC(2)(c)(i) of the Act,*
> >
> > *b) **the ADC did not rely solely on its particular market situation finding**, but examined a range of sources concerning raw material costs and in its choice of the appropriate benchmark as well as cost of production level of steel slab for comparison with the applicants' actual costs,*
> >
> > *c) **the ADC adjusted the applicants' costs based on the Brazilian benchmark and explained its rationale for adopting this approach in REP 658**.* (**emphasis** added)

In considering the language of Article 2.2.1.1 the Panel Member states (at [77]):

> *In the Review Panel's view, the placement of 'normally' in Article 2.2.1.1 indicates **that there may be circumstances in which exporter records are not used, even where they are GAAP-compliant and reflect actual costs**. However**, departure from such records** as referenced in the WTO Appellate Body and Panel reports **requires a***

***comprehensive explanation**, based on the particular circumstances of the case, as to why use of the records is not justified.* (**emphasis** added)

It is the Commission's stated intention to provide in the Statement of Essential Facts (**SEF**) a '*full assessment of the evidence and analysis relied on*'[4] in reaching the conclusion that Chinese domestic sales prices were not suitable for determining a normal value pursuant to subsection 269TAC(1).[5]

The Commission has also provided, in *Appendix A* to PAD 692, their detailed approach, consideration of evidence and reasoning in selecting the Malaysian RIC costs as the basis for adjustment to the Chinese exporters' cost of production.

2. <u>Other matters pertinent to the Commission's approach applied to normal value assessment</u>

2.1 The Government of China (GOC) did not cooperate

The Commission reportedly did not receive a questionnaire response from the GOC to its request for information on the steel mesh sheets and steel markets in China. In the absence of GOC cooperation, the Commission performed an assessment of the contemporary evidence available to it, and concluded that '*the prices of steel mesh sheets would be substantially different in a market not characterised by GOC influence*'[6].

2.2 Contemporaneous PMS finding in relation to Rod in Coil in China

Continuation Inquiry No. 675 found that a particular market situation continued to exist in the Chinese RIC domestic market during the inquiry period of 1 April 2024 to 31 March 2025 which overlaps by six months with the investigation period in this matter. By the mesh exporter's own admission, RIC '*accounts for approximately 90% to 95% of our Cost to Make*'[7].

2.3 MGBRC appears to be subject to GOC involvement and pricing regulations

InfraBuild alerted the Commission to GOC influence evident in the operation of MGBRC in its briefing[8] prior to the verification visit for Chinese exporters:

- Ma Steel is part of the China Baowu Group (State-owned Enterprise)
- MGBRC in their response to exporter questionnaire (**REQ**) stated '*the company does not possess any government planning documents and is **not even sure whether any such***

[4] ADN No. 2026/107, *PAD and Imposition of Securities* (**PAD 692**), p. 17.
[5] Legislative references are to the *Customs Act 1901*, unless otherwise specified.
[6] PAD 692, p. 16.
[7] EPR 692/057, p. 2.
[8] EPR 692/018, pp. 19-20.

documents exist' when asked to provide a copy of the last two Provincial/City Five-Year Plans.

  - Demonstrating clear knowledge of the relevant Five-Year Plans, the MGBRC website reports on the *First Workers' Congress and the 2025 Annual Summary and Commendation Meeting of Maanshan Iron and Steel BRC* stating:

    > '*At the beginning of the meeting, President Ma Wenbo delivered a report entitled "Anchoring to Excellence, Practicing Diligence and Building Consensus to Strengthen the Foundation and Forge Ahead for the High-quality Development of Magang BRC during the* ***15the Five-Year Plan*** *Period.'*

- MGBRC in their REQ stated '*Yes.* ***Pricing of the goods is governed by national laws and regulations that apply uniformly across all regions and provinces in China***.' in response to the question concerning pricing for goods produced in production facilities in more than one region and/or province.

3. Causal link and non-attribution obligations

The exporter expresses its view that '*any alleged material injury suffered by the domestic industry (InfraBuild Mesh) was caused by severe domestic supply disruptions rather than imports from China*'[9].

Firstly, the Australian domestic industry for mesh production consists of more than just 'InfraBuild Mesh'. This is the reason why the application for Anti-Dumping measures was a joint application consisting of InfraBuild along with a number of other companies producing mesh, as represented by the Steel Reinforcement Institute of Australia (**SRIA**).

Secondly, the interruption in billet supply from Whyalla Steelworks referenced in the MGBRC submission commenced in '*early April 2026*'. This is well outside the investigation period (12-months ending 30 September 2025), and as such may not be considered in any non-attribution analysis under subsection 269TAE(2A). Specifically, analysis of other factors where they have not been operating at the same time as the dumped imports may not be assessed[10].

The third point to note is that the Commission has considered whether factors other than dumping, including domestic supply constraints, explain the injury observed and have concluded that '*while other factors may have influenced market conditions, the evidence before the commission indicates that dumped imports from China were the primary cause of injury during the investigation period*'[11].

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[9] EPR 692/057, p. 5.
[10] Anti-Dumping Commission, *Dumping and Subsidy Manual*, Department of Industry, Science, Energy & Resources, Canberra, December 2021, p. 102.
[11] PAD 692, p. 47.

Conclusion

For the reasons set out above, InfraBuild submits that MGBRC's objections to the Commission's preliminary findings should be rejected. The exporter's reliance on Article 2.2.1.1 of the Anti-Dumping Agreement overlooks the principle that investigating authorities may depart from GAAP-compliant records where those records do not provide a reliable basis for determining costs under normal market conditions. The Minister's recent decision to accept the recommendations contained in ADRP *Report No. 180* confirms that such an approach is consistent with both domestic law and Article 2.2.1.1 where the authority has undertaken a detailed evidentiary assessment and adequately explained its reasoning.

In the present case, the Commission has identified substantial evidence of government influence affecting Chinese steel and rod in coil markets, including a contemporaneous particular market situation finding, the absence of cooperation from the Government of China, and evidence indicating that MGBRC itself operates within a framework of state influence and pricing regulation. Given that RIC constitutes the overwhelming majority of MGBRC's cost of production, the Commission's decision to rely on Malaysian benchmark costs represents a measured and evidence-based response to the distortions identified.

MGBRC's causation arguments are equally unpersuasive. The domestic supply issues referenced by the exporter arose after the investigation period and therefore cannot explain the injury experienced by the Australian industry during the period examined by the Commission. In any event, the Commission has already assessed the impact of factors other than dumped imports and concluded that dumped imports from China were the primary cause of material injury to the Australian industry.

Accordingly, InfraBuild submits that the Commission's preliminary findings are supported by the evidence, consistent with domestic law and Australia's WTO obligations, and should be upheld in future recommendations. The Commission should therefore affirm its approach to normal value construction, reject the arguments advanced by MGBRC, and proceed to recommend the imposition of final measures necessary to remedy the injurious effects of dumped imports of welded steel mesh sheets from China.

To discuss any aspect of this submission, do not hesitate to contact your InfraBuild representative on record.

FOR AND ON BEHALF OF THE

AUSTRALIAN INDUSTRY APPLICANT