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Public File

Introduction

BlueScope Steel Limited (**BlueScope**) refers to:

- the submission lodged by Nam Kim Steel Joint Stock Company (**Nam Kim**) regarding the Model Control Code (**MCC**) structure for Investigation No. 706; and
- the meeting held between BlueScope and the Anti-Dumping Commission (**Commission**) on 7 September 2026 regarding coating-type MCCs.

The Commission's file note records that BlueScope discussed Nam Kim's proposal and that the Commission invited BlueScope to make a submission on the MCC issues for the Commissioner's consideration.[1]

BlueScope submits that the coating-type MCC structure notified at initiation should be retained unless verified evidence demonstrates that separate ZM coding would materially improve the reliability of model matching.

BlueScope does not contend that Z and ZM products are identical. The relevant issue is whether their differences materially affect the comparability of otherwise comparable models and whether the benefit of separate coding would outweigh any reduction in the availability or representativeness of model matches.

BlueScope's technical evidence indicates that Z and ZM products are supplied into overlapping Australian application segments. BlueScope's understanding of Australian customer purchasing considerations is that customers may consider Z and ZM products as competing alternatives in at least some applications. This does not establish that every Z and ZM transaction is economically equivalent. It does, however, weigh against assuming that coating composition alone determines the selling price of the finished product.

The Commission can best assess that issue through transaction-level sales and cost information, once verified and appropriately controlled.

[1] Investigation 706, Anti-Dumping Commission, File Note: Meeting with BlueScope, 7 September 2026, EPR folio no. 16.

BlueScope provides with this submission Confidential Attachment A – INV 706 Coating-Type MCC: Technical Background. Confidential Attachment A contains technical and commercially sensitive information prepared for BlueScope's discussion with the Commission and should be treated as confidential information.

It provides the technical and commercial context for the public summary set out below, including information concerning:

- the relationship between traditional zinc-based coating families and magnesium-containing variants;
- the Australian application segments in which Z and ZM products compete;
- customer product-selection considerations;
- the product and environmental factors affecting corrosion performance and service life; and
- the limitations of isolated accelerated corrosion testing as evidence of comparative in-service performance or appropriate MCC treatment.

The issue is not whether Z and ZM products differ. The issue is whether those differences materially affect model comparability in a way that makes separate coding necessary to improve the reliability of model matching.

The Issue Before the Commission

The existing MCC structure[2] identifies the following coating categories:

- zinc coated or non-zinc/iron alloy coating variations (including Z, ZA and ZM coating classes) under code "Z"; and
- zinc/iron alloy coating under code "F".

Nam Kim proposes a separate MCC category for ZM-coated products. Nam Kim relies on differences in coating composition, corrosion performance, hardness, cost and price to support separate coding. Nam Kim's questionnaire presents MCC lists under both its proposed coding, which uses "M" for ZM products, and the Commission's modified coding, which reports those products under code "Z".[3]

The physical, performance, cost, price and classification differences relied upon by Nam Kim in relation to ZM products must be considered together. They support separate coding only if, collectively, they establish a material difference affecting the comparability of otherwise matched models and transactions. It is not enough that the coatings can be separately identified or have different technical characteristics.

The relevant question is whether the identified differences make Z and ZM products materially less comparable for model-matching purposes.

BlueScope's understanding of overlapping applications and its understanding that customers may consider Z and ZM as competing alternatives in at least some circumstances support continued treatment of Z and ZM within the existing coating-type category. That evidence does not establish that every Z and ZM transaction is equivalent, but it weighs against the proposition that coating composition necessarily creates a material comparability difference.

The Commission can determine that question from transaction-level sales and cost information, once verified as appropriate, with controls for the other characteristics already captured by the MCC.

In doing so, the Commission should determine whether:

1. the difference in coating composition produces a consistent difference in total cost to make and sell the finished product;
2. any such difference remains material after controlling for coating mass, specification, dimensions, grade and the other MCC characteristics;
3. the difference materially affects the selling prices of otherwise comparable transactions; and

[2] Investigation 706, Anti-Dumping Notice No. 2026/089 Initiation Notice pp. 4 to 5, and Australian Industry Verification Report: BlueScope Steel Limited, Table 1 (MCC Structure).

[3] Investigation 706, Nam Kim, Exporter Questionnaire Response, section C-1, pp. 24 to 25.

4. separate ZM coding would produce materially more reliable comparisons than the existing structure, taking account of both matching precision and the availability of comparable models.

Consistency with BlueScope's Original Application

BlueScope acknowledges that its original application identified coating type as a relevant MCC characteristic and stated that "it is not meaningful to compare models with different types of zinc coatings".[4]

That statement was made in the context of the specific MCC structure proposed in the same application. That structure:

- grouped Z, ZA and ZM coating classes within code "Z"; and
- separately identified zinc/iron alloy coatings under code "F".

The application therefore did not assign a separate MCC category to every compositional variation within the zinc-based coating family. It distinguished the overarching Z and F coating categories while retaining Z, ZA and ZM as variations within code "Z".

Read as a whole, the application treated the distinction between code "Z" and code "F" as the relevant coating-type distinction for the proposed MCC, while treating Z, ZA and ZM as coating variations within code "Z". BlueScope's statement that comparisons between different zinc-coating types are not meaningful should therefore not be read in isolation from the coding table that defined how BlueScope proposed to identify those types for model-matching purposes. BlueScope's application expressly ranked coating type as an important MCC characteristic but then grouped Z, ZA and ZM under the same identifier.

The narrative statement, read alone, was broader than the distinction reflected in the accompanying MCC table. Read together with the accompanying table, the application proposed MCC structure treated the distinction between codes "Z" and "F" as the coating-type distinction to be applied for model-matching purposes and treated Z, ZA and ZM as variations within code "Z".

BlueScope's present position relies on the structure actually proposed in that table. It does not contend that coating composition is irrelevant or that further subdivision of code "Z" could never be justified. Rather, a further subdivision would be appropriate if verified evidence demonstrated that the notified grouping materially impaired model matching and that separate ZM coding would materially improve the resulting comparisons.

Accordingly, the issue is whether information obtained since initiation demonstrates a material deficiency in the original grouping, not whether coating type is relevant in principle.

Purpose of the MCC Structure

The purpose of an MCC structure is to assist the Commission in comparing products with relevant sales and cost characteristics in common, while recognising differences that materially affect comparability. An MCC should not create a separate MCC category for every physical or technical variation that may exist between products.

An MCC assists the Commission to match exported goods with the most comparable domestic goods and to account for physical characteristics that give rise to distinguishable and material differences affecting price comparability.

BlueScope submits that an appropriate MCC structure should:

- identify the most comparable models available;
- capture material selling-price and cost differences that affect comparability; and
- avoid unnecessary segmentation of otherwise comparable products.

BlueScope submits that separate coding is appropriate where a product characteristic creates a material difference in cost or selling price that is not adequately captured by the other MCC characteristics and would otherwise distort the comparison of

[4] Investigation 706, BlueScope's application, section A-4-11, p. 21.

models. Accordingly, separate coding is necessary only where it would materially improve the reliability of model matching, not merely because a physical or technical variation can be separately described.

BlueScope agrees that the Commission should have regard to differences in physical characteristics and whether those differences give rise to distinguishable and material differences affecting price comparability.[5] The question is whether the differences between Z and ZM create a material comparability difference that the existing MCC does not otherwise capture.

BlueScope recognises that the Commission may refine an MCC structure as additional evidence becomes available during an investigation. The notification of the existing structure at initiation is therefore not determinative. However, that structure remains the appropriate starting point because it:

- was designed to collect and compare information by reference to relevant product characteristics;
- distinguished zinc/iron alloy coating from other zinc-based coating variations;
- grouped Z, ZA and ZM within code "Z"; and
- has formed the Commission's notified basis for reporting information during the investigation.

A further subdivision within code "Z" is warranted only if the available evidence shows that the existing grouping produces less reliable comparisons and that the proposed category would materially improve model matching.

Technical and Commercial Context

ZM coatings form part of the broader family of zinc-based metallic coatings. Magnesium-containing coatings have differing compositions and may perform differently under particular conditions, but they remain part of the broader zinc-coated product class covered by the goods under consideration.

BlueScope does not rely on inclusion within the goods under consideration as proof that Z and ZM products must share an MCC. Their inclusion provides relevant product context only. The separate MCC question depends on whether the identified differences materially affect selling-price and cost comparability.

BlueScope's technical evidence, set out in Confidential Attachment A,[6] indicates that:

- ZM products are supplied into applications traditionally serviced by conventional Z-coated products;
- ZM products are commonly promoted as higher-performance alternatives to conventional galvanised products;
- Z and ZM products compete in overlapping application segments; and
- customers select products by reference to several technical and commercial considerations.

BlueScope's understanding of Australian customer purchasing considerations is that customers may consider Z and ZM products as competing alternatives and, in some circumstances, may regard them as interchangeable depending on application requirements, price and customer preference. This does not establish model-level selling-price comparability or that a ZM premium does not exist in particular products, applications or transactions. It supports the narrower proposition that coating composition alone should not be assumed to determine the outcome of customer purchasing decisions.

At the level of the broader goods under consideration, the Commission's Consideration Report No. 706 records that the imported goods and goods manufactured by BlueScope appear to have similar physical characteristics, are directly competitive and are functionally substitutable.[7] BlueScope recognises that those observations concern the broader imported and locally produced goods and do not, by themselves, determine the appropriate MCC structure. They are nevertheless relevant context because they support the proposition that a difference in coating composition does not necessarily place the products in distinct commercial or functional categories. Whether that overlap is sufficient for MCC purposes must ultimately be considered together with transaction-level evidence concerning costs and selling prices, once verified by the Commission as appropriate.

[5] Anti-Dumping Commission, *Dumping and Subsidy Manual*, December 2021, Chapter 14, especially sections 14.1-14.2.

[6] Confidential Attachment A, slides 4–17.

[7] Investigation 706, Consideration Report No. 706, 19 June 2026, section 2.4.3 and Table 6, pp. 11-12.

Taken together, BlueScope's evidence supports the proposition that Z and ZM are supplied into overlapping application segments and may be considered competing alternatives in at least some circumstances. This supports the existence of a competitive relationship but does not, by itself, establish model-level selling-price or cost comparability. That question must be determined from transaction-level cost and sales evidence, once verified and controlled by the Commission as appropriate.

Customer purchasing decisions are not determined solely by coating composition or corrosion performance. Product selection may also reflect:

- intended application;
- expected service life;
- corrosion performance in the relevant environment;
- maintenance requirements;
- coating mass and product specification;
- price; and
- customer preference.

These factors do not make coating composition immaterial. They show why an observed price difference cannot be attributed automatically to coating composition without controlling for the other product, transaction and market characteristics affecting the comparison.

Against this technical and commercial background, BlueScope addresses below the cumulative evidence on which Nam Kim relies.

Consideration of Nam Kim's Cumulative Case

Nam Kim relies on differences in coating composition, corrosion performance, hardness, input costs, selling prices and its separate reporting of ZM products.[8] BlueScope accepts that the Commission should assess those matters collectively.

Each matter performs different analytical functions:

- coating composition establishes a physical difference;
- performance evidence may show how the physical difference affects particular applications or service conditions;
- internal classification establishes that Nam Kim can separately identify the products;
- cost evidence may demonstrate a production-cost difference; and
- selling-price evidence may demonstrate an economic distinction between the products.

The cumulative evidence supports separate coding only if it demonstrates a material effect on otherwise comparable transactions. That assessment must control for coating mass, specification, dimensions, grade, level of trade and other relevant transaction characteristics.

Nam Kim's evidence should therefore be tested for causation, representativeness and materiality:

- technical testing should use methods and conditions relevant to the products and applications under investigation;
- input-cost evidence should be traced through to its effect on total cost to make and sell the finished product;
- selling-price comparisons should control for other relevant product and transaction characteristics; and
- any claimed ZM premium should be demonstrated across a representative range of transactions and should not depend solely on particular specifications, applications, customers or conditions of sale.

Nam Kim's Product Classification and Questionnaire Evidence

Nam Kim's use of a separate "M" identifier demonstrates that it separately identifies ZM products in its own records. However, internal classifications may serve manufacturing, inventory, specification, marketing or commercial purposes. The "M" identifier

[8] Investigation 706, Nam Kim submission on the MCC Structure, 27 July 2026, section 3, EPR folio no. 5.

therefore supports separate MCC treatment only if it corresponds with physical and economic differences that materially affect model comparability, once verified by the Commission as appropriate.

Nam Kim's questionnaire response contains the product, sales and classification information needed to test the practical significance of the "M" distinction. The identifier itself does not determine the appropriate MCC structure.

Using Nam Kim's reported Z and M transactions, the Commission should examine:

- the extent of overlap in dimensions, grade, coating mass and the other MCC characteristics;
- whether the products are sold into common or overlapping customer classes, application segments or channels;
- whether otherwise comparable Z and M transactions are available;
- whether a consistent cost or price difference remains after controlling for the relevant characteristics and conditions of sale; and
- whether separate treatment improves or reduces the availability and representativeness of model matches.

The presence of both Z and M identifiers in Nam Kim's reported information provides a means of performing that controlled comparison. It does not predetermine its result.

The principal technical distinction relied upon by Nam Kim is the claimed difference in corrosion performance.

Corrosion Performance Must Be Assessed in Context

BlueScope acknowledges that coating composition may influence corrosion performance under particular service conditions. A consistently demonstrated performance difference may also contribute to a cost or selling-price difference relevant to model matching.

However, corrosion performance depends on the complete product specification, including:

- coating composition and mass;
- steel-substrate thickness; and
- subsequent topcoats or surface treatments.

Service life also depends on environmental and installation factors, including site corrosivity, rain washing, local climate, marine influence, product orientation, application and electrical isolation between dissimilar metals.

Corrosion test results must therefore be considered in light of the test conditions, complete product specification and intended service environment. Their MCC relevance also depends on whether they explain price differences between otherwise comparable sales.

Confidential Attachment A notes that ZM product literature tends to emphasise accelerated testing methods, particularly ASTM B117 salt-spray testing. Those results should be considered alongside standard outdoor exposure, application-specific assessments, field inspections and full-scale building evidence.

A difference observed under an accelerated test may establish different behaviour under the test conditions. It does not, without supporting evidence, establish the magnitude of any in-service difference across Australian conditions or a material selling-price difference across the products under investigation.

Corrosion performance is therefore relevant, but it does not substitute for evidence that the performance difference materially affects the sales and cost comparisons undertaken in the investigation.

Cost and Selling Price Considerations

Nam Kim also relies on differences in production cost and selling price.

BlueScope accepts that properly established cost-to-make differences may be relevant to model matching. BlueScope further accepts that a material and systematic selling-price difference between otherwise comparable Z and ZM products would be relevant to whether separate coding would improve model matching.

BlueScope also notes that coating-metal inputs represent only one component of the total cost to make and sell metallic coated steel products. Accordingly, any difference in coating-input costs should not be assumed to translate directly into an equivalent difference in total product cost or selling price.

The price of coating-metal inputs is one component of the total cost of metallic-coated steel. A difference in coating-input prices may contribute to a difference in total cost, but it does not establish the magnitude of that difference without accounting for coating mass, input consumption and the other costs of producing the finished product.

The Commission's assessment should therefore distinguish between:

- the difference in the price or quantity of a coating input;
- the effect on total cost to make and sell the finished product; and
- the extent to which any total-cost difference affects the selling price of otherwise comparable transactions.

A coating-input difference may contribute to a total-cost or selling-price difference, but it does not establish the magnitude or materiality of that effect. Conversely, the presence of other cost components does not make a coating-input difference immaterial.

The Commission should control for other product and transaction characteristics to isolate any economic effect attributable to the ZM coating variation. A material difference that remains after applying those controls would provide stronger support for separate coding.

BlueScope does not have access to the detailed confidential sales, cost and margin information underlying Nam Kim's public assertions and cannot determine whether its asserted price differences are verified, representative or attributable to coating composition.

The Commission should test whether:

- the asserted price difference appears across a representative range of transactions;
- the compared transactions share the other relevant MCC characteristics;
- the analysis controls for coating mass, specification, grade, dimensions, level of trade, customer, volume, timing and other material conditions of sale;
- the claimed difference is consistently evident in Nam Kim's domestic and export sales;
- it materially affects the reliability of model matching; and
- a separate ZM category would improve the availability and reliability of comparable models.

This analysis would isolate the economic effect attributable to the ZM variation and determine whether it warrants a further subdivision of code "Z".

Nam Kim's claimed selling-price distinction should be tested carefully against its verified sales and cost information. In particular, the Commission should determine whether any claimed premium remains after matching products for the other MCC characteristics, is consistently evident in relevant domestic and export sales, reflects coating composition rather than other product or transaction characteristics and is sufficiently systematic and material to affect model matching.

The higher unit price of ZM alloy ingot should not be assumed to produce an equivalent or uniform difference in the selling prices of finished goods without examining the complete cost structure and controlled sales data. BlueScope does not contend that no ZM premium exists in any circumstances. Its position is that the existence, cause, consistency and materiality of any claimed premium should be established from Nam Kim's verified transaction-level information.

If Nam Kim's evidence, once verified by the Commission as appropriate, demonstrates a material ZM-related difference after controlling for other relevant characteristics, that would support separate coding. If it does not, the technical differences and separate product identifier would not, by themselves, justify changing the MCC.

Even if the Commission identifies a relevant economic difference, it must also consider whether separate coding would improve the overall reliability of model matching.

Comparative Reliability of the Existing and Proposed Structures

A separate ZM category would change the pool of domestic and export transactions available for model matching. Its potential benefits must therefore be considered against the risk of fragmenting otherwise comparable transactions.

The relevant considerations are:

- whether retaining Z and ZM within one category would combine transactions affected by a material coating-related cost or price difference;
- whether separating ZM would increase the number of unmatched or less representative models;
- whether separation would reduce the volume or value of transactions within otherwise comparable model groups; and
- whether it would produce more reliable dumping comparisons overall.

Confidential Attachment A does not contain Nam Kim's transaction-level data and therefore does not quantify the effect of separate coding on matching coverage or reliability. BlueScope does not assert that separate coding will necessarily increase unmatched models or reduce representativeness. Rather, those are consequences that the Commission should test using the two coding approaches already identifiable from Nam Kim's questionnaire data.

The appropriate comparison is between:

- the matches and outcomes generated when Nam Kim's ZM transactions are treated under code "M"; and
- the matches and outcomes generated when those transactions are treated under code "Z" in accordance with the notified structure.

That analysis would allow the Commission to determine whether separate coding improves matching precision sufficiently to outweigh any reduction in the availability or representativeness of comparable transactions.

The Public Information Does Not Establish a Material Deficiency in the Existing MCC Structure

BlueScope's technical evidence and understanding of Australian customer purchasing considerations support the proposition that Z and ZM products may be considered competing alternatives in overlapping application segments. It does not establish that all Z and ZM models or transactions are economically equivalent.

BlueScope does not contend that the structure notified at initiation is conclusive. Nam Kim's transaction-level evidence, once verified and properly controlled by the Commission, may establish that separate coding is appropriate. However, the public information and information otherwise available to BlueScope does not establish that the existing grouping materially impairs model matching or that a separate ZM category would produce a net improvement in the reliability of the Commission's comparisons.

In summary:

- BlueScope's technical evidence indicates that Z and ZM products are supplied into overlapping Australian application segments;
- BlueScope's understanding of Australian customer purchasing considerations is that customers may consider Z and ZM products as competing alternatives in at least some circumstances;
- customer product selection reflects several technical and commercial considerations;
- corrosion performance depends on the complete product specification and service environment;

- accelerated corrosion tests should not be considered in isolation;
- Nam Kim's separate "M" identifier does not independently establish a need for separate MCC treatment; and
- the Commission should determine from the verified sales, cost, product and other relevant information whether separate coding would materially improve model matching.

The notified structure should therefore be retained unless transaction-level evidence, once verified by the Commission as appropriate, demonstrates that combining Z and ZM materially distorts the Commission's comparisons. BlueScope submits that the Commission should retain the notified coating-type MCC structure unless verified analysis demonstrates that separate ZM coding would materially improve the reliability of model matching.

If the Commission's analysis demonstrates that the ZM variation produces a material economic difference and that separate coding would produce more reliable comparisons overall, BlueScope accepts that separate treatment would be appropriate. Unless that analysis demonstrates such an improvement, the Commission should retain the coating-type MCC structure notified at initiation.

Conclusion

BlueScope recognises that Z and ZM coatings differ in composition and may differ in performance, cost and selling price in particular circumstances. A verified material cost or selling-price difference between otherwise comparable models may warrant separate MCC treatment.

BlueScope's technical evidence indicates that Z and ZM products are supplied into overlapping Australian application segments. BlueScope's understanding of Australian customer purchasing considerations is that customers may consider the products as competing alternatives in at least some applications. The evidence does not establish economic equivalence across all Z and ZM transactions, but it weighs against assuming that coating composition alone or invariably determines selling price.

The public information and information otherwise available to BlueScope does not establish whether Nam Kim's claimed cost and price differences remain material after controlling for the other relevant product and transaction characteristics. Nam Kim's separate "M" identifier establishes that ZM products can be identified separately in its data, but it does not determine whether separate coding would materially improve the reliability of model matching.

BlueScope does not contend that combining Z and ZM could never affect comparability. Its position is that the Commission should determine the issue using Nam Kim's transaction-level sales and cost data, once verified and appropriately controlled, and should compare the reliability of model matching under both the notified and proposed structures.

BlueScope therefore recommends that the Commission:

- assess Nam Kim's physical, performance, cost, price and classification evidence collectively;
- test the asserted cost and selling-price differences using transaction-level data, once verified as appropriate, controlling for the other relevant MCC and conditions-of-sale characteristics;
- use Nam Kim's reported Z and M transactions to test whether any asserted distinction remains after those controls are applied;
- take account of BlueScope's technical evidence concerning application overlap and the range of technical and commercial considerations relevant to customer product selection;
- assess the representativeness and relevance of the corrosion evidence and avoid treating isolated accelerated-testing results as determinative of in-service performance or price comparability;
- compare the availability, representativeness and reliability of matches generated under the existing and proposed MCC structures;
- determine whether any resulting difference is material and whether separate coding would materially improve model matching; and

- retain the coating-type MCC structure notified at initiation unless that analysis demonstrates that separate ZM coding would materially improve the reliability of model matching.

For and on behalf of BlueScope