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Director
Anti-Dumping Commission – Investigations
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Canberra ACT 2601

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Dear Director,

Accelerated Review No. 715 – Hollow structural sections exported from China by Suzhou Baojia New Energy Technology Co., Ltd

Introduction

Orrcon Manufacturing Pty Ltd (**Orrcon**) makes this submission in Accelerated Review No. 715, which concerns Suzhou Baojia New Energy Technology Co., Ltd (**Baojia**), an applicant for new exporter status in relation to the dumping duty and countervailing duty notices applying to certain hollow structural sections (**HSS**) exported from China.

The Commission's initiation notice records that the application concerns the altered HSS measures, which include goods classified to tariff subheading 7308.90.00, statistical code 65.[1] The application identifies Baojia as the manufacturer or producer and Hong Kong Hao Yuan Sheng Trading Company Ltd (**Hao Yuan Sheng**) as the exporter or trading entity from which Baojia receives orders. The application identifies the relevant goods as steel torque-tube elements supplied for solar-tracker systems and exported through Hao Yuan Sheng.[2]

The application states that, to the extent Baojia purchases upstream steel input or semi-finished tube from another supplier, Baojia further processes that material before export.[2] The Commission should therefore verify the roles of those suppliers, the nature and condition of the purchased inputs, the processing undertaken by Baojia and the associated procurement and processing costs.

In this submission, Orrcon addresses:

1. the analytical approach relevant to determining the variable factors applicable to Baojia;
2. the applicant-specific information that the Commission should examine and verify, including information relating to Hao Yuan Sheng and any supplier of upstream steel input or semi-finished tube; and
3. the application of the operative goods description following Anti-Circumvention Inquiry No. 685.

REP 590 provides a relevant analytical starting point

Report No. 590 (**REP 590**) contains the Commission's most recent comprehensive examination of dumping and subsidisation in relation to Chinese exporters of the HSS goods.[3] REP 590 therefore provides a relevant analytical starting point for determining the variable factors applicable to Baojia, subject to the Commission's assessment of reliable information relating to Baojia, Hao Yuan Sheng, relevant input suppliers, the complete production and

[1] Anti-Dumping Notice No. 2026/113, 10 August 2026, pp. 1 to 3 and 6.
[2] Suzhou Baojia New Energy Technology Co., Ltd, Non-Confidential Application for Accelerated Review No. 715, responses to questions 1, 4 and 8, including pp. 4, 5 and 8.
[3] Anti-Dumping Commission Report No. 590, 27 May 2022, chapters 1,7,8 and 12 and non-confidential Appendices A to D.

export chain and the current review period, being 1 July 2025 to 30 June 2026, including verified information where available.

In REP 590, the Commission found that a particular market situation (**PMS**) existed in the Chinese domestic market for the goods.[4] The Commission also considered whether domestic sales in that market provided a suitable basis for determining a normal value under subsection 269TAC(1) of the *Customs Act 1901* (**the Act**) that would permit a proper comparison with the export price.[5] The Commission concluded that the relevant domestic sales were unsuitable for that purpose.

The Commission accordingly constructed normal values under paragraph 269TAC(2)(c), including by adjusting Chinese hot-rolled coil (**HRC**) input costs by reference to an international benchmark to account for the effect of the PMS on those input costs.[6] HRC is the principal material input in the production of HSS. The Commission should verify whether, and to what extent, the goods to which Baojia's application relates are manufactured from HRC, other steel input or semi-finished tube acquired from third-party suppliers.

REP 590 also found that certain Chinese producers of the goods received countervailable subsidies. These included benefits under Program 20, which concerned HRC provided by Chinese steel mills that the Commission found to be public bodies for less than adequate remuneration, measured against a competitive international benchmark.[7] The Commission had regard to those findings when determining the relevant countervailing variable factors.

The Commission subsequently examined HRC exported from China in Investigation No. 658. Report No. 658 (**REP 658**) found that a PMS existed in the Chinese domestic market for HRC during the investigation period from 1 October 2023 to 30 September 2024 and that government involvement had materially contributed to overcapacity, oversupply and distortion in the Chinese steel industry.[8] The Commission also made exporter-specific findings concerning countervailable subsidisation. Those findings included the termination of the subsidy investigation for the four selected exporters because their levels of subsidisation were negligible, while the Commission found non-negligible subsidisation for all other exporters based on all facts available and reasonable assumptions.[9]

The PMS finding in REP 658 may provide more recent contextual evidence relevant to any HRC input costs incurred by Baojia. If Baojia acquired other upstream steel input or semi-finished tube, the Commission should separately determine the material inputs used to produce those products and whether the REP 658 findings are relevant to their costs. The Commission should separately assess any countervailable subsidisation applicable to Baojia, Hao Yuan Sheng and, where relevant under the Act, upstream suppliers or other relevant entities, having regard to entity-specific evidence and the differentiated subsidy findings in REP 658.

Under section 269ZG of the Act, the Commissioner must recommend whether the relevant notices should remain unaltered or should be altered to apply to Baojia as if different variable factors had been fixed, and must set out the reasons for that recommendation.[10] In performing that task, the Commission should determine the variable factors by reference to reliable information relevant to Baojia, Hao Yuan Sheng, relevant input suppliers, the complete production and export chain and the review period, including verified information where available. In doing so, the Commission should have regard to the findings and methodologies in REP 590 to the extent that current evidence demonstrates their continuing relevance.

Orrcon submits that a consistent approach supports treating relevant earlier Commission findings and methodologies as a starting point unless evidence relating to Baojia, Hao Yuan Sheng, relevant input suppliers and the review period supports a different conclusion. Based on the public information currently available and before completion of the Commission's verification process, Orrcon is not aware of evidence demonstrating that

[4] REP 590, non-confidential Appendix A, especially sections A1, A3 and A7.
[5] REP 590, non-confidential Appendix B, especially sections B1, B2 and B6.
[6] REP 590, chapter 7 and non-confidential Appendices A and C, especially sections A6.1, A6.2 and C2 to C4;
[7] REP 590, chapter 8 and non-confidential Appendix D, section D2.1.
[8] REP 658, 2 April 2026, EPR 658, document no. 44, non-confidential Appendix A, especially sections A1, A2 and A4.
[9] REP 658, chapter 7, especially sections 7.1 and 7.6, and non-confidential Appendix D, including the findings concerning Programs 178 and 179.
[10] Customs Act 1901 (Cth), subsection 269ZG(1).

the conditions underlying the REP 590 PMS finding and the application of the HRC benchmarking methodology have materially changed. Baojia's application does not presently address whether the conditions examined in REP 590 remain relevant to Baojia, Hao Yuan Sheng, any upstream supplier, or the production and export activities under review. Baojia's status as a new exporter does not, by itself, establish that those findings and methodologies are no longer relevant.

Orrcon therefore submits that the Commission should:

1. assess the continuing relevance of the REP 590 PMS finding and the effect of any PMS on the suitability of Baojia's domestic sales;
2. determine whether the recorded costs of HRC, other upstream steel input or semi-finished tube used to produce the goods reasonably reflect competitive conditions;
3. examine whether Baojia, Hao Yuan Sheng, any related entity, and where relevant under the Act, any supplier of HRC, other upstream steel input or semi-finished tube received countervailable subsidies; and
4. apply the methodologies adopted in REP 590 where verified evidence relating to Baojia, Hao Yuan Sheng, relevant input suppliers, the complete production and export chain and the review period supports their application.

Any material departure from the relevant REP 590 findings or methodologies should be supported by sufficient reliable evidence relating to the complete production and export chain and the review period, together with a clear explanation for that departure.

Producer, trading entity and upstream suppliers

The involvement of Baojia as producer and Hao Yuan Sheng as trading or export entity makes complete reconciliation of the information across the production and export chain particularly important. Baojia's possible use of steel input or semi-finished tube purchased from other suppliers also makes it necessary to identify the stage of manufacture performed by each entity and the costs incurred at each stage.

In applying that approach, the Commission should examine and verify:

- the contractual and commercial roles of Baojia and Hao Yuan Sheng;
- which entity negotiates Australian sales and sets the export price;
- which entity contracts with and invoices the Australian customer;
- whether Hao Yuan Sheng takes title to the goods and bears commercial risk;
- the basis on which the export price should be determined through the trading entity;
- all payments, commissions, charges and adjustments between Baojia and Hao Yuan Sheng;
- the ownership, control or other association between Baojia, Hao Yuan Sheng and relevant suppliers;
- Baojia's complete domestic sales and production costs;
- whether Baojia manufactures the goods from HRC, another upstream steel input, semi-finished tube or a combination of those inputs;
- the identity, ownership status and role of any supplier of HRC, other upstream steel input or semi-finished tube used in the production of the exported goods;
- the relationships between Baojia, Hao Yuan Sheng and each relevant input or semi-finished tube supplier;
- the terms on which Baojia or Hao Yuan Sheng acquires HRC, other upstream steel input or semi-finished tube;
- the purchase prices, quantities, specifications and terms of supply for each relevant input;
- the manufacturing or processing steps performed by Baojia after acquiring any semi-finished tube;
- the costs incurred by Baojia in further processing purchased steel input or semi-finished tube and the reconciliation of those costs to its accounting, purchasing and production records;
- where relevant to determining the variable factors, the production-cost, sales and subsidy information of any other entity whose manufacturing or processing activities form part of the production chain for the exported goods;
- whether relevant transactions occurred at arm's length; and
- any subsidies received by Baojia, Hao Yuan Sheng, their related entities and, where relevant under the Act, any supplier of HRC, other upstream steel input or semi-finished tube.

The Commission should ensure that the applicant-specific variable factors reflect the complete production and export transaction chain and are not determined by reference to only a subset of the relevant entities. Information held by Baojia, Hao Yuan Sheng and other relevant participants in the production and export chain will inform the calculation of the applicable variable factors. The existence of applicant-specific information does not, without further analysis, establish that the relevant market conditions differ from those identified in REP 590 or that the normal value methodology adopted in that report is no longer appropriate.

If Baojia purchases semi-finished tube, some material and processing costs will have arisen before Baojia undertakes its own manufacturing activities. The Commission should identify and assess those upstream cost components, rather than examining only the value added by Baojia after acquisition.

If Baojia does not provide complete and verifiable information, including information held by Hao Yuan Sheng, any supplier of upstream steel input or semi-finished tube or another relevant entity, the Commission should determine the applicable variable factors in accordance with the relevant provisions of the Act, having regard to all relevant information available to it. That information may include the verified findings and methodologies in REP 590, to the extent that the Commission considers them applicable to Baojia, the relevant production and export chain and the review period.

Goods description following Anti-Circumvention Inquiry No. 685

Following the Minister's consideration of Report No. 685 (**REP 685**), Anti-Dumping Notice No. 2026/064 (**ADN 2026/064**) altered the dumping duty and countervailing duty notices to include specified electric resistance welded pipe and tube made of carbon or other alloy steel, classified to tariff subheading 7308.90.00, statistical code 65.

The description currently in force includes circular and non-circular HSS with holes created by drilling, punching, piercing, cutting or otherwise, whether at the end of the section, along its length, or both. The alteration applies on and after 4 September 2025.[11]

Under section 269ZG of the Act, the statutory outcomes available under this accelerated review concern whether the notices should remain unaltered or should apply to Baojia as if different variable factors had been fixed. Orrcon therefore submits that this review does not provide a basis for revisiting the goods description currently in force under ADN 2026/064 following the Minister's consideration of REP 685.

The Commission must nevertheless confirm that the goods to which Baojia's application relates satisfy every element of the complete goods description currently in force under ADN 2026/064. Baojia describes the goods relevant to the application as steel torque-tube elements supplied for solar-tracker systems. On the basis of that description, and subject to verification of all elements of the goods description, the goods appear capable of falling within the notices.

Orrcon submits that the Commission should verify:

- the goods' composition;
- the identity and role of each entity involved in manufacturing or processing the goods;
- the method of manufacture and weld process;
- the cross-sectional form and dimensions;
- the nature and condition of any semi-finished tube when acquired by Baojia;
- the processing performed by Baojia after acquiring any HRC, other upstream steel input or semi-finished tube;
- the finish and coating;
- the hole pattern, location and method of creation;
- any end-forming;
- the tariff classification and Australian statistical code; and

[11] Anti-Dumping Notice No. 2026/064, 5 June 2026, pp. 2 to 4; Anti-Dumping Commission Report No. 685, 7 May 2026, chapters 5 and 6. ADN 2026/064 declares that the alterations apply on and after 4 September 2025.

- whether any exclusion or exemption applies.

Manufacture to project-specific requirements or intended use in solar-tracker systems does not, by itself, remove goods that otherwise satisfy the complete goods description currently in force from the scope of the notices.

For and on behalf of Orrcon Manufacturing Pty Ltd