ATTACHMENT A

DETAILED STATEMENT SETTING OUT REASONS FOR SEEKING CONTINUATION OF THE ANTI-DUMPING MEASURES

ZINC COATED (GALVANISED) STEEL EXPORTED FROM INDIA, MALAYSIA AND THE SOCIALIST REPUBLIC OF VIETNAM

Introduction

BlueScope Steel Limited (**BlueScope**) seeks the continuation of anti-dumping and countervailing measures on zinc coated (**galvanised**) steel exported from India, Malaysia, and the Socialist Republic of Vietnam (**Vietnam**) (**the subject countries**).

The Commission initially imposed the measures following Investigation No. 370 (**INV 370**). The measures continued following Continuation No. 592 (**CON 592**).[1]

BlueScope submits that, if the measures applicable to galvanised steel exported from the subject countries expire, material injury to the Australian industry producing like goods would be likely to continue or recur.

BlueScope requests that the Anti-Dumping Commission (**the Commission**) commence an investigation into the continuation of the measures on galvanised steel from the subject countries. The proposed inquiry period for this investigation is July 2025 to June 2026 (**FY2026**).

1. Whether dumping or subsidisation would be likely to continue or recur

BlueScope submits that sufficient evidence exists for the Commission to conclude that the expiry of the measures would be likely to lead to a continuation or recurrence of dumping of galvanised steel exported from India, Malaysia and Vietnam, and a continuation or recurrence of subsidisation of galvanised steel exported from India. The evidence supports a conclusion that, in the absence of measures, subject-country exporters would have both the capacity and commercial incentive to re-enter Australia with dumped and/or subsidised goods that are likely to cause material injury to the Australian industry.

In assessing the likelihood of dumping continuing or recurring, the Commission's Dumping and Subsidy Manual outlines several relevant factors and considerations. Such factors may include exporters' dumping margins, the volume of exports before and after the measures were imposed, the effect of the measures, the level of dumping compared with the level of measures, and any change in those measures (e.g., as a result of a review).[2] BlueScope addresses relevant factors below.

1.1. Whether exports would be likely to continue or recur

BlueScope has considered whether exports would be likely to continue or recur within a reasonably foreseeable timeframe with regard to:

- import volumes of the goods from subject and non-subject countries since CON 592;
- the maintenance of distribution channels and commercial links to Australia;
- subject-country steel production capacity and capacity utilisation;
- the size and demand conditions for galvanised products in Australia; and
- trade remedies and other trade defence measures in other jurisdictions.

BlueScope addresses these factors below.

[1] The CON 592 inquiry period was 1 October 2020 to 30 September 2021.
[2] Dumping and Subsidy Manual, December 2021, p. 137.

1.1.1. Import volumes and patterns of trade

BlueScope has assessed import volumes from all sources from 1 July 2022. Confidential Chart 1.1.1 below shows annual Australian import volumes from India, Malaysia, Vietnam and all other foreign sources:

[***Confidential Chart 1.1.1:*** *Galvanised steel import volumes*][3]

Chart 1.1.1 indicates that imports from subject-country exporters have remained absent or negligible during the injury analysis period. BlueScope submits that this pattern is consistent with the measures having their intended remedial effect of reducing or otherwise disincentivising the export of dumped and/or subsidised goods from the subject countries. It does not indicate that the underlying risk of injurious trade has disappeared.

Australia has continued to import significant volumes of galvanised steel from other foreign sources throughout the analysis period, with annual import volumes consistently exceeding [*XXX*] tonnes. These volumes include imports from countries and exporters that continue to supply Australian customers notwithstanding the existence of anti-dumping measures applying to certain other galvanised steel exporters and jurisdictions.

The continued presence of substantial import volumes demonstrates that Australia remains an established destination for imported galvanised steel and that Australian customers continue to source galvanised products internationally where competitive supply opportunities exist. However, it is paramount that such competitive supply exists under a fair-trading environment.

BlueScope submits that the conditions set out in this section support the conclusion that dumped and/or subsidised exports from the subject countries would be likely to continue or recur if measures expire.

1.1.2. Maintenance of distribution links to Australia

BlueScope submits that, if the measures expire, importers, particularly steel import traders supplying Australian customers, would be likely to resume or expand sourcing from subject-country exporters through previously established trading relationships and supply channels.

The historical pattern of trade before measures were imposed demonstrates that commercial relationships previously existed between Australian importers and subject country exporters. BlueScope submits there is no evidence those relationships have permanently ceased. The continued operation of steel import channels in Australia indicated that the infrastructure, commercial arrangements and customer relationships necessary to support imports of the goods remain available.

Accordingly, BlueScope submits that commercial and distribution links between Australian customers, import traders and subject-country exporters of dumped and/or subsidised goods could be readily reactivated if the measures expire.

1.1.3. Excess production capacity of the subject countries

Overcapacity in the global steel industry

Excess steelmaking capacity relative to demand creates conditions in which producers have a stronger incentive to seek export sales and compete unfairly on price. For a commodity product such as galvanised steel, those conditions increase the risk that export prices will be set at levels that are lower than the producer's domestic prices and cause price depression, price suppression and reduced profitability in importing countries.

In the *Steel Outlook 2025* (**the 2025 report**) and *Steel Outlook 2026* (**the 2026 report**), the OECD identifies excess capacity as having weighed heavily on steel trading conditions; that steel plant utilisation rates are well below the levels the OECD considers sustainable, and substantial increases in capacity are planned worldwide

[3] Confidential Appendix A2.

in the next several years despite only modest global steel demand growth. The 2026 report confirms these trends have deepened: global steelmaking capacity reached 2,445 million tonnes in 2025, excess capacity climbed to 640 million tonnes, and capacity utilisation fell to 76 per cent – well below sustainable levels.[4]

The reports also identify a widening divergence between capacity and demand, downward pressure on steel prices and profitability, and increasing international trade tensions. The 2026 report projects a further deterioration in global excess capacity to approximately 745 million tonnes by 2028.[5] These conditions provide important context for assessing the likelihood that export-oriented producers in the subject countries would seek additional export outlets for dumped and/or subsidised products if measures expire.

While global data should not be treated as a substitute for country-specific evidence, it is relevant to the continuation assessment because the subject countries operate within a regional and global steel industry environment affected by surplus capacity, weak demand growth, trade diversion and price pressure. These conditions increase the likelihood that subject-country exporters would seek to expand exports of dumped and/or subsidised products to accessible destinations, including Australia, if the measures expire.

India

India is one of the fastest-growing steel-producing nations in the world. Over the period 2021–2025, India added 41.4 million tonnes of crude steelmaking capacity, an increase of 28.8 per cent, making it the leader in net capacity additions globally. The OECD identifies India as the leading contributor to net global capacity additions over that period.[6]

Further capacity additions are projected. The OECD reports that 31.8 million tonnes of gross capacity additions are in the pipeline for commissioning over 2026 to 2028, comprising 6.0 million tonnes of projects already underway and 25.8 million tonnes at the planning stage. These additions take Indian capacity to between 191.3 and 217.1 million tonnes by 2028.[7]

The Indian Government has set a target of approximately 300 million tonnes of capacity by 2030 to 31. The OECD projects that, if India reaches that target, Indian capacity will exceed domestic demand in crude-steel-equivalent terms by approximately 90 Mt.[8] The scale of planned and government-supported capacity growth creates a likely future incentive to increase exports as additional capacity comes online. A capacity base of this scale, built ahead of domestic absorption, increases the likelihood that producers will seek additional export of dumped and subsidised goods in order to maintain efficient utilisation of newly installed capacity, should trade opportunities arise in export destinations such as Australia.

Indian steel production is strongly supported by Government policy. Steel is treated as a sector of strategic importance under the National Steel Policy 2017, with the Government acting as a facilitator through a range of measures, including preference for domestically-made steel in Government procurement and a Production-Linked Incentive (PLI) scheme that provides a cash subsidy of 4 to 12 per cent of the value of incremental increases in specialty-steel production.[9]

The OECD analysis supports the conclusion that the conditions giving rise to export pressure in Indian steel are structural rather than transient. Rapid capacity growth, active government support measures, projected capacity in excess of domestic requirements and increasing exposure to trade diversion as other jurisdictions maintain or introduce trade defence measures all point to a continuing risk that additional Indian steel production may be

[4] Non-Confidential Attachment 1: *OECD Steel Outlook 2025*, 27 May 2025. Chapter 2: *Growing global steel excess capacity threatens the viability of the global steel industry*. Page 24. See also: Non-Confidential Attachment 2: *OECD Steel Outlook 2026*, 4 June 2026, Chapter 3: Global steelmaking capacity reaches new highs, pp. 37–39.
[5] Ibid.
[6] Non-Confidential Attachment 2: *OECD Steel Outlook 2026*, 4 June 2026, p. 39.
[7] Ibid, p. 42.
[8] Ibid.
[9] Ibid.

directed to export destinations in a manner consistent with the export incentives identified by the Commission in REP 592.

Malaysia

According to the World Steel Association, Malaysia was the world's 21st-largest crude steel producer in 2024, producing approximately 8.8 million tonnes, an increase of 17.3 per cent compared with 7.5 million tonnes in 2023.[10]

The Malaysian iron and steel industry is, however, export-oriented. In 2023, Malaysia exported 8.2 million tonnes of iron and steel products, an increase of 14.5 per cent on 2022. Malaysia's principal export destinations in 2023 included Turkey, Hong Kong, Singapore and the United States, with ASEAN destinations representing a material share of total exports.[11]

Significant structural oversupply exists in the Malaysian steel sector. The overall steel capacity utilisation rate stood at only 39.1 per cent in 2023, approximately half the global average of 75.7 per cent.[12] Malaysia's installed crude steel capacity in 2023 was approximately 16.1 million tonnes, more than twice its domestic steel consumption of 7.9 million tonnes.[13]

Further capacity additions have recently been commissioned or remain underway. Eastern Steel commissioned a 1.7 million-tonne-per-annum blast furnace at Kemaman in August 2023,[14] while Alliance Steel is implementing a second-phase expansion in Kuantan that will add 6.5 million tonnes of crude steel capacity by 2026.[15] The Malaysian Iron and Steel Industry Federation (MISIF) projects total Malaysian crude steel capacity could rise to approximately 54.7 million tonnes by 2029 to 2030 if all announced projects proceed.[16]

[17]These conditions demonstrate substantial unused and prospective capacity, together with an established export orientation. BlueScope submits that those conditions support a conclusion that Malaysian exporters would be likely to seek additional export sales of dumped goods if the measures expire.

Vietnam

Vietnam is identified, alongside Indonesia, as one of the two primary drivers of steelmaking capacity growth in the ASEAN region. Vietnamese capacity stood at 29.0 million tonnes in 2025, having grown by 3.0 million tonnes, or 11.6 per cent, since 2021.[18] The South East Asia Iron and Steel Institute (**SEAISI**) has warned that regional expansion plans significantly outpace projected steel demand, leaving regional steel trade increasingly vulnerable to disruptive shifts in steel trade flows.[19]

In February 2026, the Vietnamese Government announced a strategic plan for the steel industry under which the country would move toward full self-sufficiency over the next 25 years, with production rising from its 2025 level of 24.7 million tonnes to 33–36 million tonnes per year by 2035 and 65 to 70 million tonnes per year by 2050.[20]

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[10] World Steel Association, *World Steel in Figures 2025*, *Major steel-producing countries 2023 and 2024*, https://worldsteel.org/wp-content/uploads/World-Steel-in-Figures-2025.pdf at p. 5 (p. 9 of the pagination). (accessed 13 May 2026).

[11] Malaysian Iron and Steel Industry Federation (MISIF), *15th Report on the Status & Outlook of the Malaysian Iron and Steel Industry 2024/2025*, summarised in The Edge Malaysia, *Government recognition of steel industry as a strategic sector is a game changer, says Misif*, 4 March 2025, https://theedgemalaysia.com/node/745562 (accessed 13 May 2026).

[12] MISIF, summarised in Malaysian Investment Development Authority (MIDA), *Mapping Malaysia's steel sector journey*, 6 August 2024, https://www.mida.gov.my/mida-news/mapping-malaysias-steel-sector-journey/ (accessed 13 May 2026).

[13] Ibid; and Fastmarkets, *Green steel blooms in Malaysia, but new moratorium could make or break it*, 27 March 2024, https://www.fastmarkets.com/insights/green-steel-blooms-in-malaysia-but-new-moratorium-could-make-or-break-it/ (accessed 13 May 2026).

[18] Non-Confidential Attachment 2: *OECD Steel Outlook 2026*, 4 June 2026, pp. 39, 43 ("Southeast Asia"); Table 3.1, p. 39.

[19] Ibid, p. 43.

[20] Ibid.

The roadmap prioritises domestic production of higher-value segments in which Vietnam currently remains dependent on overseas supply, including specialised steel for the automotive, shipbuilding, energy and rail-infrastructure sectors. It also seeks to establish a competitive base for high-value exports to global markets.[21]

These objectives indicate a plan to expand capacity in flat and value-added products, with exports forming part of the industry's development objective.[22] ASEAN steel production is projected to grow at a compound annual rate of 8.5 per cent to 90.6 million tonnes by 2030[23], and ASEAN exports more than doubled over 2019–2025.[24]

Vietnam has also featured prominently in OECD analysis of trade diversion and circumvention risks associated with Chinese semi-finished steel being processed in ASEAN countries and re-exported as finished steel. Following AD/CVD actions by OECD member countries against Chinese steel, the OECD documents a pattern in which Chinese semi-finished steel exports to Southeast Asia surged (by ~300 per cent in 2025) and were processed in ASEAN countries and re-exported as ASEAN-origin finished steel to OECD markets, thereby falling outside the scope of the original country-specific measures.[25]

Vietnam is also subject to a significant number of trade actions worldwide. The OECD records 33 AD/CVD measures in place against Vietnam, and in 2025 the United States launched antidumping and countervailing duty investigations on reinforcing bars from Vietnam (among others).[26] BlueScope submits that the breadth of these measures is consistent with the export orientation and surplus pressure relevant to the likelihood of continued or recurrent dumping.

China and regional trade context

China is not a subject country in this application. However, China's role as the world's largest steel producer and exporter is relevant to the regional trade context in which subject-country exporters operate.

Chinese excess capacity and record exports intensify competition in regional steel trade, increase pressure on ASEAN producers, and heighten the likelihood that producers in the subject countries will seek accessible export outlets, such as Australia, if measures expire.

According to the materials cited in this application, China exported record or near-record volumes of steel in 2025. Reported export volumes vary depending on source and product scope, but the sources consistently indicate that Chinese steel exports remain historically elevated. In 2024, flat steel products, the product category to which the goods that are the subject of this application belong, accounted for the largest share of Chinese steel exports.[27]

BlueScope relies on this evidence as contextual support only. The central proposition remains that India, Malaysia and Vietnam have their own capacity, export-orientation and pricing incentives that make the continuation or recurrence of dumping, and in the case of India, subsidisation, likely if the measures expire.

Overcapacity in the subject countries

The evidence set out above demonstrates that the subject countries have substantial steelmaking capacity, material unused or prospective capacity, and export-oriented industries. Together with established Australian import channels and trade defence measures in other markets, those conditions support the conclusion that subject-country galvanised steel producers would be likely to maintain, resume or expand export supply

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[21] Ibid.
[22] Ibid.
[23] Ibid, p. 27.
[24] Ibid, p. 29.
[25] Ibid, p. 9, pp. 15-16, pp. 67-68.
[26] Ibid, pp. 64-65.
[27] Caixin Global, "Beijing Moves to Rein in Steel Exports With New Licensing Rule", 13 December 2025, https://www.caixinglobal.com/2025-12-13/beijing-moves-to-rein-in-steel-exports-with-new-licensing-rule-102392857.html (accessed 13 May 2026).

channels to Australia, and the continuation or recurrence of dumping and/or subsidisation, if the measures expire.

1.1.4. Trade measures in other jurisdictions

According to the World Trade Organisation *Integrated Trade Intelligence Portal*, a total of 79 anti-dumping and countervailing measures are currently imposed by WTO member countries on galvanised steel, as classified to the six-digit tariff subheading for 7210.49.[28]

Global steel trade is also affected by other trade defence measures. Throughout 2024 and 2025, a number of countries introduced or reinforced measures to protect their steel industries from increased excess-capacity-driven imports in recent years. The U.S. Section 232 measures and subsequent retaliatory actions represent the most significant of these recent trade developments affecting the global steel trade.

BlueScope submits that trade defence mechanisms in other jurisdictions influence global trade flows by altering comparative access to export destinations. If the measures expire, Australia would become a comparatively more attractive and accessible destination for exporters from the subject countries, increasing the likelihood of trade diversion of dumped and/or subsidised goods to Australia.

1.1.5. Conclusion

BlueScope submits that, if the measures expire, dumped and/or subsidised exports from subject-country exporters would be likely to continue or recur because:

- Dumped and/or subsidised imports from the subject countries have remained absent or negligible following the imposition of measures in 2021, while historical trading patterns and residual import activity indicate that established supply channels could be readily reactivated;
- importers and exporters have maintained or could readily re-establish commercial distribution links to Australia;
- exporters are located in economies with substantial spare or prospective production capacity and export-oriented steel industries and are therefore incentivised to export dumped and/or subsidised goods; and
- Australia would become a comparatively attractive and accessible destination for dumped and/or subsidised goods from subject-countries in light of trade measures affecting galvanised steel and global steel trade in other developed markets.

1.2. Evidence that dumping and subsidisation would be likely to continue or recur

1.2.1. Continuation No. 592

In Report No. 592 (**REP 592**) to CON 592, the Commission maintained the dumping and subsidy margins as established in Review No. 521,[29] as shown in Non-Confidential Table 1.2.1.

Country	Exporter	Dumping margin	Subsidy margin
India	All exporters	12.0%	4.3%
Malaysia	All exporters	16.5%	N/A
Vietnam	China Steel & Nippon Steel Vietnam Joint Stock Company	Floor price	N/A

[28] Non-Confidential Attachment 3: WTO Integrated Trade Intelligence Portal (extract made 1 July 2026).

[29] The Commission noted the *…limited exports of the goods from the subject countries since the imposition of measures, including in the inquiry period. Given this, the commission does not have contemporary information to ascertain precisely the export price of the goods exported to Australia from the subject countries during the inquiry period. Further, as there were no exports of the goods from India and Malaysia during the inquiry period, and only limited exports of the goods to Vietnam during the inquiry period, the commission cannot determine a normal value of goods exported to Australia from the subject countries*. See REP 592, p. 69.

	All other exporters	Floor price	

Non-Confidential Table 1.2.1: CON 592 dumping and subsidy margins [30]

In REP 592, the Commission considered that there was sufficient evidence to conclude that the expiry of the measures would be likely to lead to a continuation or recurrence of dumping from India, Malaysia and Vietnam. The Commission also considered there to be sufficient evidence to conclude that the expiry of the measures would be likely to lead to a continuation of subsidisation of the goods exported from India.[31]

1.2.2. Current estimated dumping margins – Vietnam

During the proposed inquiry period, subject exporters from Vietnam exported a small volume of the goods to Australia. BlueScope has estimated that those goods exported from Vietnam were dumped. BlueScope's calculation is provided in Confidential Attachment 1.2.2.

As there were no exports of the goods to Australia from India or Malaysia during the proposed inquiry period, BlueScope has not calculated estimated dumping margins for either country. However, as the Commission determined in CON 592, the absence of exports during the inquiry period does not preclude a finding that dumping would be likely to recur. The Commission may assess likelihood by reference to prior dumping conduct, the relationship between domestic and export prices, prevailing trading conditions and the commercial incentive to undercut in order to re-enter a price-sensitive export destination.[32]

1.2.3. Conclusion

BlueScope submits that there is sufficient evidence for the Commission to conclude that the expiry of the measures would be likely to lead to a continuation or recurrence of dumping of the goods exported from India, Malaysia and Vietnam, and to a continuation or recurrence of subsidisation of the goods exported from India.

On dumping, BlueScope has estimated that the goods exported from Vietnam during the inquiry period were dumped. Although there were no exports from India or Malaysia against which a margin could be calculated, the exporters' established dumping conduct, the relationships between domestic and export prices, and incentives to undercut in order to re-establish Australian sales indicate that dumping from those countries would be likely to recur in the absence of measures. This is consistent with the Commission's findings in CON 592.[33]

On Indian subsidisation, the countervailable subsidy programs found in the original investigation and maintained through CON 592 remain relevant to the Commission’s assessment. BlueScope therefore submits that subsidisation of the goods exported from India would be likely to continue or recur if the measures expire.[34]

Given the subject countries' established patterns of trade and maintained distribution links to Australia, BlueScope submits that, in the absence of measures, exporters would be likely to resume and increase export sales to Australia, from India at dumped and subsidised prices, and from Malaysia and Vietnam at dumped prices.

2. Whether material injury would be likely to continue or recur

The Commission’s assessment of whether the expiry of the measures would lead, or would be likely to lead, to a continuation or recurrence of the material injury requires a forward-looking evaluation based on the current condition of the Australian industry and the likely commercial consequences of expiry.

[30] Refer ADN 2021/012 and the Dumping Commodity Register.
[31] REP 592, p. 48.
[32] REP 592, pp. 49-54.
[33] Ibid, p. 60.
[34] Ibid, pp. 57-60.

As Confidential Chart 1.1.1 and Confidential Appendix A2 demonstrate, imports of the goods from India, Malaysia and Vietnam from subject exporters have remained absent or negligible throughout the injury analysis period. BlueScope submits that the absence of injurious subject-country trade is consistent with the measures having their intended remedial effect of reducing or disincentivising the export of dumped and/or subsidised goods. Consistent with the approach adopted by the Commission in CON 592, the relevant question is whether expiry of the measures would be likely to lead to a recurrence of the material injury the measures are intended to prevent.[35]

For completeness, and to assist the Commission's assessment in this application, BlueScope has presented the economic condition of the Australian industry in the requisite formats, namely:

- volume and value of imports, and sources of imports: BlueScope has completed Confidential Appendix A2 as part of this application;

- sales and shares of apparent Australian consumption held by all suppliers: BlueScope has referenced Australian import statistics from [***confidential text deleted:*** *source*] in estimating imported sales volumes and values. In conjunction with Confidential Appendix A6.1, share of apparent Australian consumption can be assessed. Refer Confidential Appendix A2; and

- performance of the local industry (revenue, profits, price trends, investment, and employment): BlueScope has provided Confidential Appendix A6.1 and Confidential Appendix A7 as part of this application.

[35] Ibid, p. 61. The Commission found that, given minimal subject-country imports, it was unlikely the Australian industry had been materially injured during the term of the measures. Pp. 66-68 then concluded that material injury would be likely to recur on expiry

2.1 The likely effect on prices, volumes and profits

CON 592

In CON 592, the Commission found that, in the absence of measures, exports from Malaysia and Vietnam at dumped prices and from India at dumped and subsidised prices would continue and likely lead to a recurrence of the material injury the measures were intended to prevent.[36]

The Commission found that imports from the subject countries had been minimal since imposition under INV 370. It therefore considered it unlikely the Australian industry had been materially injured during the term of the measures. However, the Commission also found that the industry had suffered price injury from dumped and subsidised goods during the INV 370 investigation period. Following imposition of the measures, BlueScope recorded fluctuating sales volumes, steady share of Australian sales and improved prices, which indicates that the measures achieved their intended remedial effect. The Commission emphasised that the present condition of the industry was not determinative of the likely position if the measures expire. It concluded that expiry would likely result in price depression, price suppression, and reduced profit and profitability.[37]

On the likely effect on volumes, the Commission considered that expiry would likely reduce BlueScope's volumes and share of apparent Australian consumption. The Commission's conclusion was informed by:

- the increase in the subject countries' share from 11.6 per cent to over 38 per cent in the 12 months after measures were imposed on China, Korea and Taiwan, followed by a sharp decline once measures applied to the subject countries;
- the ability of importers to re-establish trade relationships;
- the likelihood of trade diversion from the US and EU; and
- substantial excess and planned capacity in the subject countries.[38]

On the likely effect on prices, the Commission considered subject exporters would likely lower prices to re-establish Australian sales once no longer bound by the measures, including Vietnam's floor price. The Commission's FOB export-price analysis demonstrated close price competition. The Commission observed that, in 2021, non-exempt Vietnamese exporters were able to export well above the floor price, indicating that the measures affect prices of goods from the subject countries. The Commission concluded that expiry would likely produce price depression and price suppression, and consequently reduced profit and profitability, as import offers would be used to negotiate prices down.[39]

The Commission found that the Australian industry remained susceptible to injury. If dumped and subsidised imports increased, the industry would either lower prices, causing price depression, price suppression and reduced profitability, or lose sales volume and share of Australian sales.

The current competitive dynamic

BlueScope has and continues to price galvanised steel by reference to [***confidential text deleted:*** *pricing details*]. In doing so, BlueScope seeks to reflect [***confidential text deleted:*** *pricing details*].

BlueScope therefore competes directly with imported galvanised steel. Through the [***confidential text deleted:*** *pricing details*], prevailing import offers influence BlueScope's realised prices [***confidential text deleted:*** *pricing outcomes*].

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36 Ibid, pp. 60-68.
37 Ibid.
38 Ibid.
39 Ibid.

2.2 The likely volume of imports would be significant in the absence of measures

In evaluating the likely volume effects of subject imports if the measures expire, the Commission considers whether the likely volume of the subject goods would be significant and materially injurious. Relevant factors include production capacity and existing unused capacity, apparent Australian consumption and supplier share, changes in the structure and operation of the market since the measures were imposed, and the extent to which subject-country producers are export-oriented. [40]

The evidence supports a conclusion that the volume of galvanised steel exported from the subject countries would be significant if the measures expire, and that subject-country exporters have both the capacity and the ability to supply that volume.

First, the impact of the measures is apparent. Confidential Chart 1.1.1 shows that subject-country imports have been absent or negligible throughout the term of the measures and since CON 592.

Second, subject-country patterns of trade demonstrate an ability to resume supply to Australia quickly. As the Commission found in REP 592, when galvanised steel measures were imposed on imports from China, Korea and Taiwan, Australian importers switched sources and the subject countries lifted their combined share of Australian import volume from 11.6 per cent to over 38 per cent within twelve months, before that volume declined following the imposition of measures on subject countries.[41] Australia is supplied by steel import traders who source internationally and may switch suppliers in response to changing commercial conditions. This pattern of trade supports the conclusion that subject-country imports could increase again if the measures expire.

Third, subject-country exporters have substantial excess capacity and are structurally export-oriented, as discussed in section 1.1.3 above. Australian demand represents only a small proportion of subject-country galvanised steel capacity. In CON 592, the Commission recorded a figure of 5.9 per cent,[42] indicating that only a relatively small redirection of subject-country capacity would be sufficient to supply a material volume of Australian demand and displace a material share of BlueScope's sales.

Fourth, the goods are subject to trade measures in key export destinations. This includes the U.S. section 232 measures, EU safeguard measures and replacement regulations, and the 79 anti-dumping and countervailing measures on galvanised steel in force among WTO members, as addressed in section 1.1.4 above. These measures affect comparative access to export destinations and may influence the direction of international steel trade flows. In those circumstances, Australia would become a comparatively more attractive and accessible destination for subject-country exporters if the measures expire.

These factors indicate that the likely volume of subject-country galvanised steel entering Australia on expiry would be significant. That volume would likely displace BlueScope's sales and reduce its share of Australian sales, with adverse effects on profits, profitability and capacity utilisation. BlueScope submits that expiry of the measures would therefore be likely to cause material injury in the form of reduced sales volumes and reduced share of Australian sales.

2.3 The likely price and profit effects would be significant in the absence of measures

In considering the likely price effects of subject imports, the Commission assesses whether subject imports are likely to undercut domestic like goods and whether they are likely to enter Australia at prices that would have a significant depressing or suppressing effect on domestic prices. The evidence in this proposed continuation review indicates that the likely price effects of subject-country galvanised steel imports would be significant.

Galvanised steel is a commodity product for which price is a key factor in purchasing decisions. The goods exported from the subject countries are also highly substitutable with BlueScope's like goods. On expiry,

[40] Dumping and Subsidy Manual, December 2021, pp. 137-138.
[41] REP 592, p. 62 and Table 12 pp. 35-36.
[42] Ibid, p. 40.

subject-country exporters would no longer be bound by the floor price applying to Vietnam or the fixed-and-variable duty arrangements applying to India and Malaysia. Consistent with the Commission's findings in CON 592 and the exporters' conduct in the original investigation, BlueScope submits that subject-country exporters would be likely to price unfairly to re-establish Australian sales.[43]

As explained above, BlueScope sets prices [***confidential text deleted:*** *pricing details*]. Current price offers are drawn primarily from [***confidential text deleted:*** *sources*]. On expiry, dumped and subsidised offers from India, Malaysia and Vietnam would be likely to become more prevalent and influence [***confidential text deleted:*** *pricing details*] at prices below prevailing levels. This would reduce BlueScope's realised prices through both direct competition and their use in customer negotiations. Because this mechanism can operate on the strength of offers rather than realised subject-country volume, price depression and suppression may occur before subject exporters rebuild substantial volume.

As shown below in Confidential Charts 2.3.1 to 2.3.5, BlueScope's like-goods net sales margins are narrow, and its unit selling prices have been depressed and suppressed relative to cost across the analysis period. Any further [***confidential text deleted:*** *pricing trends*] would translate directly into reduced unit returns, lower profits and reduced profitability. Given the commodity nature of galvanised steel and the narrow margins on which BlueScope operates, even a modest price reduction can cause material injury.

[***Confidential Chart 2.3.1****: Galvanised steel price depression and suppression, indexed, FY2023 – FY2026*][44]

[***Confidential Chart 2.3.2****: Galvanised steel price depression and suppression, actual, FY2023 – FY2026*][45]

[***Confidential Chart 2.3.3****: Galvanised steel unit gain/(loss) and profitability, indexed, FY2023 – FY2026*][46]

[**Confidential Chart 2.3.4**: Galvanised steel annual profitability, actual, FY2023 – FY2026][47]

[***Confidential Chart 2.3.5****: Galvanised steel quarterly profitability, actual, FY2023 – FY2026*][48]

3. Conclusion

In its continuation assessment, the Commission must consider the period beyond the life of the current measures to determine whether dumped and, in the case of India, subsidised exports of galvanised steel from the subject countries would be likely to continue or recur. The Commission's assessment is forward-looking. Historical trading patterns, current industry conditions, and the evidence presented in this application provide relevant indicators of what would be likely to occur if the measures expire.

The evidence demonstrates that expiry of the measures would be likely to have a significant adverse impact on the Australian industry. If the discipline of the measures is removed, subject-country producers would be likely to resume or increase exports of the dumped and/or subsidised subject goods to Australia. This reflects the structural conditions in the subject countries, including excess or prospective capacity, export orientation and price pressure, together with active Australian import channels and trade measures that affect access to alternative export destinations for dumped and/or subsidised goods.

[43] Ibid, p. 65.
[44] Confidential Appendix A6.1.
[45] Ibid.
[46] Confidential Appendix A2/A6.1.
[47] Confidential Appendix A6.1.
[48] Ibid.

Dumped and, in the case of India, subsidised imports would be likely to displace sales from the Australian industry and depress or suppress Australian prices. These effects would be likely to reduce the Australian industry's output, sales, share of Australian sales, profits, productivity, return on investment and capacity utilisation, and would be likely to have further adverse impacts on employment, wages, growth and investment. BlueScope therefore submits that expiry of the measures would be likely to lead to a continuation or recurrence of material injury.

BlueScope has demonstrated in this application that expiry of the measures on galvanised steel would be likely to lead to a continuation or recurrence of the material injury that the measures are intended to prevent. BlueScope requests that the Commissioner commence an investigation into the continuation of the anti-dumping and countervailing measures and recommend to the Minister that the measures not be allowed to expire on 16 August 2027.