Australian Government
Department of Industry, Science and Resources
Anti-Dumping Commission

EXEMPTION INQUIRY REPORT

EX0107

CERTAIN HOT ROLLED COIL STEEL EXPORTED TO AUSTRALIA FROM THE PEOPLE'S REPUBLIC OF CHINA

Applicant:
Baoshan Iron & Steel Co Ltd,
Baosteel Zhanjiang Iron & Steel Co Ltd and
Shanghai Meishan Iron & Steel Co Ltd
(collectively referred to as "Baosteel")

26 August 2026

CONTENTS

ABBREVIATIONS

Abbreviation	Full reference
ADN	Anti-Dumping Notice
the applicant	Baosteel
Baosteel	Collectively refers to the following: • Baoshan Iron & Steel Co Ltd • Baosteel Zhanjiang Iron & Steel Co Ltd • Shanghai Meishan Iron & Steel Co Ltd
Bisalloy	Bisalloy Steel Pty Ltd
BlueScope	BlueScope Steel Limited
BlueScope Distribution	BlueScope Distribution Pty Ltd
China	the People’s Republic of China
the commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
Customs Act	*Customs Act 1901*
DCR	Dumping Commodity Register
Dumping Duty Act	*Customs Tariff (Anti-Dumping) Act 1975*
the duties	collectively, interim dumping duty, dumping duty, interim countervailing duty and countervailing duty
EPR	electronic public record
exemption goods	the goods subject of the application as described in chapter 2.2.1
exemption instrument	*Ministerial Exemption Instrument No 1 of 2026* dated 4 May 2026
EX0105	Exemption inquiry 105
EX0106	Exemption inquiry 106
EX0107	exemption inquiry 107 (this inquiry)
the goods	hot rolled coil steel (also referred to as HRC)
HRC	hot rolled coil steel (also referred to as the goods)
ICD	interim countervailing duty
IDD	interim dumping duty
INV 658	Anti-Dumping Commission Investigation No 658
the Minister	the Minister for Industry and Innovation and Minister for Science
questionnaire	‘Exemption Application’ questionnaire
REP 658	Anti-Dumping Commission Report 658

1 SUMMARY

This report sets out the findings of the Anti-Dumping Commission (the commission) in response to a joint application by Baoshan Iron & Steel Co Ltd, Baosteel Zhanjiang Iron & Steel Co Ltd and Shanghai Meishan Iron & Steel Co Ltd (collectively referred to as "Baosteel" or the applicant). The application seeks an exemption from the anti-dumping measures and countervailing measures applying to certain hot rolled coil steel (HRC or the goods).[1]

Interim dumping duty (IDD) applies to HRC exported from the People's Republic of China (China). Interim countervailing duty (ICD) applies to HRC exported from China, except for exports by Baoshan Iron & Steel Co Ltd, Baosteel Zhanjiang Iron & Steel Co Ltd, Shanghai Meishan Iron & Steel Co Ltd and Hunan Valin Lianyuan Iron & Steel Co., Ltd.

The application requests an exemption from IDD and ICD (collectively, the duties), under sections 8(7)(a) and 10(8)(a) of the *Customs Tariff (Anti-Dumping) Act 1975* (the Dumping Duty Act).[2] These sections apply when:

> *[L]ike or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.*

The Commissioner of the Anti-Dumping Commission (the Commissioner) has relied on the findings in this report to make a recommendation to the Minister for Industry and Innovation and Minister for Science (the Minister) on whether or not to exempt the exemption goods (as defined in section 2.2.1) from the duties.

1.1 Findings and conclusions

The applicant claimed in its application that the Australian industry does not produce like or directly competitive goods to the exemption goods. The exemption goods were defined in the initiation notice, as follows:

> The goods the subject of the exemption inquiry are hot rolled coil and sheet in the following widths and thicknesses (the "exemption goods"):
>
> - thicknesses ranging from 1.5 mm to 2.95 mm (where local production starts at 3 mm)
> - widths ranging from 1580 mm to 2000 mm (where local production is limited to up to 1550 mm).

During the course of this exemption inquiry, both Baosteel and the Australian industry, BlueScope Steel Limited, made competing claims regarding whether the Australian industry produces like or directly competitive goods within the thickness range outlined above. As the claim for the exemption considered both thickness and width of HRC in combination, the commission considered it appropriate to isolate the inquiry to the width aspect of HRC. Both Baosteel and BlueScope accepted the commission's approach via email correspondence in August 2026.

The commission considers it appropriate to alter the exemption goods description to remove references to thickness and to only reference a single figure for width instead of a range. The commission considers it unnecessary to include a range of widths in the exemption goods as stipulating a figure above the upper limit of local Australian production is

[1] As detailed in Anti-Dumping Notice (ADN) No 2026/079.

[2] A reference to a division or section in this report is a reference to a provision of the *Customs Tariff (Anti-Dumping) Act 1975* unless otherwise specified.

sufficient to represent a clear demarcation between locally produced goods and the exemption goods.

The applicant claimed that the exemption goods are typically used in Australia in the fabrication of products such as truck bodies and trailers, industrial skip bins, waste handling equipment and power transformers, where the requirement for a continuous thin gauge sheet is necessary to reduce weight and to avoid joints due to structural and aesthetical considerations of the final product.

In contrast, the Australian industry submitted that it produces HRC at widths that are substitutable for the range of widths for which the exemption is sought, by joining together products that are narrower. The Australian industry is of the view that it is a preference, and not a requirement, by users that wider products are used over narrower products because of reduced fabrication effort and material loss.

The commission considers that there are typical end applications of wider steel coil or sheet in a commercial market in Australia where the use of continuous wide products is necessary. In this respect and with regard to the width of HRC, the commission finds that like or directly competitive products are not produced by the Australian industry. This is outlined in detail in section 3.5.1 of this report setting out the commission's basis for its findings.

The Commissioner has therefore concluded that like or directly competitive goods to the exemption goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade. Accordingly, the conditions of sections 8(7)(a) and 10(8)(a) of the Dumping Duty Act for granting an exemption are satisfied.

The Australian industry also submitted that an exemption based solely on width may create circumvention risks, whereby the exemption, if granted, could be exploited to bypass current measures on HRC. Notwithstanding this claim, based on the evidence and information gathered during this inquiry, the commission considers that the grounds for the exemption have been met.

1.2 Recommendation

The Commissioner recommends that the Minister exempt the exemption goods from the duties.

2 BACKGROUND

2.1 The anti-dumping measures

Anti-dumping measures applying to certain HRC exported to Australia from China were originally imposed by public notices on 4 May 2026.[3] A dumping duty notice applies to certain HRC exported to Australia from China. A countervailing duty notice applies to certain HRC exported to Australia from China (except exports by Baoshan Iron & Steel Co Ltd, Baosteel Zhanjiang Iron & Steel Co Ltd, Shanghai Meishan Iron & Steel Co Ltd and Hunan Valin Lianyuan Iron & Steel Co., Ltd). Further details regarding the measures applying to HRC are available on the Dumping Commodity Register (DCR).[4]

2.1.1 The goods subject to measures

The goods subject to the anti-dumping measures are:[5]

> *Hot rolled coil steel (including in sheet form), with or without patterns in relief (known as checker plate), whether or not containing alloys, not clad, plated or coated (other than oil coated)*
>
> *Exclusions*
> *Goods excluded from this application are plate steel products and flat merchant bars.*

The commission considers sheet-form HRC with a base metal thickness at or above 4.75 mm to be a plate steel product and is therefore excluded from the goods subject to measures.

Since the imposition of the measures, the following exemptions applying to HRC have been granted.

Ministerial Exemption Instrument No 1 of 2026[6]

All goods meeting the description detailed in Attachment 1 of this exemption instrument are eligible for an exemption from dumping duties and countervailing duties under this instrument with an effective date of 16 January 2026, described as follows:

> *Hot rolled coil steel, in sheet or coil form, alloyed, grade Q690MD, complying with standard GB/T 1591-2008 or later versions, having all of the following:*
>
> - *Base metal thickness at or between 3 mm and 4 mm*
> - *Width at or between 1,000 mm and 1,830 mm*
> - *Length at or between 6,000 mm and 10,000 mm*
> - *Chemical composition, by weight, not greater than:*
>   - *0.12% carbon content*
>   - *0.4% silicon content*
>   - *2.0% manganese content*
>   - *0.025% phosphorus content*
>   - *0.010% sulphur content*
>   - *0.11% niobium content*
>   - *0.20% titanium content*
>   - *0.12% vanadium content*

[3] ADN No 2026/043 and ADN No 2026/044 set out the dumping and countervailing measures respectively.

[4] Available on the commission website at www.adcommission.gov.au.

[5] Dumping Commodity Register: hot rolled coil steel, China.

[6] Ministerial Exemption Instrument No 1 of 2026, dated 4 May 2026.

- *Chemical composition, by weight, not less than 0.015% acid-soluble aluminium content.*

All goods meeting the description detailed in Attachment 2 of this exemption instrument are eligible for an exemption from dumping duties and countervailing duties under this instrument with an effective date of 19 January 2026, described as follows:

Hot rolled coil steel, in sheet or coil form, that conforms to all of the following:

- *Steel grade BS700MCK2 or BS700MCK4, complying with standard Q/BQB 316-2018 or later versions*
- *Minimum yield strength at or above 680 MPa.*

2.1.2 Tariff classification

The goods subject to measures may be classified under the following subheadings in Schedule 3 to the *Customs Tariff Act 1995* as follows:

Tariff code	***Statistical code***	***Unit***	***Description***
7208	**Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated:**		
7208.10.00	31	T	- In coils, not further worked than hot-rolled, with patterns in relief
7208.2	- Other, in coils, not further worked than hot-rolled, pickled:		
7208.25.00	32	T	-- Of a thickness of 4.75 mm or more
7208.26.00	33	T	-- Of a thickness of 3 mm or more but less than 4.75 mm
7208.27.00	34	T	-- Of a thickness of less than 3 mm
7208.3	- Other, in coils, not further worked than hot-rolled:		
7208.36.00	35	T	-- Of a thickness exceeding 10 mm
7208.37.00	36	T	-- Of a thickness of 4.75 mm or more but not exceeding 10 mm
7208.38.00	37	T	-- Of a thickness of 3 mm or more but less than 4.75 mm
7208.39.00	38	T	-- Of a thickness of less than 3 mm
7208.40.00	39	T	- Not in coils, not further worked than hot-rolled, with patterns in relief
7208.5	- Other, not in coils, not further worked than hot-rolled:		
7208.53.00	42	T	-- Of a thickness of 3 mm or more but less than 4.75 mm
7208.54.00	43	T	-- Of a thickness of less than 3 mm
7208.90.00	30	T	- Other
7211	**Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated:**		
7211.1	- Not further worked than hot-rolled:		
7211.14.00	40	T	-- Other, of a thickness of 4.75 mm or more
7211.19.00	41	T	-- Other
7225	**Flat-rolled products of other alloy steel, of a width of 600 mm or more:**		
7225.30.00	17	T	- Other, not further worked than hot-rolled, in coils
7225.40.00	- Other, not further worked than hot-rolled, not in coils		
	22	T	*High alloy: Other*
	24	T	*Other: Other*
7226	**Flat-rolled products of other alloy steel, of a width of less than 600 mm:**		
7226.9	Other		
7226.91.00	67	T	-- Not further worked than hot-rolled

2.2 Exemption inquiry

On 19 January 2026, the Baosteel companies jointly applied for an exemption from the measures in relation to their exports of certain HRC products.[7] The application was made by way of a submission in *Anti-Dumping Commission Investigation No 658* (INV 658). The applicant's letter outlined the following grounds in support of its application for an exemption from the duties:

> *[L]ike or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.*

The Commissioner accepted the applicant's letter as an application for an exemption from the duties. On 29 May 2026, the Commissioner published Anti-Dumping Notice (ADN) No. 2026/079.[8] This ADN advised that an exemption inquiry had been initiated and provided details of the goods subject to the inquiry and outlined the procedures to be followed during the inquiry.

The commission invited the sole Australian industry member producing HRC, BlueScope Steel Limited (BlueScope), to respond to the 'Exemption Application' questionnaire (the questionnaire).

A completed questionnaire response was received from BlueScope.

2.2.1 Goods subject to the application for exemption

The goods the subject of this exemption inquiry (exemption goods) were defined by the applicant as:

> *Hot rolled coil and sheet in the following widths and thicknesses:*
>
> - *thicknesses ranging from 1.5 mm to 2.95 mm (where local production starts at 3 mm)*
> - *widths ranging from 1,580 mm to 2,000 mm (where local production is limited to up to 1,550 mm)*

The exemption goods are generally classified to the tariff subheading 7208.39.00 (statistical code 38) for hot rolled coil and 7208.54.00 (statistical code 43) for hot rolled sheet, to the *Customs Tariff Act 1995*.

According to Baosteel, the exemption goods are typically used in the fabrication of products such as truck bodies and trailers, industrial skip bins, waste handling equipment and power transformers, where the requirement for a continuous thin gauge sheet is necessary to reduce weight and to avoid joints due to structural and aesthetical considerations of the final product.

The commission noted that the requirement for the use of a continuous sheet is also echoed in the application for exemption by Duraquip, which is the subject of exemption inquiry EX0106 (see section 2.2.2.3 for further details). Duraquip is an Australian engineering company and manufacturer of heavy-duty transport equipment used in agriculture, transport and mining operations.

[7] EPR EX0107, document 1.

[8] EPR EX0107, document 2.

2.2.2 Other related exemption inquiries

In INV 658, the commission received exemption requests from the following parties:

- the Baosteel entities[9]
- Bisalloy Steels Pty Ltd (Bisalloy)
- Duraquip

These exemption requests were made by way of submissions in INV 658. The commission opted to accept these submissions as applications for exemptions to streamline the exemption process. Table 1 sets out a summary of the exemption requests received by the commission and their respective outcomes in INV 658.

Party	Brief description of exemption goods	Status of exemption request in INV 658	Chapter reference in REP 658
Baosteel companies	Goods produced with reduced carbon emissions	Unresolved, subject of exemption inquiry EX0105.	3.7.3.1
	Certain thin or wide goods	Unresolved, subject of exemption inquiry EX0107 (this inquiry).	3.7.3.2
	Certain BS700MCK2 or BS700MCK4 grade steel	Exemption granted	3.7.2.2
Bisalloy	Certain Q690MD grade steel	Exemption granted	3.7.2.1
Duraquip	Certain dimensions typically used in semi-trailer production	Unresolved, subject of exemption inquiry EX0106.	3.7.3.3

Table 1: Summary of exemption requests received in INV 658

Further details of the assessment, findings and the Commissioner's recommendations to the Minister in relation to the above exemption applications can be found in *Anti-Dumping Commission Report 658* (REP 658).[10]

2.2.2.1 Request from Baosteel

The application from Baosteel comprised exemption requests for 3 separate subsets of the goods. These are detailed below.

<u>Exemption request 1</u>

Goods claimed as low carbon emission hot rolled coil (Green Steel – 'BeyondECO' brand) with the following details:

The products are manufactured using advanced low-carbon processes that optimise raw material selection, reduce energy consumption, and incorporate best-practice emission controls across the cradle-to-gate boundary. These are hot rolled coils and sheets with a 30%-60% reduction in carbon emissions compared to conventional steel production. These products are environmentally friendly and designed to support sustainable supply chains. They are available in various forms suitable for construction and infrastructure applications.

In INV 658, the Commissioner did not make a recommendation to the Minister in relation to this matter. In this regard, the commission initiated exemption inquiry EX0105 on 29 May 2026 to consider this application.[11]

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[9] Joint application comprising exemption requests for 3 separate subsets of the goods.

[10] EPR 658, document 44

[11] EPR EX0105, document 2

Exemption request 2

Goods with certain widths and thicknesses as defined by the description set out in section 2.2.1.

In INV 658, the Commissioner did not make a recommendation to the Minister in relation to this matter, which is now the subject of this exemption inquiry.

Exemption request 3

Steel, hot rolled micro alloyed non-heat treated steel sheet:

- *conforming to steel grades BS700MCK2 and BS700MCK4,*
- *with a yield strength NOT less than 680 MPa,*
- *of a thickness NOT less than 2.5 mm and NOT greater than 16 mm, and*
- *a Carbon Equivalent Value (CEQ) of less than or equal to 0.50.*

The Minister granted this exemption as set out in *Ministerial Exemption Instrument No 1 of 2026*, effective 19 January 2026.

2.2.2.2 Request from Bisalloy

Bisalloy requested an exemption in relation to high-strength hot rolled coil steel in sheet form to grade Q690MD.

Following consultation between Bisalloy and the Australian industry, the scope of the exemption was revised to the following:

> *Hot rolled coil steel, in sheet or coil form, alloyed, grade Q690MD, complying with standard GB/T 1591-2008 or later versions, having all of the following:*
>
> - *Base metal thickness at or between 3 mm and 4 mm*
> - *Width at or between 1,000 mm and 1,830 mm*
> - *Length at or between 6,000 mm and 10,000 mm*
> - *Chemical composition, by weight, not greater than:*
>   - *0.12% carbon content*
>   - *0.4% silicon content*
>   - *2.0% manganese content*
>   - *0.025% phosphorus content*
>   - *0.010% sulphur content*
>   - *0.11% niobium content*
>   - *0.20% titanium content*
>   - *0.12% vanadium content*
> - *Chemical composition, by weight, not less than 0.015% acid-soluble aluminium content.*

The Minister granted this exemption as set out in *Ministerial Exemption Instrument No 1 of 2026*, effective 16 January 2026.

2.2.2.3 Request from Duraquip

Duraquip requested an exemption in relation to long-length ‘decoiled steel plate’[12] in 3 mm and 4 mm thickness at 1,800 mm width and approximately 11,990 mm in length.

[12] This product is in sheet form and is subject to the current measures applicable to HRC (and not to be conflated with ‘plate steel product’ which is exempt from the measures)

In INV 658, the Commissioner did not make a recommendation to the Minister in relation to this matter. In this regard, the commission initiated exemption inquiry EX0106 on 29 May 2026 to consider this application.[13]

2.2.3 Change in scope of inquiry post application

During this exemption inquiry, both Baosteel and BlueScope made competing claims regarding whether the Australian industry produces like or directly competitive goods within the thickness range outlined in the exemption goods description in the application. As the claim for the exemption considered both thickness and width of HRC in combination, the commission considered it appropriate to isolate the inquiry to the width aspect of HRC. Both Baosteel and BlueScope accepted the commission's approach via email correspondence in August 2026.

[13] EPR EX0106, document 2.

3 ASSESSMENT OF CLAIMS AND COMMISSIONER FINDINGS

3.1 The applicant's claims

The applicant claims that the Australian industry producing HRC does not produce the exemption goods. In its application, Baosteel states that BlueScope does not offer products that meet the description of the exemption goods and therefore are not offered for sale in Australia without the need for custom orders.

On the basis of the information in its application, the applicant sought an exemption on the grounds that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

3.2 Australian industry claim

BlueScope opposes the application because it is of the view that it offers locally produced goods for sale in Australia that are like or directly competitive to the exemption goods. BlueScope submitted that the Australian industry manufactures and sells the exemption goods and that suitably equivalent goods are produced.[14]

The commission received the following submissions from BlueScope.

No.	Summary of submission topic	Date published	EPR
1	Opposes granting of exemption, locally produced goods are like or directly competitive, and substitutable with the exemption goods	29 January 2026	658 document 37
2	Further clarity on domestic production and response to Baosteel claims in its submissions	10 August 2026	EX0107 document 6

Table 2: Submissions by BlueScope

The commission also had consultations with BlueScope during INV 658 in relation to the goods it produces and the exemption goods.

BlueScope contended that it produces HRC at:

- thicknesses that meet the thickness range specified in the exemption goods description, being thicknesses ranging from 1.5 mm to 2.95 mm
- widths that are substitutable for the range of widths which the exemption is being sought for, being widths ranging from 1,580 mm to 2,000 mm, by joining together sheets (or coil) that are narrower.[15]

3.2.1 Supporting evidence of like or competing product ranges

In its submission in INV 658 and questionnaire response[16] for this inquiry, BlueScope included confidential examples of sales invoices to customers bearing descriptions of hot rolled coil and coil floor plate products sold to evidence that BlueScope produces products that meet the requisite thicknesses of the exemption goods, specifically thicknesses of below 3 mm.

As discussed in section 2.2.3, the commission has limited the scope of this inquiry to only consider the width aspect of the exemption goods and not thickness. Notwithstanding this,

[14] EPR EX0107, document 4.

[15] BlueScope does not produce coil products that exceed a width of 1,550 mm (details at section 3.5.1.1)

[16] EPR EX0107, document 4.

all references to thickness have been retained in section 3.5 of this report setting out the commission's assessment and findings to make it clearer as to why the commission sought to limit the scope of the inquiry by omitting the thickness aspect.

3.3 Applicant's response to Australian industry claims

The commission received the following submissions from the applicant, both in INV 658 and in this inquiry, in response to BlueScope's opposition to the exemption application.

No.	Summary of submission topic	Date published	EPR
1	Exemption goods are outside the scope of local production capabilities	23 February 2026	658 document 39
2	Statutory framework and legal test for exemptions, reiterate that exemption goods are not offered for sale in Australia	7 July 2026	EX0107 document 3
3	Distribution structure, participation of fabricators on the public record and typical end-uses of the exemption goods	14 July 2026	EX0107 document 5

Table 3: Submissions by Baosteel

In its submissions, Baosteel's main contention is that the exemption goods are not offered for sale in Australia within the meaning of "to all purchasers on equal terms under like conditions having regard to the custom and usage of trade".

In support of its claim, Baosteel attached and cited evidence which included:

- Australian industry published product datasheets
- confidential correspondence with the distribution arm of the Australian industry advising of the unavailability of certain sizes
- references to:
    - the exemption application from Duraquip, which cites the unavailability of sheet steel in a wider size in Australia as the basis for the application[17]
    - the submission from Phoenix Metal Group in INV 658 regarding the inability of Australian steel products to meet certain required specification thresholds[18]
- a listing of known Australian fabricators and end-users that typically use the exemption goods to demonstrate demand for and the range of products made from the exemption goods.

Baosteel also submitted that:

- BlueScope's opposition to the exemption on the basis that it can produce goods to the exemption goods description and that the goods currently produced and offered for sale are substitutable, does not meet the legislative requirements for an exemption.
- Australian fabricators and end-users rely on imported wide and thin gauge steel products because equivalent dimensions are not available in Australia.
- the exemption goods are typically used in applications that require wide and thin single sheets to avoid welding and to reduce weight and therefore cannot be substituted by the goods that are produced in Australia.

[17] EPR EX0106, document 1.

[18] EPR 658, document 31.

- fabricators are unwilling to participate in this inquiry due to sensitivities arising from the nature of the supply and purchasing of the goods in Australia.
- granting the exemption would not displace domestic Australian production.

3.4 Legislative requirements for an exemption

Sections 8(7)(a) and 10(8)(a) of the Dumping Duty Act state the Minister may grant an exemption from the duties where:

> [L]ike or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

Appendix A provides further details of the legislative framework for a 'like or directly competitive goods' exemption.

3.5 The commission's assessment and findings

The commission examined the information presented from:

- the application
- BlueScope, the sole Australian industry member
- submissions from Baosteel and BlueScope
- publicly available sources
- information collected by the commission from INV 658.

Based on this, the commission has an understanding of the range of HRC products produced by the Australian industry.

Noting that this examination is limited to the width of HRC (refer to section 2.2.3 for an explanation of why thickness is not considered), the commission finds that neither like nor directly competitive goods are offered for sale in Australia.

In so finding, the commission considers:

- the noted difference in width between the exemption goods and the goods BlueScope produces signifies they are not like or directly competitive
- the goods produced by BlueScope are not substitutable for the exemption goods with respect to certain widths greater than what BlueScope produces.

The commission considers the conditions for granting an exemption are satisfied. The commission finds that neither like nor directly competitive goods to the exemption goods are offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

The commission considers it appropriate to alter the exemption goods description to remove references to thickness and to only reference a single figure for width instead of a range. The commission considers it unnecessary to include a range of widths in the exemption goods, as stipulating a figure above the upper limit of local Australian production is sufficient to represent a clear demarcation between locally produced goods and the exemption goods.

3.5.1 Basis for finding

The commission finds that evidence provided by BlueScope, being the confidential sales invoice examples, shows that it produces and sells hot rolled coil and sheet[19] at thicknesses within the range from 1.5 mm to 2.95 mm as defined in the exemption goods description.

In this inquiry, the commission has also had regard to information with respect to BlueScope's steel products that are publicly available[20] and makes the following assessments.

3.5.1.1 Coil steel

The evidence provided by BlueScope relates to the sales of various coil steel products produced to AS/NZS 1594, all of which have thicknesses of below 2.95 mm. BlueScope's product information indicates that these products are offered at thicknesses ranging from 1.5 mm to 12.7 mm and at widths of up to 1,550 mm.[21]

The product information indicates that sizes other than those set out or custom sizes may be available by enquiry and subject to minimum order quantities.

The commission also noted that according to the 'Blue Book' published by BlueScope Distribution Pty Ltd (BlueScope Distribution), BRIGHTFORM® branded steel, a coil steel product, is offered for sale with a thickness range of 1.5 mm to 6 mm and width range of up to 1,800 mm.[22] The commission understands that the 'Blue Book' is a catalogue of products offered for sale by BlueScope Distribution which includes not only products produced by BlueScope but also those imported into Australia by BlueScope Distribution. According to BlueScope's product datasheet, BRIGHTFORM® is produced at widths of 910 mm, 1,210 mm and 1,510 mm.[23]

This observation correlates with local Australian production of coil steel that is limited to a width of up to 1,550 mm. The commission also had regard to BlueScope's data provided in INV 658 which showed no production of HRC in any model or grade at widths exceeding 1,550 mm.[24] In this respect, the commission considers BRIGHTFORM® steel, produced in Australia in widths of up to 1,510 mm, to be not like or directly competitive to the exemption goods.

On the basis of the information available, the commission considers that BlueScope ordinarily produces and offers for sale coil steel at:

- thicknesses ranging from 1.5 mm to 12.7 mm (the lower limit within the range defined in the exemption goods description)
- widths of up to 1,550 mm (outside the range defined in the exemption goods description).

When thickness and width are considered in combination, the commission considers that BlueScope's coil steel products currently offered for sale are neither like nor directly competitive to the exemption goods, due to the unavailability of products wider than 1,550 mm. Further, when BlueScope's coil steel products are considered against the altered

[19] In the form of steel floorplate (commonly known as checker plate).

[20] BlueScope Library and BlueScope Distribution Blue Book.

[21] https://cdn.dcs.bluescope.com.au/download/ha250-steel-datasheet.

[22] https://www.bluescopedistribution.com.au/bluebook/ (page 21).

[23] https://cdn.dcs.bluescope.com.au/download/brightform-datasheet.

[24] In the period 1 October 2023 to 30 September 2024, being the investigation period for INV 658.

exemption goods description (as detailed in section 2.2.3), the commission similarly considers that they are neither like nor directly competitive to the exemption goods.

3.5.1.2 Sheet steel

Evidence for the sales of Australian produced sheet steel provided by BlueScope relate to AS/NZS 1594 HA250 TRU-SPEC® branded floorplate, commonly known as 'checker plate'. The evidence indicated various sales of this product with thicknesses of 2.1 mm and 2.9 mm. According to BlueScope's product datasheet, TRU-SPEC® checker plates are produced at thicknesses ranging from 2.1 mm to 8 mm and at widths of up to 1,500 mm.[25] Checker plates below a thickness of 4.75 mm imported from China are subject to current measures on HRC.[26]

The commission noted that TRU-SPEC® branded products also include 'coil plate steel' produced to AS/NZS 1594. This product is supplied in sheet form. The product datasheet for HA250 'coil plate steel' sets out that this product is available with thickness ranging from 3 mm to 16 mm, widths of up to 1,550 mm and length range of up to 12,000 mm.[27] Unlike checker plate, 'coil plate steel' has a smooth surface without raised patterns in relief (known as lozenges). HRC in sheet form imported from China with a thickness of less than 4.75 mm is subject to the current measures applicable to HRC.[28]

The product information states that sizes other than those published are available by enquiry and subject to minimum order quantities, indicating that custom orders are available for product sizes not generally offered for sale.

Based on the information available, the commission considers that BlueScope ordinarily produces and offers for sale sheet steel at:

- thickness of 2.1 mm[29] to 16 mm (the lower limit within the range defined in the exemption goods description) and
- widths of up to 1,500 mm and 1,550 mm for checker plate and 'coil plate steel' respectively (outside the range defined in the exemption goods description).

BlueScope contended that sheet steel can be formed from coil steel through shearing and that through this cutting process, sheet steel with thicknesses below 3 mm can be made available. The commission considers this argument reasonable in this context. While not specifically published as a separate product in its offering, the commission considers that BlueScope is able to produce sheet steel with thicknesses below 3 mm (derived from cutting coil steel) that meets the thickness range defined in the exemption goods description.

When considered in combination of both thickness <u>and</u> width, the commission considers that BlueScope's sheet steel products, whether checker plates and 'coil plate steel' currently offered for sale or thin gauge sheet steel cut from coil steel, are neither like nor directly competitive to the exemption goods, due to the unavailability of products wider than 1,550 mm. Further, when BlueScope's sheet steel products are considered against the altered exemption goods description (as detailed in section 2.2.3), the commission similarly considers that they are neither like nor directly competitive to the exemption goods.

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[25] https://cdn.dcs.bluescope.com.au/download/asnzs-1594-ha250-tru-spec-floorplate

[26] Current measures specify that HRC in sheet form with a base metal thickness at or above 4.75 mm is considered to be a plate steel product and is excluded from the measures

[27] https://cdn.dcs.bluescope.com.au/download/ha250-tru-spec-coil-plate-steel-datasheet.

[28] Ibid 26.

[29] When referenced to floorplate/checker plate.

3.5.1.3 Substitutability

BlueScope claimed that HRC products that it produces are substitutable for the range of widths which the exemption is being sought for, being widths ranging from 1,580 mm to 2,000 mm.

BlueScope claims that for HRC with a width above 1,550 mm, it can meet this requirement by joining together sheets (or coil) with a width of at or below 1,550 mm. In its submission dated 7 August 2026,[30] BlueScope makes the following statements, amongst other claims:

> ‘Joining and welding are widely accepted fabrication practices across many sectors of the Australian steel manufacturing industry’.
>
> ‘The mere existence of a weld does not establish that a product is unsuitable, structurally deficient or commercially unacceptable.’
>
> ‘Many fabricated steel products incorporate visible welds as part of normal manufacturing practice. To the extent particular customers prefer to avoid joining or welding, such preferences do not establish that domestically supplied products cease to be directly competitive.’

Noting that the practice of joining and welding occurs at the fabricator or end user level and is solely dictated by their individual needs and requirements, the commission did not obtain evidence or information from such end users to indicate that the joining or welding of two narrower products is a suitable equivalent to the exemption goods.

In contrast, Baosteel claims that the welding or joining of smaller widths (to produce a larger width product) defeats the commercial purpose for which wide coil is specified. Baosteel also refers to the exemption application from Duraquip (EX0106) and notes Duraquip’s statement that “joining smaller plates is structurally and aesthetically unacceptable” for its products.[31] Of note is the following extract from Baosteel’s submission dated 13 July 2026:[32]

> ‘Wide, thin-gauge hot rolled coil and sheet is used by Australian fabricators principally in the manufacture of industrial skip bins and waste-handling equipment; truck bodies, trays and trailers; and large power transformers. What unites these applications is the requirement for a single wide sheet, as bin bodies, tipper floors, trailer sides and transformer tanks are formed from continuous sheets in widths exceeding 1550 mm so as to avoid longitudinal welds. As set out in Baosteel's 6 July submission, and as independently confirmed by Duraquip, joining narrower plates by welding is structurally and aesthetically unacceptable for these products, adds cost and weight, and compromises watertightness and fatigue performance.’

Noting that BlueScope’s coil steel and sheet steel offered for sale in Australia do not exceed 1,550 mm in width, the commission considers that there are end uses of the goods that cannot accommodate the joining of narrower sections to create a wider section. Where the end use requires the ability for load or stress bearing, the introduction of welding potentially affects this ability.[33]

The commission also considers that for some end use applications, aesthetic prerequisites of the final product dictate that visible weld lines or joints cannot be present.

[30] EPR EX0107, document 6.

[31] EPR EX0106, document 1

[32] EPR EX0107, document 5.

[33] https://www.twi-global.com/technical-knowledge/faqs/what-is-the-heat-affected-zone

For these reasons, the commission considers the requirement for continuous steel or sheet is necessary for some end uses. In this respect, the commission considers that the goods that are already offered for sale by the Australian industry are not suitable to be used as a substitute for the exemption goods.

3.5.1.4 Other considerations

In its submission of 7 August 2026, BlueScope submitted that “broad exemptions based solely on width may create significant circumvention risks” and that “products exceeding 1550 mm width can, through established downstream processing and fabrication methods, achieve the same functional outcomes as domestically supplied products”.

BlueScope elaborated this to mean that if an exemption is granted based solely on width, circumvention could occur where products wider than 1,550 mm are imported into Australia and then through a cutting process, processed into sizes that match, and therefore compete with, products produced by the Australian industry. The commission considers this proposition reasonable.

The conditions for granting an exemption are set out in sections 8(7)(a) and 10(8)(a) of the Dumping Duty Act where the Minister may exempt goods from anti-dumping duties when:

> *[L]ike or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.*

The definitions of ‘like or directly competitive goods’ and ‘custom and usage of trade’ are explained in more detail in **Appendix A** to this report.

The commission considers the conditions in accordance with sections 8(7)(a) and 10(8)(a) of the Dumping Duty Act as the legislative tests when performing an assessment of an exemption application.

Notwithstanding the claim of a potential for circumvention, based on the evidence and information gathered during this inquiry, the commission considers that the grounds for the exemption have been met.

3.6 Conclusion

The Commissioner finds that the Australian industry does not offer for sale like or directly competitive goods to the exemption goods in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade. Accordingly, the conditions of sections 8(7)(a) and 10(8)(a) of the Dumping Duty Act for granting an exemption are satisfied.

4 RECOMMENDATION

Based on the commission's examination of the application, submissions made to the inquiry, and the evidence detailed in this report, the Commissioner considers that like or directly competitive goods to the exemption goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

The Commissioner considers that an exemption could be granted to the extent that the goods described below are subject to the measures on HRC.

Accordingly, the Commissioner recommends that the Minister exempt the goods described below (noting the commission has altered the exemption goods description proposed by the applicant) from dumping duty in accordance with section 8(7)(a), and countervailing duty in accordance with section 10(8)(a) of the Dumping Duty Act.

> *Hot rolled coil steel, in coil or sheet form, with or without patterns in relief, whether or not containing alloys, not clad, plated or coated (other than oil coated) and of a width equal to or greater than 1,580 mm.*

4.1 Effective date of exemption

The Minister has discretion over the date of effect of the exemption, if granted. If the exemption is given because of an application for exemption, the Dumping Duty Act limits the Minister's discretion to a date not earlier than the date of application for an exemption.[34] The commission's policy is to recommend to the Minister that the date of the effect of the exemption is the date of the application.

As the applicant applied for the exemption on 19 January 2026, the commission recommends granting the exemption effective from 19 January 2026.

[34] Sections 8(8A) and 10(9A) of the Dumping Duty Act

5 APPENDIX A – 'LIKE OR DIRECTLY COMPETITIVE GOODS' FRAMEWORK

Legislation

Section 8(7) provides:

(7) The Minister may, by notice in writing, exempt goods from interim dumping duty and dumping duty if he or she is satisfied:

(a) that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

and Section 10(8) provides:

(8) The Minister may, by notice in writing, exempt goods from interim countervailing duty or countervailing duty if he or she is satisfied:

(a) that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

Definition of 'like or directly competitive goods'

<u>Like goods</u>

The term 'like goods' is defined in section 269T(1) of the *Customs Act 1901* (the Customs Act). Section 6 of the Dumping Duty Act provides that the Customs Act is incorporated and shall be read as one with the Dumping Duty Act. Accordingly, the definition of 'like goods' in the Customs Act is applicable to the commission's assessment of whether the exemption goods are 'like goods' under sections 8(7)(a) and 10(8)(a) of the Dumping Duty Act.

Section 269T(1) of the Customs Act defines 'like goods' as*:*

> Goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.

Chapter 2 of the commission's *Dumping and Subsidy Manual* embodies the commission's established policy and practice in relation to like goods. Where two goods are identical, they are automatically like goods, but where two goods are not alike in all respects the commission will assess whether they have characteristics closely resembling each other including assessing their physical likeness, commercial likeness, functional likeness and production likeness.

<u>Directly competitive goods</u>

The term 'directly competitive' is not defined in the Dumping Duty Act or the Customs Act and has not been the subject of judicial consideration by Australian courts. Accordingly, assistance in understanding this term can be derived by having recourse to relevant dictionary definitions and case law.

Case law suggests an assessment of a 'direct' relationship is a question of fact and degree.[35] Drawing on the Macquarie Dictionary and case law, the commission defines 'directly' as:

> excluding that which is indirect or remote;[36] absolutely; exactly; precisely.

The Macquarie Dictionary also defines 'competitive' as:

> of, relating to, involving, or decided by competition; and
>
> having a feature comparable or superior to that of a commercial rival.

The phrase 'directly competitive' can therefore be taken to refer to goods with comparable features that rival each other in a commercial market. The assessment will be one of fact and degree, and the goods will not merely remotely or indirectly compete.

<u>Alternatives to satisfying sections 8(7)(a) and 10(8)(a) of the Dumping Duty Act</u>

The exemption provisions in sections 8(7)(a) and 10(8)(a) of the Dumping Duty Act specifically provide for exemptions where either like goods <u>or</u> directly competitive goods are not offered for sale in Australia. It is not necessary to be satisfied that there are both like goods and directly competitive goods for sale in Australia in order to deny the application for an exemption. It is sufficient for there to be <u>either</u> like goods or directly competitive goods for sale in Australia for the requirements of the exemption <u>not</u> to be met.

If there are no like or directly competitive goods offered for sale in Australia, then the requirements for exemption in sections 8(7)(a) and 10(8)(a) of the Dumping Duty Act will be met.

If there are like or directly competitive goods, then it is necessary to consider whether these like or directly competitive goods are offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

Definition of 'custom and usage of trade'

Although the domestically produced goods may be 'like or directly competitive goods', the Minister may still grant an exemption to duties in circumstances where the 'like or directly competitive goods' are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the 'custom and usage of trade'.

The term 'custom and usage of trade' is not defined in the Dumping Duty Act or the Customs Act. The Macquarie Dictionary defines 'custom' as:

> *a habitual practice; the usual way of acting in given circumstance; and*
>
> *habits or usages collectively; convention.*

The Macquarie Dictionary defines 'usage' as:

> customary way of doing; a custom or practice;
>
> the body of rules or customs followed by a particular set of people;
>
> usual conduct or behaviour.

As custom can only to be inferred from a large number of individual acts, the existence of a custom and usage of trade must involve:

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[35] *Adelaide Development Co Pty Ltd v Corporation of the City of Adelaide and Anor* (1991) 56 SASR 497 at [45].

[36] Ibid.

> the multiplication or aggregation of a great number of instances; but these instances must not be miscellaneous in character but must have a principle of unity running through their variety, and that unity must show a certain course of business and an established understanding respecting it.[37]

Custom or usage of trade is a term used in common law in the interpretation of implied terms in contracts within a particular trade or industry.[38] When considering what is 'custom or trade usage' the courts have concluded that:

1. Custom or usage was established mercantile usage or professional practice: *Byrne v Australian Airlines Ltd* (1995) 185 CLR 410 at 440; and
2. Evidence of actual market practices was crucial to the existence of a custom or usage. However, universal acceptance was not necessary: *Con-Stan Industries of Australia Pty Ltd v Norwich Winterthur Insurance (Australia) Ltd* (1986) 160 CLR 226.

[37] *Anderson v Wadey* (1899) 20 N.S.W.R. 412 at p. 417.

[38] *Castlemaine Tooheys Ltd v Carlton & United Breweries Ltd* (1987) 10 NSWLR 468.