20 July 2026

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Public File

Investigation No. 658 – Hot Rolled Coil Steel (HRC) exported from China

1. Introduction

BlueScope Steel Limited (**BSL**) provides this submission to the Anti-Dumping Review Panel (**Review Panel**) in response to the notice published under section 269ZZI of the *Customs Act 1901* (**the Act**) on 19 June 2026, in relation to the review of the decision of the Minister for Industry and Innovation and Minister for Science to publish a dumping duty notice under sections 269TG(1) and (2) of the Act in respect of hot rolled coil steel (**HRC**, **the goods**) exported from the People's Republic of China (**China**) (**the Reviewable Decision**).

The Reviewable Decision was published on the Anti-Dumping Commission (**Commission**) website on 4 May 2026 (ADN 2026/043) and gave effect to the recommendations of the Commissioner in Anti-Dumping Commission Report No 658 (**REP 658**).

BSL is the Australian producer of like goods and was the applicant in the investigation that led to REP 658 (**INV 658**). BSL is an interested party in relation to the Reviewable Decision within the meaning of section 269ZX of the Act, and is accordingly eligible to make this submission under section 269ZZJ of the Act.

This submission is lodged within the period of 30 days after publication of the section 269ZZI notice.

2. Review Panel initiation grounds

The Review Panel received applications from three exporters – Baoshan Iron and Steel Co., Ltd (**Baoshan**), Baosteel Zhanjiang Iron and Steel Co., Ltd (**Zhanjiang**) and Shanghai Meishan Iron and Steel Co., Ltd (**Meishan**) (together, the **Applicants**). The Review Panel has observed that the Applicants are related parties (members of the Baosteel group) and have advanced identical grounds. The Reviewable Decision imposed combination-method interim dumping duties of 59.1 percent (Baoshan), 38.1 percent (Zhanjiang) and 54.9 percent (Meishan).[1]

In its notice published pursuant to section 269ZZI, the Review Panel stated that it was satisfied that the following grounds advanced by the Applicants constituted reasonable grounds for considering that the Reviewable Decision may not be the correct or preferable decision. Common to each Applicant, those grounds are that the Minister erred in law and fact by accepting the recommendations in REP 658 to:

[1] Table 1, ADN 2026/043 (REP 658). The countervailing investigation against the Applicants was terminated on 2 April 2026 under ADN 2026/041.

i. reject the Applicant's verified, GAAP-compliant steel slab cost records and substitute an inflated Brazilian benchmark, in reliance on a generalised particular market situation (**PMS**) and without evidence that the records failed to reflect actual costs;
ii. reject the Applicant's verified, GAAP-compliant iron ore costs – said to be the single largest raw-material component of slab, sourced at arm's-length international spot prices from unrelated miners with no Government of China (**GOC**) involvement – and to include those costs within the Brazilian slab benchmark uplift, without any exporter-specific assessment of whether those records reasonably reflect actual costs under Article 2.2.1.1 of the WTO *Anti-Dumping Agreement* (**ADA**); and
iii. use an unadapted Brazilian steel slab benchmark, selected on superficial metrics with only minimal labour adjustments, without exploring or explaining less distortive alternatives, and without adapting the benchmark to reflect the cost of production in China.

3. Summary of the Applicants' case

In support of those grounds, and without accepting their correctness, the Applicants' submissions may be summarised as follows:

Ground	Details
Ground 1 (rejection of slab cost records)	The Applicants contend that the two conditions in the first sentence of Article 2.2.1.1 of the ADA; (i) that records are kept in accordance with the generally accepted accounting principles of the exporting country, and (2) that such records reasonably reflect the costs associated with production and sale; are exhaustive, and that a PMS finding sufficient to reject domestic selling prices under Article 2.2 does not permit departure from an exporter's records when constructing cost. The Applicants rely on the WTO Panels in *Australia – A4 Copy Paper* (DS529) and *Australia – Certain Products from China* (DS603), and the Appellate Body in *EU – Biodiesel (Argentina)* (DS473) and *Ukraine – Ammonium Nitrate* (DS493), and characterise the slab uplift as a "backdoor" non-market-economy methodology said to be inconsistent with Australia's 2005 recognition of China as a market economy.
Ground 2 (iron ore)	The Applicants contend that their iron ore was sourced exclusively from unrelated international miners (including BHP, Rio Tinto and Vale) at arm's-length seaborne spot prices with no GOC involvement, and that the Commission applied the Brazilian uplift across the entire slab cost without isolating this undistorted input. The Applicants rely on the European Commission's 2025 flat-rolled steel investigation (Commission Implementing Regulation (EU) 2025/1042) as a granular, WTO-consistent alternative, and propose a formula confining any uplift to the non-iron-ore portion of slab cost.
Ground 3 (Brazilian benchmark)	The Applicants contend that, even if rejection of the records were permissible, Article 2.2 requires the constructed normal value to reflect "the cost of production in the country of origin"; that Brazil was selected on superficial metrics (population, GDP and urbanisation) and inadequately adapted for differences in scale, utility costs, technology, alloy prices and an alleged iron-ore price premium; and that the Commission failed to consider less distortive alternatives, in particular Korean slab costs drawn from the concurrent Case 688 investigation, instead dismissing the Applicants' evidence as insufficient or not material.

On materiality, the Applicants submit that the steel slab component accounts for more than 90 per cent of the cost to make HRC and that the Commission's average 37 per cent uplift to that component was the dominant driver of the dumping margins. They contend that correcting the uplift would render the margins negligible within the meaning of section 269TDA of the Act.

4. BSL's position

For the purposes of the administrative record of this merits review, BSL's position is that the Minister's decision to publish a dumping duty notice in respect of HRC exported from China, made on the recommendations of the Commissioner in REP 658, is the correct and preferable decision.

The matters in respect of which the Applicants now seek merits review, including the PMS finding, the rejection and replacement of the Applicants' steel slab costs, the treatment of the iron ore component, and the selection and adaptation of the Brazilian slab benchmark, were examined and addressed during INV 658.

The findings challenged by the Applicants were examined in detail during INV 658 through the Commission's investigative processes, including the collection and verification of information from interested parties and thorough consideration of extensive submissions and evidence. REP 658 records the Commission's assessment of those matters and the reasons supporting the findings ultimately adopted by the Minister in the Reviewable Decision.

BSL's detailed position in support of the Reviewable Decision is most appropriately understood by reference to BSL's response to Statement of Essential Facts No 658 (**SEF 658**), dated January 2026, which addressed substantively the same issues. That response is provided as **Non-Confidential Attachment A** and is relied upon by BSL in full for the purposes of this review.

BSL submits that the grounds advanced by the Applicants should be considered in light of the factual findings and analytical framework set out in REP 658 and the matters addressed in BSL's response to the SEF 658. Those materials explain the basis on which the Commission concluded that the challenged PMS findings, cost adjustments and benchmark methodology were justified on the evidentiary record before it.

BSL reserves the right to make further submissions, including in response to any conference convened by the Review Panel, any further submissions lodged by the Applicants or other interested parties, and any further information placed on the public record.

For and on behalf of BlueScope Steel Limited.

BlueScope

16 January 2026

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Investigation No. 658 – Hot Rolled Coil Steel (HRC) exported from China

BlueScope Steel Limited (**BSL**) refers to the recently published Statement of Essential Facts to the above-noted inquiry (**SEF 658**), as dated 23 December 2025, and makes the following comments and representations.

1. Key SEF Outcomes

On dumping margins assessed over the October 2023 – September 2024 period of investigation (**POI**),[1] the Anti-Dumping Commission (**the Commission**) has preliminarily determined the existence of positive dumping by Chinese exporters. Two cooperating exporters, Baosteel (comprising three manufacturing entities: Baoshan, Zhanjiang, and Meishan) and LY Steel, were subject to individual assessment.

- For both Baosteel and LY Steel, the Commission is satisfied that domestic sales in China are unsuitable for determining normal values under section 269TAC(1)[2] due to the operation of section 269TAC(2)(a)(ii), arising from a particular market situation (**PMS**) in the Chinese domestic market.[3]

  Consequently, normal values have been constructed under section 269TAC(2)(c) using the sum of cost of production, selling, general and administrative expenses, and profit. A critical element of the constructed normal values is the adjustment of steel slab costs using a competitive benchmark derived from Brazilian market price indices, reflecting the Commission's view that Chinese domestic steel slab costs were distorted.[4]

- For Baosteel, export prices were established under section 269TAB(1)(c) on a deductive basis, given that imports were not purchased directly from the exporters by the Australian importer. The Commission identified significant limitations in Baosteel's cost data, which was provided at the production line level only without destination market segmentation. This created inconsistencies between Australian export sales prices and production costs, particularly given the relatively small proportion of Australian sales in Baosteel's total global sales.

- For LY Steel, export prices were established under both section 269TAB(1)(a) for direct sales and section 269TAB(1)(c) for sales through traders.

- The preliminary dumping margins are substantial, with Baoshan at 104.1 percent, Zhanjiang at 36.0 percent, Meishan at 64.6 percent, and LY Steel at 38.9 percent. Uncooperative and all other exporters have been assigned a dumping margin of 112.8 percent.

[1] SEF 658, Chapter 6, p. 41-55.
[2] All legislative references in this submission are to the *Customs Act 1901*, unless otherwise stated.
[3] SEF 658, Appendix A, beginning p. 98.
[4] Ibid, Appendix C, beginning p. 144.

On Chinese subsidisation/countervailing (**CVD**) assessed over the POI,[5] the Commission has preliminarily determined that Chinese HRC exporters benefit from countervailable subsidies:

- SEF 658 identifies 179 subsidy programs across four categories: grants, tax-related programs, preferential loans, and provision of goods or services at less than adequate remuneration (**LTAR**). Programs included direct grants for R&D and environmental projects, value-added tax deductions and refunds, corporate income tax benefits, preferential lending, and provision of raw materials and utilities at LTAR).

- The subsidy margins found, excluding LTAR inputs, are as follows:

  - Baoshan at 2.4 percent;
  - Zhanjiang at 0.5 percent;
  - Meishan at 1.6 percent;
  - LY Steel at 1.4 percent; and
  - all other exporters at 4.1 percent.

On the economic condition of the Australian industry,[6] SEF 658 preliminarily finds that the Australian industry has experienced injury during the injury analysis period (October 2020 to September 2024) across multiple economic indicators:

- Volume effects have demonstrated clear injury. BSL's sales volumes peaked in 2021 and declined substantially from 2022 to 2024. Market share analysis indicated that BSL's relative market share declined in each year of the injury analysis period, while Chinese imports correspondingly gained market share. Notably, the market share gained by Chinese imports equaled or exceeded the market share lost by the Australian industry.

- Price effects show suppression and depression. Unit pricing grew faster than unit cost-to-make-and-sell in the year to September 2022, but the margin narrowed in the final two years of the injury analysis period, with actual price depression evident in the year ending September 2024. The deterioration in the price-cost margin indicated that price increases, which would have otherwise occurred, were prevented.

- Profit and profitability also experienced decline. While BSL reported rising profits in 2021 and 2022 due to increased sales and stronger margins, a sharp decline occurred from 2023 to 2024. This coincided with declining sales volumes and unit prices against rising unit costs.

- Other economic factors reinforced injury findings. BSL experienced reduced revenue, reduced return on investment, and reduced capacity utilisation. Cumulatively, these factors demonstrate a comprehensive deterioration in the economic condition of the Australian industry.

On material injury and causation,[7] SEF 658 has preliminarily determined that the Australian industry experienced material injury caused by dumped and subsidised HRC from China. This finding is premised on the parallel presence of dumped and subsidised Chinese imports and injury experienced to the Australian industry, combined with clear causal linkages between the two.

- As noted above, the magnitude of dumping and subsidisation found was substantial, with combined margins from 36.5 percent to 116.9 percent. SEF 659 finds that these margins provided Chinese exporters with the ability to offer goods at prices significantly lower than would otherwise have been the case.

- The Commission's price undercutting analysis demonstrated that Chinese exports undercut Australian industry pricing at both the distributor and end-user levels of trade:

[5] SEF 658, Chapter 7, p. 56-63.
[6] Ibid, Chapter 8, p. 64-69.
[7] Ibid, Chapter 9, p. 70-79.

- at the distributor level, aggregated price undercutting of 2 percent to 8 percent occurred in all quarters of the POI;
- at the MCC level, matching by grade, undercutting reached up to 29 percent across models representing approximately one-third of sales at the distributor level; and
- at the end-user level, undercutting occurred at both aggregated levels (2 to 9 percent) and at the MCC level (8 percent).

– Volume effects demonstrated that dumped and subsidised goods from China increased over the injury analysis period and continued to grow during the POI despite a contracting Australian market. SEF 658 finds that the Australian industry sought to mitigate decreasing sales volumes and market share by reducing prices in response to competition from dumped and subsidised goods. However, this response occurred at the expense of profit margins, leading to material loss of profit and profitability and resulting in the Australian industry being undercut on price.

– On 'other' factors, SEF 658 finds that no such factors displaced the causal role of dumping and subsidisation. When considered in totality, the injury experienced by the Australian industry caused by dumped and subsidised Chinese HRC was not immaterial, insubstantial or insignificant,[8] satisfying the materiality threshold required under the legislation.

– The Commission is also satisfied in SEF 658 that dumping and subsidisation may continue into the future, based on evidence of substantial dumping and subsidisation during the investigation period, the ongoing nature of identified subsidy programs, existing distribution links, price-competitive nature of the Australian market, continuing import volumes from China post-investigation period, and excess production capacity in China driven by government involvement in the steel industry.[9]

2. Support for SEF Findings

BSL supports the SEF 658 conclusions and proposed measures imposition through interim dumping and countervailing duties. BSL submits that the Commission has correctly identified the range of relevant factors affecting the domestic industry's ability to supply HRC in Australia and future expectations thereof.

BSL also supports the imposition of preliminary measures in conjunction with the SEF.[10]

2.1 Dumping, Subsidisation and the Chinese PMS

Regarding assessed dumping for the POI, the above-noted high margins are decisive. These positive findings are a vital component in the Commission's assessment process, providing clear evidence of unfair pricing practices that have caused material injury to the domestic HRC industry.

The significant rates of subsidisation also found over the POI are either new and/or have been identified in multiple other inquiries over an extended period. The Government of China (**GOC**) legislation and policies underpinning many of these countervailing subsidy programs also indicates that these subsidies will remain in place.

BSL compliments the Commission on the complexity of its SEF 658 PMS analysis in Appendix A of the SEF – it represents the most comprehensive and methodologically rigorous examination of distortions in the Chinese steel market since Investigation No. 177 (**INV 177**) concerning hollow structural sections from China and elsewhere. This analysis establishes a new baseline for understanding the structural imbalances and government interventions that characterise Chinese steel markets, providing an authoritative foundation for future investigations involving Chinese steel products.

The Commission's PMS assessment is evidenced-based, drawing upon the GOC's questionnaire response, stated GOC policies and plans, cooperating exporters' responses, World Trade Organisation (**WTO**) panel

[8] Ibid, p. 79. Emphasised here, given the relevance of this conclusion to, at this stage of the inquiry, the imposition of provisional measures.
[9] Ibid, Chapter 10, p. 80-82.
[10] As imposed on 23 December 2025 under ADN 2025/133.

reports, OECD publications including the *Steel Outlook 2025*, Global Forum on Excess Steel Capacity reports, Centre for Research on Energy and Clean Air analyses, the European Commission's 2024 Staff Working Document on distortions in the Chinese economy, the Commission's own market analysis reports, and findings from previous trade remedy investigations including Continuation inquiries 632, 594, and 400.[11]

The Commission's preliminary findings are unequivocal: a PMS exists in the Chinese market for HRC such that domestic sales are not suitable for determining normal values under section 269TAC(1). This finding is supported by comprehensive analysis across multiple dimensions of government intervention and market distortion.

Building on the PMS analysis, the SEF's Appendix C assessment addresses the determination of appropriate costs of production for constructing normal values under section 269TAC(2)(c). The Commission's approach demonstrates application of the legislative framework while accounting for the distorted circumstances identified in Appendix A. BSL submits that the Commission's selection of the Brazilian benchmark is methodologically sound and appropriately justified.

The Commission's methodology for applying the benchmark accounts for differences between market indices and actual steel slab production costs.[12] The Commission has calculated the proportional difference between Brazilian and Chinese steel slab market price indices and applied this proportion to cooperating exporters' actual steel slab costs.[13] The Commission made necessary adjustments to reflect cost of production in China, examining various cost items in steel slab production and determining the appropriate treatment.[14]

The Commission's PMS and cost of production benchmark selection represents a comprehensive application of anti-dumping methodology to a complex Chinese market distortion scenario. The evidentiary foundation, analytical approach, and sound benchmark selection establish this assessment as the authoritative baseline for understanding Chinese steel market distortions post INV 177. The findings appropriately support construction of normal values that eliminate the distorting effects of pervasive GOC intervention while maintaining compliance with the legislative framework and Australia's WTO obligations.

The combined dumping and subsidisation findings in the SEF determined under this overall approach underscores the need for measures to be imposed, thereby ensuring fair competition and the viability of domestic HRC production.

2.2 Material Injury and Causation

BSL supports the Commission's interpretation and application of material injury under the Act and the *Ministerial Direction on Material Injury 2012* (**the Direction**).

As the headline position in the SEF, the Commission concludes that:[15]

> *…the Australian industry sought to arrest or mitigate the decrease in its sales volumes and market share by reducing its prices in response to increasing competition from dumped and subsidised goods in the investigation period. However, the Australian industry did so at the expense of its profit margin, which led to a material loss of profit and profitability in the investigation period (Figure 8 in chapter 8 refers). The commission considers that despite the Australian industry reducing its prices in response to increasing competition from dumped and subsidised imports in the investigation period, its prices were still undercut by imports from China. As the Australian industry's prices were undercut by dumped and subsidised goods in the investigation period, the Australian industry has forgone sales volumes and market share to imports from China at a time when the market was already contracting.*
> *When considered in totality, the commission is satisfied that the injury experienced by the Australian industry caused by dumped and subsidised goods is not immaterial, insubstantial or insignificant.*

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[11] SEF 658, p. 101.
[12] Further below at 3, BSL addresses what may be a gap in the LTAR assessment.
[13] SEF 658, p. 157.
[14] Ibid, p. 154-155.
[15] Ibid, p. 79.

> *Therefore, the Commissioner is satisfied that exports of the dumped and subsidised goods from China caused material injury to the Australian industry producing like goods.*

This represents the correct and preferable application of the causation framework required under sections 269TG, 269TJ and 269TAE. The analysis appropriately integrates verified industry data, importer and exporter information, and ABF import statistics to establish clear causal linkages between dumped and subsidised imports and the injury experienced by the Australian industry.

- SEF 658 has regard to the size of dumping and subsidy margins, finding combined margins ranging from 36.5 percent to 116.9 percent.[16] The Commission correctly concluded that these substantial margins provided Chinese exporters with the ability to offer goods at prices lower than would otherwise have been the case, establishing the foundation for the price advantage that drove subsequent injury. The Commission also then appropriately imposed preliminary measures.

- The Commission's price undercutting assessment is compelling; at the distributor level, price undercutting occurred in all quarters of the investigation period at aggregated levels of 2 percent to 8 percent,[17] with MCC-level undercutting reaching up to 29 percent across models representing approximately one-third of sales.[18] At the end-user level, aggregated undercutting ranged from 6 percent to 13 percent,[19] with MCC-level undercutting reaching 8 percent.[20] These findings establish persistent and substantial price undercutting across HRC market segments.

  Important also is that the Commission's assessment is conservative. In relevant part from the SEF:[21]

  > *Finally, it means that some of the undercutting rates noted above may be understated (noting also the levels of dumping and subsidisation observed for Chinese exporters) and may not reveal the full extent of price injury in a market already subject to price suppression and benchmarking by BlueScope against import offers of the goods.*

- On volume, Chinese HRC exports to Australia grew to acquire 10 percent of the Australian market in the POI, representing the highest market share held by any country in the past decade since Taiwan's peak.[22] This growth occurred while imports from Taiwan declined and other sources remained stable at minor levels (4 percent collectively).[23] This volume increase/market contraction assessment strengthens the causal analysis.

  The SEF's finding that the Australian industry sought to mitigate volume and market share losses by reducing prices, only to be further undercut while sacrificing profit margins, demonstrates text-book injury dynamics arising from dumped and subsidised competition.

- On profits and profitability, the finding that BSL reduced prices in response to competition from dumped and subsidised goods, and did so at the expense of profit margins leading to material loss of profit and profitability, establishes clear causation. The SEF recognises that despite these price reductions, BSL's prices remained undercut by Chinese imports, forcing it to forgo sales volumes and market share in a contracting market while simultaneously suffering deteriorating profitability.[24]

- On overall materiality, the SEF's injury assessment applies the standard that material injury is injury that is not *…immaterial, insubstantial or insignificant…*[25] The Commission correctly assessed that *…There is no threshold amount that is capable of general application and identifying material injury*

[16] Ibid, p. 95.
[17] Ibid, p. 72.
[18] Ibid.
[19] Ibid, p. 73.
[20] Ibid, p. 73.
[21] Ibid, p. 74.
[22] Ibid, p. 74 and 78.
[23] Ibid, p. 78.
[24] Ibid, p. 75.
[25] Ibid, p. 78.

will depend on the circumstances of each case and will differ from industry to industry and from time to time. [26]

The Commission properly considered materiality factors including the size of the dumping and subsidy margins, the extent of price undercutting, the importance of price in purchasing decisions, and the trajectory of volumes and market shares. The finding that Chinese import volumes grew despite market contraction while the Australian industry lost sales volumes and market share through price competition that simultaneously and significantly reduced profitability demonstrates injury that cannot be characterised as immaterial, insubstantial or insignificant.

The Commission appropriately recognised that dumping and subsidisation need not be the sole causes of injury.[27] SEF 658 has isolated the effects of dumped and subsidised imports from effects of market contraction and other factors, concluding that when considered in totality, the injury caused by dumped and subsidised goods satisfies the materiality threshold.

3. Matters for the Commission's Consideration

BSL identifies the following matter/issue for the Commission's consideration and assessment prior to the Ministerial recommendation.

3.1 Raw Materials & Utilities at LTAR

The Commission's cost of production analysis in Appendix C of the SEF adjusts the cooperating exporters' steel slab costs to remove distortions arising from GOC influence over raw materials markets (i.e. iron ore, coal, steel scrap, electricity). On a reading of the SEF, this adjustment has been applied at the steel slab level prior to entry into the hot strip mill (also known as hot rolling mill) for conversion to hot rolled coil.

The Commission's subsidy investigation in Appendix D of the SEF finds Program 178 (raw materials and utilities provided at LTAR) to be countervailable, with the benefit calculated as the difference between actual Chinese HRC exporter steel slab costs and benchmark-adjusted steel slab costs. To avoid double-counting, the Commission deducted the LTAR subsidy from the combined dumping and subsidy margins.

BSL submits that while the steel slab cost adjustment appropriately addresses distortions at the upstream production stage (blast furnace/basic oxygen furnace production of steel slab), this adjustment methodology does not necessarily capture LTAR subsidies that may apply to the subsequent hot strip mill processing stage where steel slab is converted into HRC.

As the Commission has previously verified, the HRC manufacturing process involves two distinct stages:

i. steel slab production: iron ore, coal, steel scrap, and electricity are consumed to produce steel slab (the Commission's benchmark adjustment addresses cost distortions at this stage through the Brazilian slab price index methodology); and
ii. hot strip mill processing: steel slab enters the hot rolling mill where it is reheated, rolled, and processed into HRC. This stage involves additional inputs including energy, utilities, equipment, and processing technologies that may themselves be subject to subsidisation at less than adequate remuneration.

The Commission's adjustment for steel slab costs captures upstream raw material distortions but may not account for LTAR subsidies specific to the hot strip mill operation itself.

Appendix E of the SEF identifies multiple subsidy programs that may specifically be related to hot strip mill processes and equipment, including:[28]

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[26] Ibid.
[27] Ibid, p. 79.
[28] SEF 658, Appendix E, p. 182 onwards.

- Program 45: Meishan: Cold rolling mill acid wastewater, biochemical wastewater and converter turbid ring drainage treatment project;
- Program 46: Baoshan: Cold rolling plant 1550 unit added automobile plate rewinding unit project;
- Program 47: Baoshan: Cold rolling plant 1730 unit hot-dip galvanizing workshop intelligent transformation project;
- Program 48: Baoshan: Cold rolling plant C008 unit intelligent manufacturing-unit inlet and outlet automation transformation;
- Program 49: Baoshan: Cold-rolled thin plate plant coal-fired boiler renovation project;
- Program 54: Baoshan: Silicon steel follow-up project;
- Program 55: Baoshan: Thick plate department 5m production line finishing mill spindle transformation;
- Program 62: Baoshan: 1580 hot rolling intelligent workshop-intelligent detection and diagnosis;
- Program 63: Baoshan: 1580 hot rolling intelligent workshop-intelligent energy-saving transformation;
- Program 66: Baoshan: 1580 hot-rolled slab warehouse area and crane automation transformation;
- Program 67: Baoshan: 2010 industrial enterprise energy management center construction demonstration project;
- Program 79: Zhanjiang: Grant for Baosteel Zhanjiang Steel three blast furnace system project hot rolling project; and
- Program 96: Meishan: Hot rolling process temperature control-deformation coupling-performance matching and surface quality intelligent control technology and application demonstration.

Additional programs may also relate to hot strip mill operations and utilities consumption at this processing stage.

These programs provide grants and subsidies for equipment, technology, energy efficiency improvements, and operational enhancements specifically at the hot rolling/hot strip mill stage of production. Such subsidies could constitute provision of goods or services at LTAR relevant to the hot strip mill processing stage, distinct from the upstream raw materials LTAR captured in Program 178.

BSL therefore submits that the Commission should clarify in the final determination whether:

i. the scope of Program 178 was intended to capture LTAR subsidies applicable to both the steel slab production stage <u>and</u> the subsequent hot strip mill processing stage, or whether it addresses only upstream raw material cost distortions;
ii. the possible hot strip mill-specific subsidy programs identified in Appendix E (including but not limited to programs 45, 46, 47, 48, 49, 54, 55, 62, 63, 66, 67, 79, 96) were considered as potential additional sources of LTAR benefits at the hot rolling processing stage, or whether these were assessed only as grants (A2/A3 category programs) without LTAR implications; and
iii. if hot strip mill stage LTAR subsidies were not captured in the current LTAR adjustment or Program 178 calculation, whether this represents a gap in the assessment that should be addressed to ensure comprehensive accounting for subsidisation throughout the full production process from raw materials through finished hot rolled coil.

Clarification on this would ensure that the final recommendation comprehensively addresses subsidisation throughout the entire HRC production process, including both upstream raw material cost distortions (appropriately captured through the steel slab benchmark adjustment) and any potential LTAR subsidies specific to the hot strip mill processing stage.

4. Conclusion

BSL submits that the SEF is evidenced-based and well-reasoned. All relevant aspects have been considered and appropriately decided upon by the Commission in arriving at the preliminary recommendation that interim dumping and countervailing duties be imposed. The Commission has also appropriately applied provisional measures.

BSL raises that matter of the potential gap in the LTAR adjustment to ensure accuracy and completeness in the assessment of all Chinese countervailable subsidies for HRC production.

In sum however, BSL welcomes the SEFs key findings and looks forward to the same being made in the final report to the Minister.

For and on behalf of BlueScope Steel Limited.