



CUSTOMS ACT 1901 - PART XVB

STATEMENT OF ESSENTIAL FACTS

NO. 692

**ALLEGED DUMPING OF CERTAIN WELDED STEEL MESH
SHEETS**

**EXPORTED FROM
THE PEOPLE'S REPUBLIC OF CHINA AND MALAYSIA**

30 September 2026

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ABBREVIATIONS

\$	Australian dollars
ABF	Australian Border Force
ACRS	Australasian Certification Authority for Reinforcing and Structural Steels
ADN	Anti-Dumping Notice
The Act	<i>Customs Act 1901</i>
Anhui BRC	Anhui BRC and Ma Steel Weldmesh Co., Ltd.
The applicants	InfraBuild (Newcastle) Pty Ltd and Steel Reinforcement Institute of Australia (SRIA)
ARC	Australian Reinforcing Company
ASA	Australian Steel Association
ASW	Australian Steel & Wire Pty Ltd
CFR	Cost and freight
China	People's Republic of China
the Commission	- the Anti-Dumping Commission (until 28 September 2026) - the Australian Trade Remedies Commission (from 29 September 2026)
the Commissioner	- the Commissioner of the Anti-Dumping Commission (until 28 September 2026) - the Commissioner of the Australian Trade Remedies Commission (from 29 September 2026)
CTM	Cost to make
CTMS	Cost to make & sell
CTS	Cost to sell
the Customs Direction	<i>Customs (Extensions of Time and Non-cooperation) Direction 2015</i>
DMW	Dynamic Mesh and Wire Industries Sdn Bhd
EPR	Electronic Public Record
FOB	Free On Board
FY	The Australian financial year (1 July to 30 June)
GAAP	Generally accepted accounting principles
GOC	Government of China
the goods	the goods the subject of the application or 'Certain welded steel mesh sheets' or 'steel mesh sheets'
IDD	Interim Dumping Duty
Kamen Steel	Kamen Steel Industries Sdn Bhd
InfraBuild	InfraBuild (Newcastle) Pty Ltd
Injury period	the period commencing 1 July 2021
Instant Steel Solutions	Instant Steel Solutions Pty Ltd
Investigation period	the period 1 October 2024 to 30 September 2025
INQ 643	<i>Anti-circumvention inquiry No. 643</i>

Material Injury Direction	<i>Ministerial Direction on Material Injury 2012</i>
MCC	Model Control Code
the Minister	the Minister for Industry and Innovation and Minister for Science
MYR	Malaysian Ringgit
NIP	Non-injurious Price
OCOT	Ordinary Course of Trade
PAD	Preliminary Affirmative Determination
PAD Direction	<i>Customs (Preliminary Affirmative Determinations) Direction 2015</i>
PMS	Particular Market Situation
the Regulations	<i>Customs (International Obligations) Regulation 2015</i>
RIC	Rod in coil
RMB	Chinese Renminbi
SEF	Statement of Essential Facts
SG&A	Selling, General and Administration
Southern Steel	Southern Steel Mesh Sdn Bhd
SRIA	Steel Reinforcement Institute of Australia
steel mesh sheets	Certain welded steel mesh sheets
TKM	Tianjin TianKang Metal Products Co., Ltd.
TRN	Trade Remedies Notice
USP	Unsuppressed Selling Price
Wei Dat Steel	Wei Dat Steel Sdn Bhd
wire	Rod in coil that has been further processed (e.g. through cold rolling, drawing or ribbing)
Xingtai Steel	Beijing Xingtai Steel Weldmesh Technology Development Co., Ltd.
YE	Year Ending

1 SUMMARY AND RECOMMENDATIONS

1.1 Introduction

This statement of essential facts (SEF) sets out the facts upon which the Commissioner of the Australian Trade Remedies Commission (the Commissioner)¹ proposes to base the recommendations to the Minister for Industry and Innovation and Minister for Science (the Minister) concerning Investigation 692 (INV 692 or the investigation).

The investigation is into the alleged dumping of certain welded steel mesh sheets (the goods or steel mesh sheets) exported to Australia from the People's Republic of China (China) and Malaysia (the subject countries).

The Commissioner initiated this investigation on 25 November 2025 following an application for the publication of a dumping duty notice made by InfraBuild (Newcastle) Pty Ltd and the Steel Reinforcement Institute of Australia (InfraBuild and SRIA respectively, or the applicants).²

The Commissioner preliminarily finds that, during the investigation period, the goods exported to Australia by Chinese exporters were dumped. The Commissioner also preliminarily finds that the dumped goods exported from China have caused material injury to the Australian industry producing like goods. Accordingly, the Commissioner proposes to recommend that the Minister publish a dumping duty notice in respect of the goods exported to Australia from China.

The Commissioner preliminarily finds that there was no dumping, or the dumping margins were negligible, in relation to Malaysian exporters during the investigation period. As a result, the Commissioner preliminarily proposes to terminate the dumping investigation in respect of the goods exported to Australia from Malaysia.

The Commissioner's final recommendations to the Minister will be contained in a report due to the Minister by 3 December 2026.

Interested parties should note that this SEF may not represent the final views of the Commissioner. The Commissioner invites interested parties to make submissions in response to this SEF (see chapter 2.2 of this SEF).

1.2 Preliminary findings

The Commissioner preliminarily finds that exporters from China exported the goods to Australia at dumped prices during the investigation period, which is the period of 1 October 2024 to 30 September 2025 (the investigation period).

¹ On the 29 September 2026, the name of the Anti-Dumping Commission was changed to the Australian Trade Remedies Commission.

² See discussion in chapter 4 (The Australian Industry).

The Commissioner is preliminarily satisfied that:

- exports of the goods from China during the investigation period were dumped by all exporters from China and the dumping margins are not negligible
- exports of the goods from Malaysia by Dynamic Mesh and Wire Industries Sdn Bhd (DMW), Kamen Steel Industries Sdn Bhd (Kamen Steel) and Wei Dat Steel Sdn Bhd (Wei Dat Steel) were not dumped
- exports of the goods from Malaysia by Southern Steel Mesh Sdn Bhd (Southern Steel) and uncooperative and all other exporters were dumped, but the dumping margins were negligible, and
- the dumped goods from China caused material injury to the Australian industry producing like goods.

Accordingly, the Commissioner preliminarily proposes to recommend that the Minister publish a dumping duty notice in respect of the goods exported to Australia from China.

The Commissioner also preliminarily proposes to terminate the dumping investigation in respect of the goods exported to Australia from Malaysia in accordance with section 269TDA(1) of the *Customs Act 1901* (the Act)³. This is because there was no dumping, or the dumping margin was negligible, in relation to all Malaysian exporters.

The Commissioner's preliminary findings and conclusions in this SEF are based on the available information at this stage of the investigation. A summary of the Commissioner's preliminary findings is provided in chapters 1.2.1 to 1.2.9, with greater detail provided in subsequent chapters of this SEF.

The Commissioner invites interested parties to provide submissions and further evidence on these findings within 20 days of this SEF being placed on the public record.

1.2.1 Background (chapter 2)

On 30 October 2025, InfraBuild and SRIA lodged an application with the Commissioner under section 269TB(1) of the Act, alleging that the Australian industry producing steel mesh sheets had experienced material injury caused by goods exported to Australia from China and Malaysia at dumped prices. A non-confidential version of the application is available on the EPR.⁴

Having considered the application, the Commissioner decided not to reject the application and initiated the investigation on 25 November 2025.

Anti-Dumping Notice (ADN) 2025/114 (initiation notice) and *Consideration Report 692* provide further details on the Commissioner's consideration of the application and the initiation of the investigation.⁵

³ All legislative references in this report are to the Customs Act 1901 (Cth) unless otherwise specified.

⁴ EPR 692, [document no.1, Application](#).

⁵ EPR 692, documents no. [2](#) and [3](#), Consideration Report 692 and ADN 2025/114.

1.2.2 The goods, like goods and the Australian industry (chapters 3 and 4)

The goods are:

sectional diameters of between 3mm to 14mm (inclusive) and having at least one aperture size of 80cm² or more.

Sheets of the subject welded steel mesh have a maximum nominal length of up to and including 15 metres and includes sheets that may have bends.

The goods under consideration do not include welded steel mesh sheets made from stainless steel as defined under Note 1(e) to Chapter 72, Schedule 3 of the Customs Tariff Act 1995.

The goods include all welded steel mesh sheets meeting the above description irrespective of steel surface profile, alloy content or coating.

The Commissioner preliminarily finds that:

- locally produced goods are 'like' to the goods the subject of the application
- the like goods are wholly or partly manufactured in Australia
- there is an Australian industry, comprised of InfraBuild, supporting SRIA members, and other Australian manufacturers producing like goods.

1.2.3 Australian market (chapter 5)

The Australian steel mesh sheets market is supplied by the Australian industry, which is comprised of InfraBuild, SRIA members and other Australian manufacturers, along with imported steel mesh sheets sold by exporters, importers, traders and resellers. There are four key market segments for steel mesh sheets defined by end use. Both imported and locally manufactured products are primarily purchased by distributors or end-users for supplying into the residential, commercial, mining and engineering construction sectors. The majority of models (sizes) of steel mesh sheets products are typically produced to stock based on sales forecasts.

While most steel mesh sheets may be installed 'as is' for its end-use application, there are instances where further processing is undertaken. This includes further cutting, bending, welding, joining or tying as required by the end-use customer, fabricator or service centre before use.

1.2.4 Dumping Investigation (chapter 6)

The Commissioner is preliminarily satisfied that, during the investigation period:

- exports of the goods from China in relation to all exporters from that country were dumped and the dumping margins are not negligible.
- exports of the goods from Malaysia by DMW, Kamen Steel and Wei Dat Steel were not dumped.
- exports of the goods from Malaysia in relation to Southern Steel and uncooperative and all other exporters were dumped, but the dumping margin was negligible.
- the volume of dumped exports from China was not negligible.

The Australian Trade Remedies Commission (the Commission) has calculated dumping margins in respect of goods exported to Australia from the subject countries during the investigation period for each exporter at the rates set out in Table 1.

Exporter	Dumping margin
China	
Beijing Xingtai Steel Weldmesh & Technology Development Co., Ltd. (Xingtai Steel)	29.8%
Tianjin Tiankang Metal Products Co., Ltd. (TKM)	32.4%
Anhui BRC and Ma Steel Weldmesh Co., Ltd. (Anhui BRC)	28.5%
Uncooperative and all other exporters	45.4%
Malaysia	
DMW	Negative 19.7%
Kamen Steel	Negative 4.0%
Southern Steel	0.01%
Wei Dat Steel	Negative 29.1%
Uncooperative and all other exporters	1.8%

Table 1: Preliminary dumping margins

The Commission identified that the 3 cooperative exporters from China accounted for approximately 69% of import volume of the goods from China during the investigation period. Uncooperative and all other exporters from China, which is made up of approximately 250 exporters, accounted for the remaining 31% of import volume from China. However, many of these exporters only exported small volumes.

1.2.5 Economic condition of Australian industry (chapter 7)

Based on analysis of the information contained in the application, additional data obtained from Australian industry members during the investigation and the Australian Border Force (ABF) import database, the Commissioner preliminarily finds that the Australian industry has experienced injury in relation to the following economic factors across the injury analysis period and during the investigation period:

- lost market share
- price depression
- price suppression
- loss of profits
- loss of profitability

Analysis of the data collected showed that while sales volume decreased across the injury analysis period, there was a slight improvement in sales volume over the investigation period compared to the year prior. However, Australian industry's share of the market declined in each period of the injury analysis period, demonstrating that Australian industry captured a smaller share of overall market growth in the investigation period compared to imports, demonstrating lost market share (see Figures 3 and 4 in chapter 7.4).

Analysis of the data collected showed that Australian industry lowered its prices of the injury analysis period and the investigation period demonstrating price depression (see Figure 6 in chapter 7.5).

In relation to price suppression, the Commission observed that during the injury analysis period to YE September 2024, InfraBuild decreased prices at a greater rate than it had reduced CTMS, but in the investigation period, prices reduced at a slower rate than costs. To further examine price suppression, the Commission examined SRIA members margin or spread between selling prices and input costs over the injury analysis period. Figure 7 in chapter 7.5 shows that for 5 of the 6 SRIA members, margin or spread as a percentage of selling price (in weighted average terms) deteriorated across the injury analysis period as well as during the investigation period. The Commissioner considers that the inability of these entities to maintain historical spread demonstrates price suppression. The deterioration of SRIA members' margin over the injury analysis and investigation periods also demonstrates a reduction in profit and profitability.

1.2.6 Material injury from dumping (chapter 8)

The Commissioner is preliminarily satisfied that dumped steel mesh sheets exported from China have caused material injury to the Australian industry producing like goods for the following reasons:

- steel mesh sheets are considered a commodity, and Australian industry primarily competes on price with imported goods due to the interchangeable nature of the product (chapter 3.6)
- the goods were exported from China at dumped prices which allowed exporters to be more competitive on price than they otherwise would have been (chapter 8.9.1)
- the Australian industry's prices were undercut by the dumped goods exported to Australia in the investigation period (chapter 8.5.2)
- by responding to the lower-priced dumped exports, the Australian industry has experienced price suppression (chapter 7.5 and 8.5)
- by selling at lower and dumped prices, Chinese exporters have attracted sales which would likely otherwise have gone to the Australian industry, leading to lost market share for the Australian industry (chapter 8.6)
- while Australian industry maintained the largest share of the market during the investigation period, it did not capture a proportional share of the growth in the market during that time. Imports from the subject countries captured more than half of the growth in the Australian market during the investigation period, with China taking most of the growth in imports (Figure 10 in chapter 8.6)
- the combination of suppressed prices and lower sales volumes (as represented by the observed reduction in market share) led to material reductions in the Australian industry's revenue, profit and profitability (chapter 8.9)
- while certain factors other than dumping may have had some influence on the performance of the Australian industry, those factors do not explain the full extent of the injury observed and it cannot be concluded that the injury is attributable to those factors rather than to the dumped imports (chapter 8.8).

1.2.7 Whether dumping may continue (chapter 9)

Based on the information available, the Commissioner is satisfied that, in relation to all exporters from China, exports of the goods may continue in the future at dumped prices.

The Commission has calculated dumping margins ranging between 28.5% and 45.4% in relation to exports from China during the investigation period and the Commissioner finds that the dumping margins and volumes are not negligible.

The Commission examined import volumes from the ABF import database during and following the end of the investigation period (up to April 2026).⁶ The Commission observed that imports from China have continued in relation to exporters whose goods were dumped during the investigation period. The volume of these imports represented a material share of total import volumes from all sources.

1.2.8 Non-injurious price (chapter 10)

The Commissioner preliminarily considers that, in relation to all exporters from China, it is not desirable for the Minister to specify a method of calculating the Interim Dumping Duty (IDD) in accordance with the lesser duty rule. Notwithstanding the Commissioner's consideration, the Minister retains this discretion. Therefore, the Commission has calculated a non-injurious price (NIP).

1.2.9 Proposed measures (chapter 11)

The Commissioner preliminarily recommends that the IDD payable on the goods exported from China should be worked out using the combination duty method.

The recommended effective rates of IDD for exports from China are set out in Table 2.

Exporter	Current dumping securities duty method	Current rate of dumping securities (%)	Recommended duty method	Recommended effective rate of IDD (%)
Xingtai Steel	<i>ad valorem</i>	29.6%	Combination	29.8%
TKM	<i>ad valorem</i>	32.3%	Combination	32.4%
Anhui BRC	<i>ad valorem</i>	28.4%	Combination	28.5%
Uncooperative and all other exporters	<i>ad valorem</i>	45.3%	Combination	45.4%

Table 2: Summary of current and revised effective interim dumping duty

1.3 Preliminary affirmative determination (chapter 2.6)

On 27 January 2026, the Commissioner published a Day 60 Status Report.⁷ In it, the Commissioner stated that a Preliminary Affirmative Determination (PAD) was not yet warranted because the Commissioner was not yet satisfied that there appeared to be sufficient grounds for the publication of a dumping duty notice.

⁶ Confidential Attachment 41 – Post Investigation Import Data and Analysis.

⁷ EPR 692, [document no. 8](#).

On 7 August 2026, the Commissioner made a PAD, being satisfied at that time that there appeared to be sufficient grounds for the publication of a dumping duty notice in relation to steel mesh sheets exported to Australia from China, and that provisional measures were necessary to prevent material injury to the Australian industry while the investigation continued.

Following further analysis conducted during the investigation and having regard to the findings set out in this SEF, the Commissioner will amend the level and form of securities required to be taken in respect of imports of goods from China to the rates and duty methods set out in Table 2 above.

Chapter 2.6 further discusses the PAD and update to securities.

1.4 Termination of Malaysian dumping investigation (chapter 12)

The Commissioner preliminarily proposes to terminate the dumping investigation in relation to Malaysian exporters of the goods on the basis that there was no dumping or negligible dumping by Malaysian exporters during the investigation period, in accordance with section 269TDA(1).

2 BACKGROUND

2.1 Legislative framework

2.1.1 Legislative test

Division 2 of Part XVB of the Act describes, among other things, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application for the publication of a dumping duty notice, for the purposes of making a report to the Minister.

Under section 269TEA(1), in the report to the Minister, the Commissioner must recommend whether the Minister ought to be satisfied that there are grounds for publishing a dumping duty notice under section 269TG.

Under section 269TG, in order to publish a dumping duty notice, the Minister must be satisfied that, because of dumping, the Australian industry has experienced material injury.

2.1.2 Statement of essential facts

Section 269TDAA(1) requires the Commissioner to publish a statement of the facts on which they propose to base their recommendations to the Minister in relation to the application. This is referred to as the SEF.

Section 269TDAA(2) requires the Commissioner, in formulating the SEF, to have regard to the application and any submissions received within 37 days of the initiation of the investigation. Under section 269TDAA(3), the Commissioner is not obliged to have regard to a submission received by the Commissioner after the 37 days if to do so would, in the Commissioner's opinion, prevent the timely placement of the SEF on the Electronic Public Record (EPR).⁸

The Commissioner may also have regard to any other matters they consider relevant.

2.1.3 Final report

Section 269TEA(1) requires the Commissioner, after conducting an investigation in respect of the application, to give the Minister a report which recommends (among other things) whether a dumping duty notice or countervailing duty notice (as relevant), should be published and the extent of any duties that are, or should be, payable because of that notice.

Section 269TEA(3) requires the Commissioner, in deciding on the recommendations to be made to the Minister in the report, to have regard to:

- the application

⁸

The EPR contains non-confidential submissions by interested parties, the non-confidential versions of the commission's visit reports and other publicly available documents. It is available online at www.atrc.gov.au

- any submissions to which the Commissioner had regard to in formulating the SEF
- the SEF
- any submission made in response to the SEF received within 20 days of the publication of the SEF
- any other matters the Commissioner considers relevant.

Under section 269TEA(4), the Commissioner is not obliged to have regard to a submission received by the Commissioner after the 20 days if to do so would, in the Commissioner's opinion, prevent the timely preparation of the report to the Minister.

2.2 Responding to this SEF

This SEF sets out the essential facts upon which the Commissioner proposes to base the final recommendations to the Minister. This SEF represents an important stage in the investigation. It informs interested parties of the facts established and allows them to make submissions in response to the SEF.

It is important to note that the SEF may not represent the final views of the Commissioner.

Interested parties have 20 days to respond to the SEF. The Commissioner will consider these responses in making the final report to the Minister. The report will recommend whether or not a dumping duty notice and/or a countervailing duty notice should be published, and the extent of any interim duties that are, or should be, payable.

Responses to this SEF should be received by the Commissioner no later than **20 October 2026**. The Commissioner is not obliged to have regard to any submission made in response to the SEF received after this date if to do so would, in the opinion of the Commissioner, prevent the timely preparation of the report to the Minister.

The Commissioner must report to the Minister by **3 December 2026**.

Submissions should preferably be emailed to investigations1@adcommission.gov.au or investigations1@atrc.gov.au.

Confidential submissions must be clearly marked and a non-confidential version of any submission is required for inclusion on the Public Record. A guide for making submissions is available at the Australian Trade Remedies Commission web site www.atrc.gov.au

Interested parties should read the documents on the EPR in conjunction with the SEF.

2.3 Application and initiation

On 30 October 2025, InfraBuild and the SRIA lodged an application with the Commissioner under section 269TB(1) alleging that the Australian industry for the goods has suffered material injury caused by the goods being exported to Australia from China

and Malaysia at dumped prices. A non-confidential version of the application is available on the EPR.⁹

Having considered the application, the Commissioner decided not to reject the application and initiated the investigation on 25 November 2025.

Anti-Dumping Notice (ADN) 2025/114 (initiation notice) and *Consideration Report 692* provide further details on the Commissioner's consideration of the application and the initiation of the investigation.¹⁰

2.4 Previous cases

There have been no prior dumping or subsidy investigations directly into certain welded steel mesh sheets.

Anti-circumvention Inquiry No. 643 (Anti-Dumping Commission Report No. 643) (INQ 643) examined alleged circumvention of the anti-dumping measures on Rod in Coil (RIC) exported from China. The inquiry described the circumvention goods as RIC exported to Australia from China that had been rolled, cut to length and cross-welded into mesh sheets, which was not within the description of the goods covered by the original notice. The alleged circumvention goods covered part of the goods subject to this investigation.

The Commissioner found in REP 643 that a circumvention activity in relation to the original notice had not occurred and the Commissioner recommended to the Minister that the original notice remain unaltered under section 269ZDBG(1) of the Act. The Minister accepted the recommendation on 27 October 2025.¹¹

The Commission is not aware at this time of other investigations into certain welded steel mesh sheets in other jurisdictions.

2.5 Conduct of the investigation

2.5.1 Investigation period and injury period

As specified in the initiation notice, the Commissioner set an investigation period of 1 October 2024 to 30 September 2025.

The Commissioner also set an injury period from 1 July 2021 to assess the economic condition of the Australian industry and to assess potential injury factors.

2.5.2 Australian industry

The Commissioner is satisfied that the applicants for the investigation, InfraBuild and other Australian manufacturers represented by the SRIA, represent the Australian industry producing like goods to the goods subject to the investigation.

⁹ EPR 692, [document no.1, Application](#).

¹⁰ EPR 692, documents no. [2](#) and [3](#), *Consideration Report 692* and ADN 2025/114.

¹¹ Anti-Dumping Notice ([ADN](#)) No. [2025/100](#).

Production of like goods by InfraBuild and other Australian manufacturers represented by the SRIA accounts for:

- more than 50% of the total production of like goods by that proportion of the Australian industry that has expressed either support for, or opposition to, the application, and
- not less than 25% of the total production of like goods in Australia.

InfraBuild (Newcastle) Pty Ltd

The Commissioner is satisfied that InfraBuild is the largest Australian producer of like goods. It therefore represents a large proportion of the Australian industry producing like goods to the goods the subject of the application. It is estimated that InfraBuild produces approximately 46% of total Australian production and 57% of production by the joint applicants.

The Commission conducted a verification visit to InfraBuild at Mayfield North (Newcastle) in New South Wales during December 2025. The verification report is available on the EPR.¹²

SRIA

The Commissioner is satisfied that other Australian industry members represented by the SRIA produce like goods. The members represented by the SRIA produce a significant proportion of the Australian industry producing like goods to the goods the subject of the application.

Australian producers represented by the SRIA (excluding InfraBuild) in this application are:

- BestBar Pty Ltd (BestBar)
- Mesh & Bar Pty Ltd (Mesh & Bar)
- Neumann Steel Pty Ltd (Neumann Steel)
- Vic Mesh Pty Ltd (VicMesh)
- Wire Industries Pty Ltd (Wire Industries)
- Bianco Reinforcing Pty Ltd (Bianco Reinforcing)
- Meshcrete group of companies (Meshcrete)

It is estimated that these SRIA members (excluding InfraBuild) produce approximately 35% of total Australian production and 43% of the joint applicants.

The Commission conducted onsite visits to the production facilities of SRIA members BestBar, Mesh & Bar, and VicMesh in locations across Victoria.¹³ The Commission also conducted virtual consultations with the other SRIA members that supported the application; Neumann Steel, Wire Industries, and Bianco Reinforcing.¹⁴

¹² EPR 692, [document no. 19](#).

¹³ EPR 692, document nos. [45](#), [48](#), and [49](#).

¹⁴ EPR 692, document nos. [46](#), and [47](#).

As a part of the investigation, the Commission sought production and sales data from SRIA members.¹⁵ SRIA explained that each member provides its sales and production data separately to an independent third-party provider to ensure that confidential information is not shared with SRIA or between any of its members. The third-party provider collates the individual datasets, removes inter-entity sales to avoid double counting, and provides only aggregated information to SRIA. This arrangement ensures that individual members' data is not disclosed to the SRIA or to other SRIA members.

The independent third-party provider supplied the collated confidential data on 1 April 2026, followed by an additional set of data that contained data for earlier years and updated information on 11 July 2026. The complete dataset comprised quarterly sales and production data for steel mesh sheets reported by SRIA members for the period from 2016 to 2025. The Commission treated the underlying member-level information as confidential and used the collated data in its analysis. The Commissioner determined that the joint applicants account for approximately 80% of all steel mesh sheets manufactured in Australia.

2.5.3 Exporters

The notice announcing the initiation of the investigation invited exporters of the goods to Australia from each country the subject of the investigation to complete the exporter questionnaire available on the Commission's website. The initiation notice stated that exporter questionnaires were due by 2 January 2026.¹⁶

One response was received by the due date. The Commission received 8 requests for extension to provide a response to the exporter questionnaires and received 6 responses to the exporter questionnaires within the due dates approved via the extension requests as outlined in Table 3.

Fully completed questionnaire responses were received from 7 exporters of the goods across the 2 countries the subject of the investigation. The non-confidential versions of each exporter's questionnaire responses are available on the Commission's website.

The Commissioner considered that the following entities are cooperative exporters for the purposes of this investigation:

- Beijing Xingtai Steel Weldmesh & Technology Development Co., Ltd. (Xingtai Steel)
- Tianjin Tiankang Metal Products Co., Ltd. (TKM)
- Anhui BRC and Ma Steel Weldmesh Co., Ltd. (Anhui BRC)
- Dynamic Mesh and Wire Industries Sdn Bhd (DMW)
- Kamen Steel Industries Sdn Bhd (Kamen Steel)
- Southern Steel Mesh Sdn Bhd (Southern Steel)
- Wei Dat Steel Sdn Bhd (Wei Dat Steel)

¹⁵ EPR 692, document no. [52](#).

¹⁶ [ADN 2025/114](#) refers.

Entity	Extension Requested	Extension Granted	Revised due date	Submitted date
China				
Xingtai Steel	21 days	17 days	19/01/2026	15/01/2026
TKM	28 days	17 days	19/01/2026	15/01/2026
Anhui BRC	59 days	17 days	19/01/2026	14/01/2026
Xinglian Steel Mesh (Guangdong) Co., Ltd	21 days	21 days	23/01/2026	2/02/2026
Malaysia				
DMW	Provided a complete REQ by the original due date (2 Jan 2026)			
Southern Steel	21 days	21 days	23/01/2026	23/01/2026
Kamen Steel	14 days (1st req.) 12 days (2nd req.)	14 days 7 days	16/01/2026 23/01/2026	16/01/2026 23/01/2026
Wei Dat Steel	21 days	21 days	23/01/2026	23/01/2026
Rong Mah Wire Industries Sdn Bhd	13 days	13 days	15/01/2026	27/01/2026

Table 3: Exporter extensions of time requested and granted

Chinese exporter Xinglian Steel Mesh (Guangdong) Co., Ltd. (Xinglian) and Malaysian exporter Rong Mah Wire Industries Sdn Bhd (RM Wire) were determined to be uncooperative exporters. This determination was made on the basis that Xinglian and RM Wire did not provide a response within the legislated period (i.e. they did not provide a response before the extended due dates in Table 3). Xinglian and RM Wire also did not request a further extension to provide a response to the questionnaire before the extended due date.

The Commission conducted a verification visit to Xingtai Steel's and TKM's facilities in China during April 2026. The resulting verification reports are available on the EPR.¹⁷

The Commissioner determined that no onsite or virtual verification would be conducted for Anhui BRC. This decision was based on the fact that 2 similar Chinese exporters, with comparable market conditions, Xingtai Steel and TKM, are already subject to verification under Investigation 692 for exports of goods during the same investigation period. This is considered reasonable in the circumstances that the goods the subject of this investigation share a high degree of commonality with respect to key production processes and the supply chain arrangements identified in relation to Anhui BRC's sales into the domestic market in China and the Australian market. The Commission has therefore assessed Anhui BRC by having regard to its response to the exporter questionnaire (REQ) and questionnaires received by other exporters cooperating with the investigation. The resulting report is available on the EPR.¹⁸

¹⁷ EPR 692, documents no. [41](#) and [42](#).

¹⁸ EPR 692, [document no. 51](#).

Malaysia

The Commission conducted a verification visit to Kamen Steel's facility in Malaysia during May 2026. The resulting verification report is available on the EPR.¹⁹

The Commission also conducted a verification visit of DMW at Jennmar Australia Pty Ltd's (Jennmar Australia) facility in Sydney, New South Wales. Jennmar Australia is the owner of DMW, a Malaysian exporter verified in this investigation. The resulting verification report is available on the EPR.²⁰

The Commissioner determined that no onsite or virtual verification would be conducted for Southern Steel and Wei Dat Steel. This decision was based on the fact that 2 Malaysian exporters, with comparable market conditions, Kamen Steel and DMW, are already subject to verification under Investigation 692 for exports of goods during the same investigation period. This is considered reasonable in the circumstances that the goods the subject of this investigation share a high degree of commonality with respect to key production processes and the supply chain arrangements identified in relation to their sales into the domestic market in Malaysia and the Australian market. The Commission has therefore assessed Southern Steel and Wei Dat Steel by having regard to their responses to the exporter questionnaire (REQ) and questionnaires received by other exporters cooperating with the investigation. The resulting reports are available on the EPR.²¹

Uncooperative exporters

Where an exporter or entity did not give the Commissioner information that the Commissioner considered to be relevant to this investigation within a period the Commissioner considered to be reasonable, or the Commissioner is satisfied that the exporter or entity significantly impeded the investigation:

- section 269T(1) provides that, in relation to a dumping duty notice, such an exporter is an 'uncooperative exporter'
- section 269TAACA(1) provides that, in determining whether a countervailable subsidy has been received in respect of particular goods, the Commissioner may act on the basis of all the facts available and may make such assumptions as they find reasonable. Such an entity is a 'non-cooperative entity'.

The *Customs (Extensions of Time and Non-cooperation) Direction 2015* (the Customs Direction) provides that, when determining whether an exporter is an uncooperative exporter or an entity is a non-cooperative entity, the Commissioner must regard the legislated period for providing a response as a reasonable period. The Customs Direction further requires the Commissioner to determine that an exporter is an uncooperative exporter, or an entity is a non-cooperative entity, on the basis that no relevant information was provided within that reasonable period where the exporter or entity, within the legislated period:

¹⁹ EPR 692, [document no. 65](#).

²⁰ EPR 692, [document no. 63](#).

²¹ EPR 692, [document no. 51](#).

- fails to provide a response;
- fails to request a longer period to provide a response; or
- provides a response that the Commissioner considers does not contain information relevant to the case.

2.5.4 Importers

The application identified the main importers of the goods, while the Commission also identified importers of steel mesh sheets from China and Malaysia using the ABF import database. The Commission contacted importers and invited them to participate in the investigation by providing a response to the importer questionnaire (RIQ). The Commission also made the importer questionnaire available on its website for completion by other importers not contacted directly.

The Commission received two complete RIQs from importers:

- Jennmar Australia, on behalf of Australian Steel & Wire Pty Ltd (ASW)²²
- Plascorp Pty Ltd

The Commission conducted a verification visit to Jennmar Australia's facility in New South Wales during May 2026. The resulting verification report is available on the EPR.²³

2.5.5 Other stakeholder consultations

The Commission met virtually with representatives from AKZ Reinforcing Pty Ltd (AKZ Reinforcing), and AUSREO Pty Ltd (AUSREO). Both are members of the SRIA.²⁴

AKZ Reinforcing and AUSREO are both Australian-owned and operated steel reinforcement suppliers. While they no longer manufacture steel mesh sheets in Australia, they continue to supply steel mesh products. AKZ Reinforcing provided the Commission with sales, volume and pricing data. AUSREO did not provide data following the meeting with the Commission.

2.5.6 Foreign governments

On 25 November 2025, the embassies of the Government of China (GOC) and the Government of Malaysia were notified of the initiation of Investigation 692.

On initiation of the investigation, the Commission issued a questionnaire to the GOC on 25 November 2025. The questionnaire sought information on the Chinese steel industry and market, seeking information related to the claims made by the applicant in regard to a particular market situation in China, with a response due by 2 January 2026. The Commission did not receive a response to the GOC questionnaire.

²² Jennmar Australia Pty Limited (Jennmar Australia), an importer of the goods, submitted a questionnaire response on behalf of related party Australian Steel & Wire Pty Ltd (ASW). ASW is no longer trading. Whilst Jennmar Australia is a current importer of the goods, they did not import during the investigation period.

²³ EPR 692, [document no. 64](#).

²⁴ EPR 692, document nos. [44](#) and [50](#)

2.6 Preliminary affirmative determination (PAD)

2.6.1 Background

Under section 269TD(1), the Commissioner may make a PAD if satisfied that:

- there appears to be sufficient grounds for the publication of a dumping duty notice or a countervailing duty notice,²⁵ or
- it appears that there will be sufficient grounds for the publication of a dumping duty notice or a countervailing duty notice subsequent to the importation of the goods into Australia.²⁶

A PAD may be made no earlier than day 60 of the investigation (in relation to this investigation, a date no earlier than 27 January 2026).²⁷ Under section 269TD(4)(b), the Commonwealth may require and take securities at the time a PAD is made or at any time during the investigation after a PAD has been made if the Commissioner is satisfied that it is necessary to do so to prevent material injury to an Australian industry occurring while the investigation continues.

In accordance with section 6 of the *Customs (Preliminary Affirmative Determinations) Direction 2015* (the PAD Direction), 60 days after the initiation of such an investigation the Commissioner must make either a PAD or provide a Status Report outlining the reasons why a PAD was not made.

On 27 January 2026, the Commissioner published a Day 60 Status Report.²⁸ In it, the Commissioner stated that a PAD was not yet warranted because the Commissioner was not yet satisfied there appeared to be sufficient grounds for the publication of a dumping duty notice.

2.6.2 PAD and previous securities

On 7 August 2026, the Commissioner made a PAD and published ADN 2026/107²⁹ which stated the Commissioner was satisfied:

- that there appeared to be sufficient grounds to publish a dumping duty notice for the goods exported to Australia from China
- that to prevent material injury to the Australian industry while the investigation continues, it was necessary for the Commonwealth to require and take securities under section 42 of the Act in respect of interim dumping duties (IDD) that may become payable on the goods imported from China and entered for home consumption in Australia on or after 8 August 2026.

The Commissioner determined that securities to be taken would be an amount worked out in accordance with the *ad valorem* duty method. At the publication of the PAD,

²⁵ Section 269TD(1)(a).

²⁶ Section 269TD(1)(b).

²⁷ Section 269TD(1).

²⁸ EPR 692, [document no. 8.](#)

²⁹ EPR 692, [document no. 56.](#)

securities were imposed in relation to the goods exported to Australia from China at the rate specified in Table 4.

Exporter	Current rate of dumping securities
Xingtai Steel	29.6%
TKM	32.3%
Anhui BRC	28.4%
All other exporters	45.3%

Table 4: Dumping securities imposed at publication of a PAD

2.6.3 Submissions on provisional measures prior to publication of PAD

Before the publication of the PAD notice on 7 August 2026, the Commission received submissions from SRIA members BestBar and Wire Industries concerning ongoing material injury and the need for provisional measures.³⁰ Both parties submitted that the Australian steel mesh sheets industry was experiencing significant and worsening injury due to increasing imports of steel mesh sheets and requested that the Commission make a PAD before the final determination.

As reasons for issuing a PAD, they submitted that:

- there has been an increase in import volumes since the investigation commenced
- the surge in imports is further undermining their operations and causing ongoing material injury, and
- there is a risk that steel mesh sheets manufacturing will become unviable, forcing producers to divest manufacturing assets and move to an import-based model to remain competitive.

Xingtai Steel and TKM both made submissions on 22 May 2026 opposing the requests made by BestBar and Wire Industries to publish a PAD prior to the publication of the Statement of Essential Facts (SEF).³¹ They submitted that arguments raised by BestBar and Wire Industries do not provide sufficient evidence of dumping, material injury or causation, and that any PAD at this stage would be premature and procedurally unfair.

Further submissions were made by Xingtai Steel and TKM, dated 17 June 2026,³² arguing that the current market conditions are being driven by upstream steel supply issues following the Whyalla blast furnace shutdown, rather than by imports from China. They both claim that there is new evidence demonstrating rising prices, supply shortages and increased reliance on imports that are causing the injury and this undermines claims that imports are causing injury to Australian producers.

Two importers, Instant Steel Solutions and Croft Steel CS Traders, also submitted that injury claimed by InfraBuild may be attributable to domestic supply disruptions rather than

³⁰ EPR 692, document nos. [22](#) and [23](#).

³¹ EPR 692, document nos. [30](#) and [31](#).

³² EPR 692, document nos. [38](#) and [40](#).

imports.³³ They stated that increased import volumes may be occurring due to the reliability of supply rather than imported products undercutting domestic producers.

InfraBuild provided an update in a 21 July 2026 submission,³⁴ outlining that the supply disruptions previously affecting its steel mesh sheet operations have now been resolved and that its ability to supply customers has returned to normal. They submitted that the supply impact was outside the investigation period and limited to a 2-and-a-half-month period from May 2026 to 21 July 2026. InfraBuild stated that it minimised the impact by increasing steelmaking capacity at its other facilities, increasing shift patterns and overtime at RIC mills and mesh plants, and accessing a supplementary supply of input steel.

Commissioner's assessment

The Commissioner considered the submissions when determining whether provisional measures were warranted before publication of the SEF. The Commissioner acknowledged the concerns raised by exporters and importers that recent import activity may have been affected by domestic supply disruptions, including matters associated with upstream steel supply. However, those submissions did not alter the Commissioner's preliminary view that a PAD and the taking of securities were warranted in respect of exports from China. Accordingly, the Commissioner published a PAD on 7 August 2026 and required the taking of securities from 8 August 2026.

The Commissioner's preliminary assessment is that exports of the goods from China were at dumped prices and that the Australian industry has experienced material injury caused by these dumped exports from China.

The Commission examined whether factors other than dumping, including domestic supply constraints, could have caused the injury observed during the investigation. As discussed in chapter 8.8, while other factors may have influenced market conditions, the evidence before the Commission indicates that dumped imports from China were the primary cause of injury during the investigation period. The Commission further noted InfraBuild's 14 July 2026 submission and the Australian Steel Association's (ASA) 6 August 2026 submission that the supply disruptions affecting InfraBuild's steel mesh sheet operations commenced after the investigation period and therefore were not relevant for the Commission's consideration of injury caused by dumped goods during the investigation period.³⁵ InfraBuild's submission of 21 July 2026 confirms that supply disruptions have been resolved, after disruptions in May to July 2026, and that its ability to supply customers has returned to normal.

The Commission also considered whether there was any other evidence to support the claim of ongoing supply issues. The Commission examined the ABF import database to assess whether any Australian industry members had imported steel mesh sheets to support supply. The Commission identified a very small volume of imports of the goods by 2 Australian industry members during the investigation period. However, the majority of imports were from South Africa, which is not subject to the investigation and delivered to

³³ EPR 692, document nos. [36](#) and [37](#).

³⁴ EPR 692, [document no. 43](#).

³⁵ EPR 692, document nos. [39](#) and [54](#).

Western Australia at prices higher than those imported from China and Malaysia by importers. A very small volume was imported from China by an Australian industry member, but those goods were for a specific galvanised model and were imported at much higher prices than other exports from China. The Commissioner considers that this indicates that the member was importing a specific model at a specific time, rather than responding to a generalised lack of supply in the market.

The Commission also examined the ABF data for the period following the end of the investigation period, from 1 October 2025 until 31 August 2026. The Commission did not identify any material increase in imports of the goods to Australian industry members. The Commissioner considers that this indicates that Australian industry has not had ongoing supply issues that have required them to source supply of the goods from overseas to meet any shortfall from Australian manufacturers, and any supply disruptions were temporary.

For these reasons, the Commissioner is satisfied that it is still necessary to require and take securities to prevent material injury to the Australian industry while the investigation continues. The Commissioner therefore considers that the PAD and the imposition of securities are warranted at this stage of the investigation.

2.6.4 Update to securities

As discussed in chapter 6, the Commissioner is preliminarily satisfied that exporters of the goods from China have exported dumped goods to Australia in the investigation period.

As discussed in chapters 7 and 8, the Commissioner preliminarily finds that the Australian industry has experienced material injury during the investigation period and that dumped exports of the goods from China caused material injury.

As set out in this SEF, the Commissioner preliminarily finds:

- that there appear to be sufficient grounds to publish a dumping duty notice for the goods exported to Australia from China
- that to prevent material injury to the Australian industry while the investigation continues, it is necessary for the Commonwealth to require and take securities under section 42 of the Act in respect of IDD that may become payable on the goods imported from China and entered for home consumption in Australia on or after 30 September 2026.

The Commissioner has determined that, as of the date of publication of this SEF, securities will be imposed in relation to the goods exported from China at the rates and duty method specified in ADN 2026/107, but will be amended and imposed, at the rates and duty methods specified in Table 5. The revised rates and duty method will be specified in Trade Remedies Notice (TRN) No 2026/146.

Exporter	Duty method	IDD security (%)
Xingtai Steel	Combination	29.8%
TKM	Combination	32.4%
Anhui BRC	Combination	28.5%
Uncooperative and all other exporters	Combination	45.4%

Table 5: Securities imposed after the publication of this SEF

Chapter 11 sets out the Commissioner's consideration regarding the form of measures and the reasoning for changing from the ad valorem method to the combination method. The Commissioner notes that the previous dumping security rates have changed slightly (between 0.1% and 0.2%). This was due to a minor amendment to the benchmark calculation.

2.7 Submissions by interested parties

The Commission received the submissions listed in Table 6 before publishing this SEF. The public record versions of these submissions are available on the EPR.

EPR document number	Interested party	Date received
4	InfraBuild	17/12/2025
6	Southern Steel	5/01/2026
18	InfraBuild	7/04/2026
20	InfraBuild	24/04/2026
22	BestBar	28/04/2026
23	Wire Industries	28/04/2026
28	Kamen Steel	12/05/2026
29	InfraBuild	20/05/2026
30	Xingtai Steel	22/05/2026
31	TKM	22/05/2026
32	Kamen Steel	25/05/2026
33	DMW	11/06/2026
34	InfraBuild	10/06/2026
35	InfraBuild	24/06/2026
36	Instant Steel Solutions Pty Ltd (Instant Steel Solutions)	15/07/2026 (amended)
37	CS Traders Pty Ltd (Croft Steel)	6/07/2026
38	Xingtai Steel	6/07/2026
39	InfraBuild	14/07/2026
40	TKM	16/07/2026
43	InfraBuild	22/07/2026
53	Xingtai Steel and TKM	5/08/2026
54	Australian Steel Association (ASA)	6/08/2026
57	Anhui BRC	20/08/2026
58	InfraBuild	27/08/2026
59	Xingtai Steel and TKM	2/09/2026
60	SRIA	8/09/2026
61	Xingtai Steel and TKM	14/09/2026
62	InfraBuild	16/09/2026

Table 6: Submissions received before publication of this SEF

The Commissioner has had regard to these submissions in making the preliminary findings outlined in this SEF. The Commissioner's consideration of each of these submissions is included in the relevant chapters of this SEF.

3 THE GOODS AND LIKE GOODS

3.1 Preliminary finding

The Commissioner preliminarily finds that:

- locally manufactured steel mesh sheets are 'like' to the goods the subject of the application
- the like goods are wholly manufactured in Australia.

3.2 Legislative framework

Section 269TC(1) of the Act requires that the Commissioner must reject an application for a dumping duty notice if, inter alia, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

In making this assessment, the Commissioner must firstly determine that the goods produced by the Australian industry are "like" to the imported goods. Section 269T(1) 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".

An Australian industry can apply for relief from injury caused by dumped or subsidised imports even if the goods it produces are not identical to those imported. The industry must however, produce goods that are "like" to the imported goods.

The Commission's framework for assessing like goods is outlined in chapter 2 of the *Dumping and Subsidy Manual* (the Manual).³⁶ Where the locally produced goods and the imported goods are not alike in all respects, the Commissioner assesses whether they have characteristics closely resembling each other against the following considerations:

- I. physical likeness;
- II. commercial likeness;
- III. functional likeness; and
- IV. production likeness

The Commissioner must also consider whether the Australian industry manufactures 'like' goods in Australia. Section 269T(2) specifies that for goods to be regarded as being produced in Australia, they must be either wholly or partly manufactured in Australia. Under section 269T(3), to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

³⁶ Available [here](#) on the commission's website.

3.3 The goods

The goods the subject of the application (the goods) are:

Full description of the goods, as subject of the application
Steel mesh sheets, welded at the intersection, of longitudinal and transverse members with cross-sectional diameters of between 3mm to 14mm (inclusive) and having at least one aperture size of 80cm² or more. Sheets of the subject welded steel mesh have a maximum nominal length of up to and including 15 metres and includes sheets that may have bends. The goods under consideration do not include welded steel mesh sheets made from stainless steel as defined under Note 1(e) to Chapter 72, Schedule 3 of the Customs Tariff Act 1995. The goods include all welded steel mesh sheets meeting the above description irrespective of steel surface profile, alloy content or coating.
Further information
'Aperture size' refers to the nominal area calculated by multiplying the distance between the longitudinal members and the transverse members. For example, an aperture size of 80 cm² may denote an aperture with longitudinal members 8cm apart and transverse members 10cm apart. 'Length' is measured from the ends of the longitudinal members.

Table 7: The goods description

Further information regarding the goods the subject of the investigation can be found in *Consideration Report No. 692* and ADN No 2025/114.³⁷

3.4 Tariff classification

The goods are classified to the tariff subheadings in Schedule 3 to the Customs Tariff Act 1995 listed in Table 8.

These tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods the subject of the application. Please refer to the goods description in Table 7 for authoritative detail regarding the goods the subject of the application.

Note that in December 2025, InfraBuild submitted additional tariff subheadings in Schedule 3 of the *Customs Tariff Act 1995* that the goods may be classified to upon importation to Australia:³⁸

- 7217.10.00 (statistical codes 39/40)
- 7217.20.00 (statistical codes 41/42)

³⁷ EPR 692, [document no 3.](#)

³⁸ EPR 692, [document no. 4.](#)

Tariff classification		
Tariff code	Statistical code	Description
7314		CLOTH (INCLUDING ENDLESS BANDS), GRILL, NETTING AND FENCING OF IRON OR STEEL WIRE; EXPANDED METAL OF IRON OR STEEL:
7314.20.00	24	- Grill, netting and fencing, welded at the intersection, of wire with a maximum cross-sectional dimension of 3 mm or more and having a mesh size of 100 cm ² or more
7314.3		Other grill, netting and fencing, welded at the intersection:
7314.31.00	37	-- Plated or coated with zinc
7314.39.00	39	-- Other
7217		WIRE OF IRON OR NON-ALLOY STEEL:
7217.10.00		- Not plated or coated, whether or not polished
	39	Containing by weight less than 0.60% of carbon
	40	Containing by weight 0.60% or more of carbon
7217.20.00		- Plated or coated with zinc
	41	Containing by weight less than 0.60% of carbon
	42	Containing by weight 0.60% or more of carbon

Table 8: General tariff classification for the goods

3.5 Model Control Codes

The model control code (MCC) structure identifies key characteristics for, among other things, model matching when comparing export prices and normal values.³⁹

The Commission published the proposed MCC structure in the initiation notice. Interested parties were invited to make submissions on whether any proposed modifications to the MCC structure should be accepted by the Commission. Two parties made submissions on proposed modifications.

³⁹ [ADN 2025/114](#) and [chapter 14](#) of the [Dumping and Subsidy Manual \(December 2021\)](#) ([The Manual](#)) refers.

Table 9 outlines the MCC structure for this investigation.

Category	Sub-category	Identifier	Sales Data	Cost Data	Key category
Quality	Prime	P	Mandatory	Mandatory	Yes
	Non-Prime	N			
Coating	Plated or coated with zinc or with zinc alloys (e.g., zinc-aluminium, zinc-aluminium-magnesium)	G	Mandatory	Mandatory	Yes
	Other coatings (e.g., paint, plastics, polyvinyl chloride, epoxy resin)	O			
	No coating	N			
Highest nominal cross-sectional diameter (millimetres or “mm”) of longitudinal members	Greater than or equal to 3 and less than 6	A	Mandatory	Optional	Yes
	Greater than or equal to 6 and less than 12	B			
	Greater than or equal to 12 and less than 14	C			
Sheet size measured by nominal area (sheet length x sheet width in m ²)	Less than or equal to 3	S	Mandatory	Optional	Yes
	Greater than 3 and less than or equal to 6	M			
	Greater than 6 and less than or equal to 9	L			
	Greater than 9	XL			

Table 9: Model control code

3.5.1 Submissions on the Model Control Code

Southern Steel

Southern Steel made a submission proposing an amendment to the MCC on 5 January 2026.⁴⁰ In its submission, Southern Steel proposed the creation of an additional diameter category for products with a nominal cross-sectional diameter greater than 14 mm for the longitudinal members.

⁴⁰ EPR 692, [document no. 6](#).

Commission's assessment

The Commission observed that the goods description only includes products with cross-sectional diameters of between 3mm to 14mm (inclusive). Therefore, a change suggested by Southern Steel is not required as any products with a nominal cross-sectional diameter greater than 14 mm for the longitudinal members are not classified as the goods or like goods.

Kamen Steel

Kamen Steel made two submissions concerning the MCC structure. The first submission proposed amendments to the MCC structure.⁴¹ The second submission responded to InfraBuild's comments on Kamen Steel's proposed MCC amendment.

On 12 May 2026, Kamen Steel submitted that:

- a product-type category distinguishing standard mesh from cut-to-size (CTS) or project mesh should be added
- the CTS or project mesh category should be added because it involves additional customisation, technical support and logistics, resulting in different costs and prices and the additional category would improve model matching and reduce potential distortion of dumping margins.

On 20 May 2026, in response to Kamen Steel, InfraBuild⁴² submitted that:

- the proposal was made after the deadline and after Kamen Steel had reported its sales using the existing MCC
- the existing 'sheet size' category already distinguishes CTS or project mesh and captures associated price differences.

On 25 May 2026, in response to InfraBuild, Kamen Steel⁴³ submitted that:

- the Commission may amend the MCC where needed for accurate comparisons regardless of timing
- sheet size does not capture the material cost, pricing and service differences of CTS or project mesh
- the proposed product-type category is objective, applicable across exporters and should be adopted.

InfraBuild made a further submission opposing the change to Kamen Steel's MCC, dated 24 June 2026, which reiterated its views in line with the previous submission.⁴⁴

⁴¹ EPR 692, [document no. 28](#).

⁴² EPR 692, [document no. 29](#).

⁴³ EPR 692, [document no. 32](#).

⁴⁴ EPR 692, [document no. 35](#).

Commissioner's assessment

The Commissioner has preliminarily assessed that while the domestic CTS or project mesh products are commercially different than the standard mesh supplied to the Australian market, an amendment to the MCC structure is not required. The Commission observed that there was a marked difference in the pricing of these goods and that there was an extra additional cost for these products recorded in their costing system. However, the Commission has adjusted for this price difference by applying a downwards adjustment for technical support under section 269TAC(8) and that an amendment to the MCC structure is not required.⁴⁵

DMW

In its submission dated 11 June 2026, DMW submitted that a category should be added to the MCC structure to distinguish between reinforcing mesh and mine mesh. Specifically, DMW submitted that:⁴⁶

- the Commission should add a wire-finish MCC category distinguishing smooth wire (S) from deformed wire (R)
- the distinction is objectively verifiable and reflects differences in product standards and end use, including mine and reinforcing mesh, and
- the amendment would improve model matching and reduce distortion in dumping and injury analyses.

InfraBuild responded to the DMW submission in its submission dated 24 June 2026. In that submission, InfraBuild stated that:⁴⁷

- the change to the MCC structure proposed by DMW was made during or after verification and appeared directed at more favourable dumping outcomes
- late exporter-specific amendments would be unfair and should be accepted only where the existing MCC does not capture a relevant physical characteristic
- AS/NZS 4671:2019 permits reinforcing mesh made from plain, ribbed or indented wire
- the proposed mine-mesh distinction is unnecessary because the existing MCC captures relevant differences, and
- the Australian industry's injury evidence covers all mesh products, not only reinforcing mesh.

Commissioner's assessment

After considering DMW's proposed amendment to the MCC structure and comparing the prices of different models of the goods, the Commissioner does not consider that the amendment to the MCC structure proposed by DMW is appropriate. The Commission notes that, while there appear to be observable physical differences between mine mesh and reinforcing mesh, the differences observed are not consistent across the various

⁴⁵ See chapter 6.9.3, for Kamen Steel's normal value assessment.

⁴⁶ EPR 692, [document no. 33](#).

⁴⁷ EPR 692, [document no. 35](#).

types of mine mesh that are imported by DMW and are not clearly distinguishable by the physical properties proposed in DMW's submission. For example, during verification, DMW explained that mine mesh can vary from reinforcing mesh in various ways, including being smooth, having irregularly spaced crossed wires, irregularly sized apertures, or having thicker or thinner cross wires, with the physical properties varying dependent on the requirements of the mine. Therefore, the Commissioner considered that the main way that mine mesh is distinguishable is by the end use, which is not an appropriate property to use for an MCC category. In relation to DMW's proposed MCC amendment of smooth and ribbed, the Commission understands, based on information provided by the exporters and the Australian industry, that smooth mesh, without being ribbed or indented, can be used in both reinforcing and mining operations, as well as for other uses, such as fencing.

3.6 Like goods

The Commissioner is satisfied that the domestically produced goods are like to the goods because the following characteristics of each closely resemble each other:

- physical likeness
- commercial likeness
- functional likeness and
- production likeness.

The following analysis outlines the Commissioner's assessment of whether the domestically produced steel mesh sheets are identical to, or closely resemble, the goods the subject of the application and are therefore like goods.

3.6.1 Physical likeness

The primary physical characteristics of the goods and locally produced goods are similar, notwithstanding variations in individual customer/technical specifications such as differences in diameter or finish.

3.6.2 Commercial likeness

Imported steel mesh sheets compete directly with locally manufactured steel mesh sheets that have the same end-use application. Distributors, resellers and end-users purchase locally made and imported steel mesh sheets and readily switch between suppliers.

3.6.3 Functional likeness

Steel mesh sheets produced in Australia are interchangeable with imports of the goods under consideration for major end uses, including reinforcing mesh, mining mesh, fencing mesh, and general-purpose mesh each perform the same functions.

3.6.4 Production likeness

The like goods the Australian industry produces for sale in the Australian market are produced using a substantially similar production process and similar raw material inputs to imported goods. The manufacturers nominated as exporters of the goods in the

application are listed as having ACRS accreditation for the manufacture of reinforcing steel mesh sheets to AS/NZS 4671:2019.⁴⁸

⁴⁸ EPR 692, [document no 1](#).

ACRS: Australasian Certification Authority for Reinforcing and Structural Steels

4 THE AUSTRALIAN INDUSTRY

4.1 Preliminary finding

The Commissioner preliminarily finds that:

- at least one substantial process of manufacture of the like goods is carried out in Australia
- the like goods are wholly or partly manufactured in Australia
- there is an Australian industry, comprised of InfraBuild, some SRIA members, and other Australian manufacturers producing like goods.

4.2 Legislative framework

The Commissioner must be satisfied that the “like” goods are in fact produced in Australia. Sections 269T(2) and 269T(3) of the Act specify that for goods to be regarded as being produced in Australia, they must be wholly or partly manufactured in Australia. In order for the goods to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

4.3 Australian industry participants

During the investigation, the Commission met with representatives of SRIA member entities to better understand the Australian market for steel mesh sheets. These consultations were relevant to the Commission’s assessment of the Australian industry and material injury. Following these consultations, the Commission requested additional information from the SRIA, the SRIA’s independent third-party provider and individual SRIA member entities on sales volume trends, including:

- consolidated production and sales data⁴⁹
- quarterly sales and production data for SRIA members⁵⁰ from 2016 to 2025, and
- other information regarding economic performance across the injury analysis period.

The resulting file notes are available on the EPR.⁵¹

4.4 Production process

The production process is summarised in the following paragraphs in two key stages: cold rolling of RIC and manufacture of mesh sheets.

Cold rolling of RIC

The production process for steel mesh sheets can begin with RIC, which is the primary raw material input for manufacturers that do not produce their own rod in coil from steel

⁴⁹ EPR 692, [document no. 52](#).

⁵⁰ EPR 692, [document no. 52](#).

⁵¹ [EPR 692](#), documents 45, 46, 47, 48, 49, and 52.

billet. Coils of RIC are loaded onto payoff fingers and butt-welded together to create a continuous feed into the production line. The RIC then passes through a cold rolling machine, which reduces the wire diameter to the required size and typically involves one, 2 or 3 rolling stages. This process alters the physical properties of the wire by increasing its yield strength. At this stage, an optional deformation pattern and certification marker may also be applied to the wire, providing product identification at regular intervals.

Manufacture of steel mesh sheets

Following cold rolling, the line wire is wound onto removable spools and loaded onto the mesh welding machine, with the number of spools determined by the width of the finished steel mesh sheets and the number of line wires required. Cross wires can be fed directly from the cold rolling process and positioned perpendicular to the line wires or can be wound onto removable spools like the line wire. The rod in coil is cut to the required length as the cross wires are electrically welded to the line wires to form steel mesh sheets.

In some production equipment, cross wires may be pre-cut and fed into the welding machine through a hopper. Finished steel mesh sheets are stacked as they exit the welding machine and, once the required quantity has been produced, are automatically tied using tie wire.

Diagram

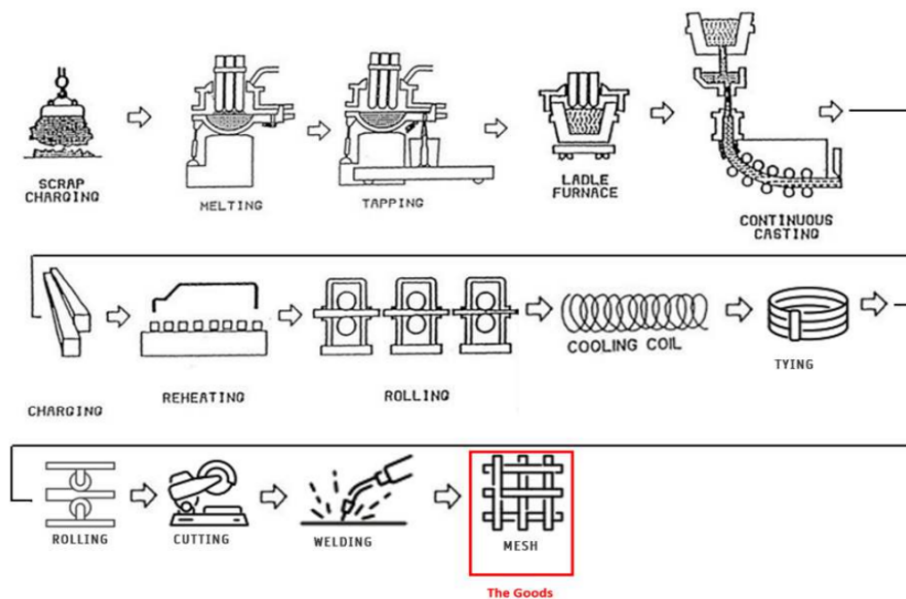


Figure 1: Steel mesh sheets production process

The production process outlined in Figure 1 is based on InfraBuild's production process and is either identical or very similar to the steel mesh sheets production processes performed in other countries or by other Australian industry members. This supports the premise that the steel mesh sheets produced in Australia by InfraBuild, SRIA members, and other Australian manufacturers, in terms of production likeness, is like to the imported goods the subject of the investigation.

4.5 Australian industry producing like goods

The Commission conducted a verification visit to InfraBuild's production facility in Newcastle, New South Wales. The Commission also conducted visits to BestBar, Mesh & Bar, and VicMesh production facilities in locations across Victoria. The Commission observed the production of steel mesh sheets during these visits and the Commissioner is satisfied that Australian industry undertakes at least one substantial process (the transformation of raw materials into steel mesh sheets) in the manufacture of the goods in Australia.

4.5.1 Submissions on Australian industry not being determined

In a submission dated 2 September 2026, Xingtai Steel and TKM jointly responded to the publication of the PAD.⁵²

Xingtai Steel and TKM submitted that:

- the Commission had not adequately established the composition of the Australian industry before making the PAD
- the PAD did not identify the manufacturing processes undertaken by each SRIA member or explain how the Commissioner determined that each member undertook at least one substantial process of manufacture in Australia
- the Commission should assess each claimed member of the Australian industry individually and determine the extent of manufacturing undertaken by that entity before including it within the Australian industry
- if certain entities were not producers of like goods, their market activities should be considered separately in the assessment of injury and causation as factors other than imports
- that the Commission should publish an issues paper on the matter, and
- the Commission's preliminary decision not to apply the lesser duty rule relied on unresolved questions regarding the composition of the Australian industry.

The SRIA responded in a submission dated 8 September 2026, submitting that:⁵³

- the Commission has verified Australian production of steel mesh sheets having conducted verification and consultations with Australian producers, including InfraBuild and several SRIA member companies
- the PAD records the Commission's preliminary finding that these companies constitute an Australian industry producing like goods
- Chinese exporters' claims are factually incorrect with Xingtai Steel and TKM arguing that SRIA members do not undertake a "substantial process of manufacture" in Australia as required under subsection 269T(3) of the Act
- the Commission's verification confirmed the complete manufacturing chain, including:
 - o cold drawing of RIC
 - o ribbing

⁵² EPR 692, [document no. 59](#).

⁵³ EPR 692, [document no. 60](#).

- o straightening
 - o welding
 - o production of finished steel mesh sheets.
- statements made by the exporters during Anti-Circumvention Inquiry 643 contradict their own statements, acknowledging that Australian manufacturers:
 - o process rod in coil into cold-drawn wire, and
 - o further process that wire into steel mesh sheets.
- the manufacturing is more than a simple assembly and SRIA members do more than merely cut and weld purchased ribbed wire.
- SRIA members undertake significant manufacturing operations onsite and that these processes have been verified by the Commission, and
- transforming raw materials (rod, wire, galvanised wire, or rebar) into welded mesh sheets is clearly a substantial manufacturing process.

Xingtai Steel and TKM jointly responded to SRIA's submission on 14 September 2026,⁵⁴ and submitted that:

- SRIA did not identify which individual members cold-draw or rib wire in Australia and which members purchase wire that has already been drawn and ribbed
- SRIA's general statement that its mesh-manufacturing members cold-draw, rib, straighten and weld wire did not establish the production processes undertaken by each of the six SRIA members identified as part of the Australian industry in the PAD
- SRIA's reference to Australian manufacturers processing InfraBuild's RIC did not establish whether any of the six identified SRIA members purchased RIC and performed wire drawing and ribbing operations
- SRIA's statement that the Commission verified the full production process onsite was not supported by the public record, as onsite visits were conducted at BestBar, Mesh & Bar and VicMesh, while other members were consulted online or did not have a consultation file note on the public record
- the available file notes did not describe the manufacturing processes observed during the onsite visits or indicate whether the Commission observed wire drawing or ribbing operations
- SRIA relied on the test for determining whether goods had been slightly modified under the anti-circumvention framework, whereas the relevant issue was whether each SRIA member undertook at least one substantial process of manufacture in Australia for the purposes of section 269T(3) of the Act, and
- the use of dedicated mesh machinery did not, by itself, establish that a substantial process of manufacture had occurred where a producer purchased wire that had already been drawn and ribbed and undertook only cutting and welding.

Commissioner's assessment

The Commissioner is satisfied that InfraBuild and the SRIA members supporting the application undertake at least one substantial process in the manufacture of steel mesh sheets in Australia.

⁵⁴ EPR 692, [document no. 61](#).

The Commission notes Xingtai Steel and TKM's submissions that the processes undertaken by each SRIA member should be identified individually, including whether each member cold-draws or ribs RIC or instead purchases wire that has already been drawn and ribbed. The Commission also notes the submission that the substantial-process test in section 269T(3) of the Act is distinct from the "slight modification" test applying in an anti-circumvention inquiry.

The Commission has applied the test in section 269T(3) of the Act to determine whether at least one substantial process in the manufacturing of the goods is carried out in Australia. The assessment of substantial process is not dependent on each producer undertaking every stage of production from RIC to finished steel mesh sheet, nor on each producer cold-drawing or ribbing wire themselves. A producer may undertake a substantial manufacturing process even where it purchases wire that has already been drawn or ribbed, provided that the processes it performs in Australia constitute a substantial process in the manufacture of the finished goods.

The Commissioner considers that transforming RIC, wire, galvanised wire or rebar into steel mesh sheets is a substantial manufacturing process. Depending on the producer and input used, the process may include cold rolling or drawing, ribbing, straightening, cutting, positioning longitudinal and transverse wires, electrical welding at intersections, stacking and tying the finished sheets. The manufacture of welded mesh is not merely dividing, sorting, packaging, labelling or simple assembly. It requires dedicated production equipment that requires a substantial financial output. This equipment converts steel inputs into a distinct finished product with different physical characteristics, functions, end uses, costs, customer expectations and tariff classifications.

In reaching this view, the Commissioner has had regard to information obtained from InfraBuild and the supporting SRIA members, including production and sales information, consultations, and observations made during visits to the production facilities of InfraBuild, BestBar, Mesh & Bar and VicMesh. The Commission also consulted other supporting SRIA members. The information available to the Commission shows that the supporting SRIA members produce steel mesh sheets in Australia and undertake substantial processes integral to producing the finished goods. The Commission does not consider it necessary to detail every process undertaken by each producer or include commercially sensitive details of input and sourcing arrangements, in the SEF for the preliminary finding to be made.

The Commissioner is satisfied that InfraBuild and the supporting SRIA members produce like goods in Australia and that at least one substantial process in the manufacture of the goods is carried out in Australia. The Commissioner does not consider that it is necessary to publish a separate issues paper on this matter, as the submissions and the assessment are addressed in this SEF and interested parties have had and will have an additional opportunity to respond.

4.6 Preliminary conclusion

The Commission evaluated the locally produced steel mesh sheets to be like imported steel mesh sheets.

This is based on:

- an examination of the manufacturing process for the goods and that part of the process which is carried out in Australia
- an examination of whether known manufacturers of similar products also manufacture like goods
- responses from other Australian market participants, including those who identified themselves as importers during the verification.

The Commissioner is satisfied that there is an Australian industry, consisting of InfraBuild, SRIA members, and other Australian manufacturers, producing like goods, and that the like goods are wholly or partly manufactured in Australia.

5 AUSTRALIAN MARKET

5.1 Preliminary finding

The Australian steel mesh sheets market is supplied by the Australian industry, which is comprised of InfraBuild, SRIA members and other Australian manufacturers, along with imported steel mesh sheets sold by exporters, importers, and traders or resellers. There are four key market segments for steel mesh sheets defined by end use. Both imported and locally manufactured products are primarily purchased by distributors or end-users for supplying into the residential, commercial, mining and engineering construction sectors. The majority of models and sizes of steel mesh sheet products are typically produced to stock based on sales forecasts.

While most steel mesh sheets may be installed 'as is' for an end-use application, there are instances where further processing is undertaken. This can include cutting, bending, welding, joining or tying as required by the customer, fabricator or service centre prior to use.

5.2 Approach to analysis

The Commission has preliminarily estimated the size of the Australian market for steel mesh sheets using:

- the verified domestic sales data supplied by InfraBuild Newcastle;
- the sales data supplied by SRIA members via an independent third-party provider;
- InfraBuild Newcastle's estimate of the sales volumes for other Australian manufacturers of steel mesh sheets;
- verified exporter sales volumes;
- data sourced from the Australian Border Force (ABF) import database.

The information sourced from the ABF import database was determined using the relevant tariff subheadings and statistical codes for steel mesh sheets, and additional filtering to remove imports that were not considered to be the goods. The Commission compared the ABF volumes observed to those estimated in the application and observed that import volumes from the subject countries were greater than those estimated by the applicant for each year assessed.

The analysis of the Australian market is at **Confidential Attachment 1**.

5.3 Market structure

5.3.1 Marketing segmentation and end uses

There are four key market segments for steel mesh sheets defined by end use. Both imported and locally manufactured products are primarily purchased by distributors or end-users for supplying into the residential, commercial, mining and engineering construction sectors.

- **Concrete reinforcement:** 'reinforcing mesh' is used to add tensile strength to concrete, thereby preventing cracks, improving structural integrity, and ensuring

the stability and durability of concrete structures. As a tensioning agent, reinforcing mesh works by holding concrete together, evenly distributing loads, and resisting stresses from external forces and wear and tear.

Concrete reinforcement mesh is used in:

- o the residential housing market for slab-on-ground construction for detached housing, townhouses, apartments and associated residential developments
- o industrial and commercial construction of warehouses, factories, logistics facilities, retail centres and commercial buildings requiring large concrete slabs-on-ground and external pavements
- o infrastructure and engineering construction such as road construction, pavements, bridges, drainage structures, and other civil engineering applications
- o precast concrete manufacture such as production of precast panels, pits, pipes, and structural concrete elements.

The Commission observed that the majority of steel mesh sheets imported from China and some of the imports from Malaysia are used for concrete reinforcement. SRIA members also predominantly produce reinforcing mesh.

- **Mining:** 'mine mesh' is used to provide ground support in underground mines and tunnels, acting as a key component of the ground control system to prevent rockfalls and enhance stability. 'Mine mesh' reinforces the mine's roof and walls by covering loose rock between installed rock bolts, creating a safer working environment for personnel and equipment by containing detached materials and prolonging the life of the mine.

The Commission observed that mine mesh is predominantly imported from Malaysia and countries not subject to the investigation, and that mine mesh is generally not imported from China. Some Malaysian exporters, for example DMW, predominantly export 'mine mesh'. Jennmar Australia is a local producer of mine mesh and is not a member of SRIA which represents companies producing reinforcing products.

- **Fencing:** 'fence mesh' is used to provide secure barriers while maintaining visibility and airflow, serving to control access, protect property, and deter intruders. Its open design allows for unobstructed views, which is critical for security monitoring in high-security zones like airports and prisons, while the welded construction offers strength and anti-climb features.
- **General purpose:** 'general purpose mesh' is used for a wide range of steel non-reinforcing applications and DIY (do-it-yourself) projects such as fencing, shelving, cages, animal containment, trailers and gates.

5.3.2 Supply and distribution arrangements

InfraBuild sells mesh to unrelated external steel service centres, unrelated distributors, and to its related distribution network Australian Reinforcing Company (ARC) and InfraBuild Reinforcing.

SRIA members manufacture and/or distribute mesh to customers spanning all segments of the reinforcing steel market including infrastructure projects, residential builders, major builders, precast manufacturers, concreters, formwork contractors, resellers such building material suppliers, and over the counter sales.

Australian industry primarily markets mesh through direct sales engagement, long standing customer relationships, tender and project specific quotations, trade publications and online presence.

Australian industry's customers can purchase a combination of both imported and locally produced steel mesh sheets.

Distributors and resellers purchase locally produced or imported steel mesh sheets to stock for re-sale to end-users in each of the market sectors.

Australian industry's mesh is sold and delivered Australia-wide with most of the volume sold in the eastern states of Queensland, NSW and Victoria. InfraBuild supplies customers from their most convenient mesh facility to allow for less transportation and shorter lead times. As smaller participants in the market, each individual SRIA member's distribution channel is more dependent upon the geographic location of its manufacturing and distribution facilities.

5.3.3 Demand

The residential and commercial construction markets are the main drivers of demand for steel mesh sheets and account for the largest segment of the steel mesh sheets market.

The mining and engineering construction markets are significant but are considered secondary drivers of demand for the goods and like goods.

The Commission's analysis also identified distinct geographical drivers of demand. Table 10 below shows an index of variations in the size of each Australian market as categorised by state or territory.

State/territory	YE Sept 2022	YE Sept 2023	YE Sept 2024	YE Sept 2025
New South Wales	100.0	108.2	94.5	93.7
Northern Territory	100.0	77.4	102.9	81.9
Queensland	100.0	107.2	100.2	111.4
South Australia	100.0	94.2	97.7	109.2
Tasmania	100.0	90.2	84.1	117.4
Victoria	100.0	95.3	93.6	92.6
Western Australia	100.0	112.3	136.7	159.9

Table 10: Index of variations in size of markets by state or territory

Table 10 shows that the two historically largest markets in Australia, New South Wales and Victoria have been in decline across the injury analysis period, including during the investigation period. The Queensland market has been up and down; however, with a

strong level of growth during the investigation period, it has surpassed New South Wales to be the second largest market in Australia, behind Victoria. While the volume of sales into the South Australian and Western Australian markets are modest compared to the eastern states, growth has been strong during the investigation period.

5.4 Australian market pricing

The base price of steel mesh sheets is set with reference to the price of raw material inputs, which makes up around 75% of the final selling price, as well as manufacturing costs and desired profit margin.

Steel mesh sheets are however a commodity product, and final selling prices are determined in line with the competitive dynamics of the Australian market. Customers can purchase steel mesh sheets from InfraBuild, other SRIA members, other Australian manufacturers or import supply sources and the availability of such a diverse range of options impacts market pricing.

The applicants claim that customers often negotiate prices using the availability in the market of lower priced import offers.

5.5 Australian market size

Figure 2 depicts the Commission’s estimate of the Australian market size and composition for welded steel mesh sheets between 1 October 2021 and 30 September 2025, presented for each year ending (YE) on 30 September.

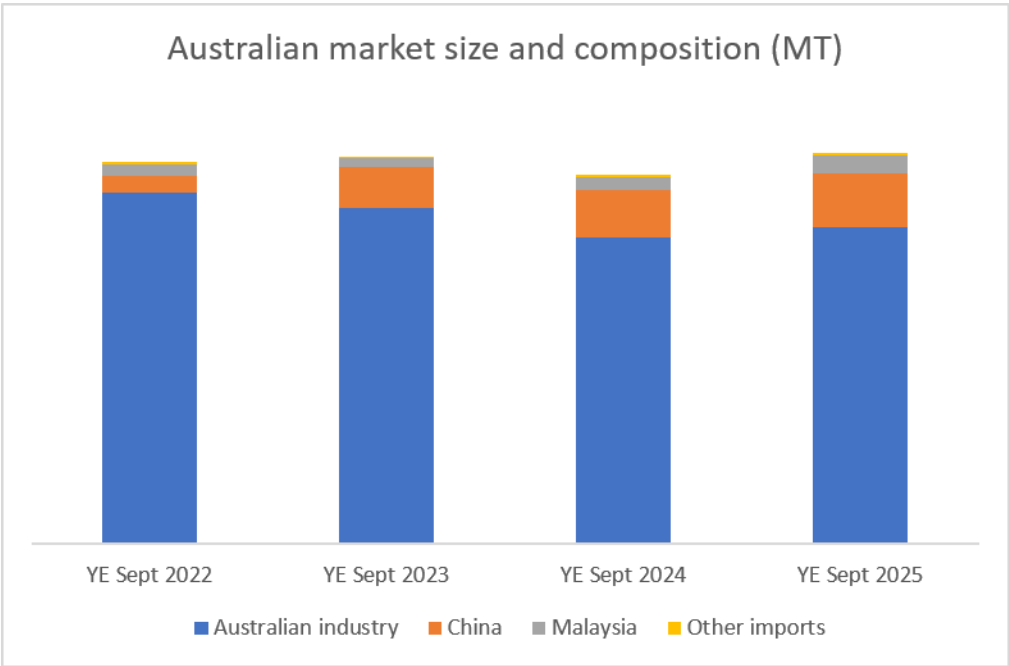


Figure 2: The Commission's estimate of market size and composition⁵⁵

Figure 2 indicates that, despite a contraction during YE September 2024, the size of the Australian market has exhibited steady growth across the injury analysis period. The

⁵⁵ Years represented as 1 October to 30 September. Ie. 2025 = 1 October 2024 to 30 September 2025.

market increased in size during the investigation period, to the highest level observed during the injury analysis period.

In terms of composition, the Australian market is almost completely composed of goods manufactured by Australian industry and imports from the subject countries. Imports from the subject countries have increased in volume in each year of the injury analysis period.

6 DUMPING INVESTIGATION

6.1 Preliminary finding

The Commissioner is preliminarily satisfied that, during the investigation period:

- exports of the goods from China in relation to all exporters from that country were dumped and the dumping margins are not negligible
- exports of the goods from Malaysia by DMW, Kamen Steel and Wei Dat Steel were not dumped
- exports of the goods from Malaysia in relation to Southern Steel and uncooperative and all other exporters were dumped, but the dumping margin was negligible, and
- the volume of dumped exports from China was not negligible.

The Commissioner preliminarily proposes to terminate the dumping investigation as it relates to exports from Malaysia. This is due to the Commission establishing that exports of the goods were either not dumped during the investigation period or dumped by Southern Steel and uncooperative and all other exporters but at a negligible dumping margin during the investigation period.

The Commission has calculated dumping margins in respect of goods exported to Australia from the subject countries during the investigation period for each exporter, at the rates set out in the Table 11.

Exporter	Dumping margin
China	
Xingtai Steel	29.8%
TKM	32.4%
Anhui BRC	28.5%
Uncooperative and all other exporters	45.4%
Malaysia	
DMW	Negative 19.7%
Kamen Steel	Negative 4.0%
Southern Steel	0.01%
Wei Dat Steel	Negative 29.1%
Uncooperative and all other exporters	1.8%

Table 11: Preliminary dumping margins

6.2 Legislative framework

In the report to the Minister under section 269TEA(1), the Commissioner must recommend whether the Minister ought to be satisfied of matters of which the Minister must be satisfied before publishing a dumping duty notice under section 269TG.

Under section 269TG, one of the matters of which the Minister must be satisfied before publishing a dumping duty notice is that goods that have been exported to Australia were dumped.

Dumping occurs when the export price of goods is less than the normal value of those goods. The export price and normal value of goods are determined under sections

269TAB and 269TAC, respectively. To determine whether dumping has occurred and the level of dumping (the dumping margin), the Minister must compare export prices with normal values under section 269TACB.

Under section 269TDA(1), the Commissioner must terminate an investigation, in so far as it relates to an exporter, if satisfied that there has been no dumping by the exporter, or there has been dumping during the investigation period, but the dumping margin is less than 2%.

6.2.1 Export price

The export price is determined in accordance with section 269TAB, considering whether the purchase or sale of goods are arms length transactions under section 269TAA.

Section 269TAB(1)(a) generally provides that, subject to certain conditions, the export price of any goods exported to Australia is the price paid (or payable) for the goods by the importer, where the goods have been exported to Australia otherwise than by the importer and have been purchased by the importer from the exporter in arms length transactions.

Where the conditions in section 269TAB(1)(a) are not met, such as when the export transactions are not arms length or the importer(s) have not purchased the goods from the exporter, the export price is determined under sections 269TAB(1)(b) or (c).

Section 269TAB(3) provides that, where the export price cannot be established under the preceding provisions, the export price is determined having regard to all relevant information.

6.2.2 Normal Value

Normal value is determined under section 269TAC.

Section 269TAC(1) provides that the normal value of any goods exported to Australia is the price paid or payable for like goods sold in the ordinary course of trade (OCOT) for home consumption in the country of export in sales that are arms length transactions by the exporter or, if like goods are not so sold by the exporter, by other sellers of like goods.

Section 269TAC(2)(a)(i) applies in the situation where the normal value of goods exported to Australia cannot be ascertained under section 269TAC(1) where there is an absence, or low volume, of sales of like goods in the market of the country of export that would be relevant for the purpose of determining a price under section 269TAC(1). Relevant sales are sales of like goods sold for home consumption that are arms length transactions and sold in the OCOT.

Section 269TAC(2)(a)(ii) applies in the situation where the normal value cannot be ascertained under section 269TAC(1) where the situation in the market of the country of export is such that the sales are not suitable for determining a price under section 269TAC(1). The Commission refers to such a situation as a 'particular market situation'.

If either circumstance described in section 269TAC(2)(a)(i) or 269TAC(2)(a)(ii) applies, the normal value is ascertained in accordance with section 269TAC(2)(c).

Section 269TAC(2)(c) provides that the normal value is the sum of an amount that the Minister determines to be the cost of production or manufacture of the goods in the country of export, and, on the assumption that the goods had been sold for home consumption in the OCOT in the country of export instead of being exported, such amounts as the Minister determines are the SG&A costs associated with the sale and the profit on that sale.

Section 269TAC(5A) and (5B) provide that these amounts must be worked out in such manner, and taking account of such factors, as the regulations provide. The relevant regulations are regulations 43, 44 and 45 of the *Customs (International Obligations) Regulation 2015* (the Regulations).

Relevantly, regulation 43 provides that the Minister must work out the amount for the cost of production or manufacture of the goods using the information set out in the records if:

- the exporter keeps records relating to the like goods
- the records are in accordance with generally accepted accounting principles in the country of export, and
- the records reasonably reflect competitive market costs associated with the production or manufacture of like goods.

If any of the requirements of Regulation 43 are not satisfied, the Commission will also assess the records pursuant to Article 2.2.1.1 of the Anti-Dumping Agreement which requires that the records:

- are consistent with generally accepted accounting principles
- reasonably reflect the cost associated with the production and sale of the goods, and
- are normal and ordinary.

Section 269TAC(9) provides that where the normal value is ascertained in accordance with section 269TAC(2)(c), the Minister must make such adjustments in determining the costs, as are necessary to ensure that the normal value is properly comparable with the export price of those goods.

Pursuant to section 269TACAB(1), the normal values for all uncooperative exporters are to be worked out under section 269TAC(6).

6.2.3 Dumping margin

Under section 269TACB, the Minister must determine whether dumping has occurred, by comparing:

- export prices in respect of the goods the subject of the application exported during the investigation period established under section 269TAB and
- corresponding normal values in respect of like goods during that period established under section 269TAC.

The methods of comparison include a comparison of the weighted averages (sections 269TACB(2)-(3)).

If the Minister is satisfied that export prices (or weighted average export prices) are less than corresponding normal values (or weighted average normal values), then the goods exported to Australia are taken to have been dumped. The dumping margin for that exporter is the difference between that export price and normal value (or difference between those weighted averages) (sections 269TACB(4)-(6)).

Any comparison must be worked out in respect of similar units of goods, whether determined by weight, volume or otherwise (section 269TACB(10)).

Section 269TACAB prescribes how to calculate the export price and normal value of goods for different categories of exporters (uncooperative exporters and residual exporters).

6.3 Exporter status

Section 269T(1) provides that, in relation to an investigation, an exporter is a 'cooperative exporter' if the exporter's exports were examined as part of the investigation and the exporter was not an uncooperative exporter.

6.3.1 Cooperative exporters

The Commission examined the exports of each of the cooperative exporters listed in Table 12 below, who are considered cooperative exporters. The dumping margins determined for these exporters is outlined below in chapters 6.5 to 6.11.

Country	Entity
China	Xingtai Steel
	TKM
	Anhui BRC
Malaysia	DMW
	Kamen Steel
	Southern Steel
	Wei Dat Steel

Table 12: Cooperative exporters

6.3.2 Uncooperative exporters

After having regard to section 269T(1) and the *Customs Direction*, the Commissioner has determined that exporters from the subject countries that did not provide information requested of them through an exporter questionnaire response or did not provide the response within the legislated timeframe are uncooperative exporters for the purposes of this investigation. Dumping margins determined for uncooperative exporters are outlined in chapter 6.12.

6.4 Section 269TAC(2)(a)(ii) assessment – for Chinese exporters

Section 269TAC(2)(a)(ii) provides that where the Minister is satisfied that because the situation in the market of the country of export, sales in that market are not suitable for use in determining a price under section 269TAC(1), the normal value of the goods exported to Australia cannot be ascertained under section 269TAC(1).

6.4.1 Introduction

In the application, InfraBuild and the SRIA considered that the conditions in the Chinese steel and steel input markets directly affect the domestic market for steel mesh sheets in China. They stated that a particular market situation exists in China, primarily through the distortion of steel billet costs, the principal raw material input used in the production of the goods and like goods in China.

In the application, they referenced the *Anti-Dumping Commission Report 632* (REP 632), which examined railway wheels exported from China to Australia. While the Commission notes that REP 632 did not reach a particular market situation determination, the applicants stated that the Commission did identify widespread market distortions in the Chinese steel sector, including state ownership, centralised planning, and extensive government support mechanisms. The applicants submitted that similar distortions are present in the steel mesh sheet market, and, as such, domestic selling prices are not appropriate for establishing normal values under section 269TAC(1) of the Act.

In further support of its claim, the applicants relied on OECD reports (Steel Outlook 2025), which indicated that the GOC had increased fiscal, taxation, and financial support aimed at promoting industrial value growth in the steel industry.⁵⁶ These initiatives were designed to achieve a target of over 4% industrial value growth in 2024 by encouraging high-end, intelligent, and environmentally sustainable manufacturing. They also noted that the GOC's capacity reduction policies had not resulted in the exit of loss-making firms from the Chinese steel market. Instead, it is contended, that these policies have led to the persistence of "zombie mills", state-owned or heavily indebted steel companies that continue to operate despite being financially unviable and are sustained by government support or favourable credit from state-owned banks. It is argued that the presence of such loss-making firms is a sign of industry overcapacity, which in turn has resulted in overproduction and depressed prices.

The Commissioner considered the applicants' claim that a particular market situation exists in the Chinese steel mesh sheet market was reasonable for the purpose of deciding whether to initiate an investigation.⁵⁷ Accordingly, the Commission examined whether a particular market situation existed in the Chinese steel mesh sheet market during the investigation period, and whether, because of that situation, sales of like goods in that market are not suitable for determining a price under section 269TAC(1).

The Commission included in its exporter questionnaire questions that the Commissioner considered relevant to whether a particular market situation in respect of the goods may exist in China.

The Commission also sent a questionnaire to the GOC on 25 November 2025 requesting information on the steel mesh sheets and steel markets in general in China by the 2 January 2026. The GOC did not respond to this questionnaire.

⁵⁶ OECD (2025), pp 40-41.

⁵⁷ EPR 692, [document no. 2](#).

6.4.2 Particular market situation

The Commissioner preliminarily finds that the GOC's actions, policies, and practices have distorted conditions in the Chinese steel market. These distortions have created a particular market situation in respect of the domestic market for plate steel in China for the investigation period.

The Commissioner preliminarily considers that the GOC has had a continued involvement within the Chinese steel industry through its policies, planning guidelines, plans, and directives. This involvement has materially contributed to the steel industry's overcapacity, oversupply and distorted structure during the investigation period. It is the Commissioner's preliminary view that the prices of steel mesh sheets would be substantially different in a market not characterised by GOC influence.

The particular market situation assessment is at **APPENDIX A**.

6.4.3 Proper comparison

The Commissioner preliminarily finds that sales of steel mesh sheets in the domestic Chinese market are not suitable for determining a normal value pursuant to section 269TAC(1). This is because the existence of a market situation does not permit proper comparison of domestic prices with the export prices of the goods.

The proper comparison assessment is at **APPENDIX B**.

6.4.4 Cost of production in China assessment findings

The Commissioner preliminarily recommends establishing a cost of production under section 269TAC(2)(c)(i) based on each cooperative exporters' costs of production, adjusted for the difference between the weighted average purchase price for RIC sourced by cooperating Malaysian exporters and RIC purchased by each cooperative Chinese exporter. This is because the circumstances described in Regulation 43 and Article 2.2.1.1 that would require the use of the exporters' records to determine the cost of production have not been met.

The assessment on the cost of production in China and whether the records of the Chinese cooperative exporters satisfy the requirements of Regulation 43 and Article 2.2.1.1 of the ADA is at **APPENDIX C**.

6.4.5 Consideration of Regulation 43

For each cooperative Chinese exporter (Xingtai Steel, Anhui BRC, and TKM), the Commissioner preliminarily finds that the cost of production records:

- are kept in accordance with generally accepted accounting principles in China, but
- do not reasonably reflect competitive market costs associated with the production or manufacture of like goods.

Therefore, in accordance with Regulation 43, the Minister is not required to use the exporters' records to determine the cost of production or manufacture when determining normal value under section 269TAC(2)(c).

6.4.6 Consideration of Article 2.2.1.1 of the ADA

For each cooperative exporter (Xingtai Steel, Anhui BRC, and TKM), the Commissioner preliminarily finds that for the cost of production:

- The records of all cooperative Chinese exporters are consistent with generally accepted accounting principles in China.
- The records of all cooperative Chinese exporters reasonably reflect the actual costs incurred in the production of the goods, and
- The circumstances in which the cooperative Chinese exporters' costs were formed are not normal and ordinary. Specifically, that the circumstances in which the cost of steel slab has been formed are not normal and ordinary, resulting in the recorded production costs of the selected exporters reflecting a distorted cost of production.

Therefore, in accordance with Article 2.2.1.1 of the ADA, the Commissioner preliminarily finds that it is not appropriate to use the selected exporters' unadjusted records to construct the normal value.

6.4.7 The determination of the cost of production in China

For each cooperative Chinese exporter (Xingtai Steel, Anhui BRC, and TKM), the Commissioner has preliminarily determined that the most appropriate cost of production is to use the exporters' recorded cost of production adjusted to reflect a benchmark for RIC costs.

The Commissioner has preliminarily relied on the difference between the weighted average purchase price for RIC sourced by cooperating Malaysian exporters and RIC purchased by each cooperative Chinese exporter.

The Commission has recorded the confidential benchmark data relied upon for the determination of the appropriate cost of production at **Confidential Attachment 37 – Raw Material Benchmark**.

6.5 Xingtai Steel (China)

6.5.1 Verification of Xingtai Steel's information

The Commission conducted a verification visit to Xingtai Steel in April 2026. The resulting verification report was published on the EPR on 22 July 2025.⁵⁸

6.5.2 Export price

The Commissioner has preliminarily determined an export price for Xingtai Steel under section 269TAB(1)(a) and 269TAB(1)(c).

For exports of the goods from China that are imported by the customer in Australia, the Commissioner considers that Xingtai Steel is the exporter of the goods.

⁵⁸ EPR 692, [document no. 41](#).

The Commissioner preliminarily considers that Xingtai Steel is the exporter of the Australian export goods because the company:

- produced the Australian export goods
- is named as the supplier on commercial invoices
- is named as consignor on bills of lading
- arranged and paid for inland transport to the port of export
- arranged and paid for port handling charges at the port of export
- arranged and paid for ocean freight

For all Xingtai Steel's transactions, the Australian customer is the importer of the goods. In other words, the Australian customer beneficially owned the goods at the time of import into Australia.

For each transaction, the Australian customer:

- is named as the consignee on bills of lading
- is named as the importer on import declarations to ABF
- paid for all the importation charges
- arranged delivery from the port of arrival in Australia

Arms length assessment

Based on the information that the Commission obtained from Xingtai Steel, the Commissioner finds, in accordance with section 269TAA, there is no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price.

Accordingly, the Commissioner is preliminarily satisfied that purchases by Australian customers from Xingtai Steel were made in 'arms length' transactions as defined in section 269TAA.

Export price for direct sales to Australian importers (section 269TAB(1)(a))

Noting these findings, the Commissioner has determined an export price for Xingtai Steel under section 269TAB(1)(a) and 269TAB(1)(c).

Under section 269TAB(1)(a), an export price is the price paid by the importer to the exporter, less transport and other costs arising after exportation.

To calculate an export price using a consistent delivery term for all sales, the Commission adjusted some transactions. While the majority of export sales were made at Free on Board (FOB) level, some exports were sold at Cost and Freight (CFR) terms or Cost

Insurance Freight (CIF) terms. For CFR sales the Commission deducted an amount for ocean freight to bring it back to an FOB export price. For CIF sales the Commission deducted an amount for ocean freight and marine insurance to bring it back to an FOB export price.

Export price for sales via traders (section 269TAB(1)(c))

A small volume of export sales made by Xingtai Steel was through an unrelated trader. For these sales the Commission recommends setting an export price for Xingtai Steel under section 269TAB(1)(c). Under this section, the export price is set having regard to all the circumstances of the exportation.

The Commission recommends that it cannot set an export price for Xingtai Steel sales via traders under sections 269TAB(1)(a) or 269TAB(1)(b) because the importer did not purchase the goods from the exporter.

For these transactions, the Commission recommends calculating an export price by having regard to all the circumstances of the exportation. Specifically, the Commission has calculated an export price based on the price Xingtai Steel sells to each trader at an FOB level.

The export price calculation for goods exported by Xingtai Steel is at **Confidential Attachment 4**.

6.5.3 Normal value

As outlined in chapter 6.4, the Commissioner is preliminarily satisfied that, because the requirements of section 269TAC(2)(a)(ii) have been met, the domestic sales of Xingtai Steel are not suitable for determining a normal value under section 269TAC(1). The Commission has calculated a normal value for Xingtai Steel under section 269TAC(2)(c) using the sum of:

- The cost of production using the exporter's recorded cost of production with RIC costs adjusted using the difference between the Malaysian and Chinese RIC market prices to reflect a competitive benchmark for RIC costs in China
- SG&A expenses calculated on the assumption that the goods, instead of being exported, were sold domestically in the OCOT in the country of export based on the company's records under section 44(2) of the Regulation
- An amount for profit based on data relating to the production and sale of like goods by the exporter or producer of the goods in the ordinary course of trade under section 45(2) of the Regulation.

Normal value adjustments

The Commissioner considers the adjustments in Table 13 are necessary to ensure the normal value constructed under section 269TAC(2)(c) properly compares with the export price under section 269TAC(9).

Adjustment Type	Deduction/addition
Export packaging	Add an amount for export packaging
Export inland transport	Add an amount for inland transport
Export port and handling charges	Add an amount for port and handling charges
Export credit terms	Add an amount for export credit terms
Timing adjustment	Add or deduct an amount for timing adjustment

Table 13: for adjustments to Xingtai Steel normal value

The Commission notes that it listed a specification adjustment being made to the Normal Value in the PAD. The Commission identified that there was no individual cost to make (CTM) for model P-G-A-M during the investigation period. As a result, the Commission had used surrogate model P-G-A-XL when constructing a normal value for model P-G-A-M. The Commission views these models as being very similar in cost inputs and therefore an appropriate surrogate without an adjustment for the purpose of constructing the normal value.

A timing adjustment was applied for 2 models that did not have a CTM in 2 quarters where exports were made to Australia.

The normal value calculation for goods exported by Xingtai Steel is at **Confidential Attachment 7**.

6.5.4 Dumping margin

The preliminary dumping margin for the goods exported to Australia by Xingtai Steel in the investigation period is **29.8%**.

The dumping margin calculation for Xingtai Steel is set out in **Confidential Attachment 8**.

6.6 TKM (China)

6.6.1 Verification of TKM's information

The Commission conducted a verification visit to TKM in April 2026. The resulting verification report was published on the EPR on 22 July 2025.⁵⁹

6.6.2 Export price

The Commission recommends determining an export price for TKM under section 269TAB(1)(a) and 269TAB(1)(c).

For exports of the goods from China that are imported by the customer in Australia, the Commissioner considers that TKM is the exporter of the goods.

The Commission preliminarily considers that TKM is the exporter of the Australian export

⁵⁹ EPR 692, [document no. 42](#).

goods because this company:

- produced the Australian export goods
- is named as the supplier on commercial invoices
- is named as consignor on bills of lading
- arranged and paid for inland transport to the port of export
- arranged and paid for port handling charges at the port of export
- arranged and paid for ocean freight and marine insurance

For all TKM's transactions, the Commissioner considers that the Australian customer is the importer of the Australian export goods. In other words, the Australian customer beneficially owned the Australian export goods at the time of import into Australia.

For each transaction, the Australian customer:

- is named as the consignee on bills of lading
- is named as the importer on import declarations to ABF
- paid for all the importation charges
- arranged delivery from the port of arrival in Australia

Arms length assessment

Based on the information that the Commission attained from TKM, the Commission finds in accordance with section 269TAA, there is no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price.

Accordingly, the Commissioner is preliminarily satisfied that purchases by Australian customers from TKM were made in 'arms length' transactions as defined in section 269TAA.

Noting these findings, the Commission has calculated an export price for TKM under section 269TAB(1)(a) and 269TAB(1)(c).

Export price for direct sales to Australian importers (section 269TAB(1)(a))

Under section 269TAB(1)(a), an export price is the price paid by the importer to the exporter, less transport and other costs arising after exportation.

To calculate an export price using a consistent delivery term for all sales, the Commission adjusted some transactions. While the majority of export sales were made at Free on Board (FOB) level, some exports were sold at Cost Insurance Freight (CIF) terms. For CIF sales the Commission deducted an amount for ocean freight and marine insurance to bring it back to an FOB export price.

Export price for sales via traders (section 269TAB(1)(c))

A volume of export sales made by TKM was through unrelated traders. For these sales the Commission recommends setting an export price for TKM under section 269TAB(1)(c). Under this section, the export price is set having regard to all the circumstances of the exportation.

The Commission recommends that it cannot determine an export price for TKM sales via traders under sections 269TAB(1)(a) or 269TAB(1)(b) because the importer did not purchase the goods from the exporter.

For these transactions, the Commission recommends calculating an export price by having regard to all the circumstances of the exportation. Specifically, the Commission has calculated an export price based on the price TKM sells to each trader at an FOB level. A number of these transactions were sold at Ex-Works (EXW) terms. For these sales, an amount for export inland transport and export port and handling charges, based on TKM's own direct selling expenses, were added to bring these sales to an equivalent FOB level.

The export price calculation for goods exported by TKM is at **Confidential Attachment 9**.

6.6.3 Normal value

As outlined in chapter 6.4, the Commissioner is preliminarily satisfied that, because the requirements of section 269TAC(2)(a)(ii) have been met, the domestic sales of TKM are not suitable for determining a normal value under section 269TAC(1). The Commission has calculated a normal value for TKM under section 269TAC(2)(c) using the sum of:

- The cost of production using the exporter's recorded cost of production with RIC costs adjusted using the difference between the Malaysian and Chinese RIC market prices to reflect a competitive benchmark for RIC costs in China
- SG&A expenses calculated on the assumption that the goods, instead of being exported, were sold domestically in the OCOT in the country of export based on the company's records under section 44(2) of the Regulation
- An amount for profit based on data relating to the production and sale of like goods by the exporter or producer of the goods in the ordinary course of trade under section 45(2) of the Regulation.

Normal value adjustments

The Commissioner considers that the adjustments listed in Table 14 are necessary to ensure the normal value constructed under section 269TAC(2)(c) properly compares with the export price under section 269TAC(9).

Adjustment Type	Deduction/addition
Export packaging	Add an amount for export packaging
Export inland transport	Add an amount for inland transport
Export port handling charges	Add an amount for port and handling charges
Export bank charges	Add an amount for bank charges
Export credit terms	Add an amount for export credit terms

Table 14: Summary of adjustments for TKM normal value

The Commission notes that in the PAD, it inadvertently listed a specification adjustment and timing adjustment being made. No such adjustments were required, and the Commission has removed these from the adjustment listing above.

The normal value calculation for goods exported by TKM is at **Confidential Attachment 12**.

6.6.4 Dumping margin

The preliminary dumping margin for the goods exported to Australia by TKM in the investigation period is **32.4%**.

The dumping margin calculation for TKM is set out in **Confidential Attachment 13**.

6.7 Anhui BRC (China)

6.7.1 Assessment of Anhui BRC's information

The Commission conducted a comparative analysis for Anhui BRC. The resulting report was published on the EPR on 6 August 2026.⁶⁰

6.7.2 Anhui BRC submission in response to PAD dumping margin

Anhui BRC made a submission on 20 August 2026 relevant to the PAD dumping margin calculation.⁶¹ InfraBuild responded to these claims made in a submission dated 16 September 2026.⁶² As these submissions relate to the replacement of RIC costs, they are addressed at **APPENDIX C, Chapter 6.3**.

6.7.3 Export price

The Commission recommends determining an export price of the goods exported by

⁶⁰ EPR 692, [document no. 51](#).

⁶¹ EPR 692, [document no. 57](#).

⁶² EPR 692, [document no. 62](#).

Anhui BRC to Australia from China under section 269TAB(1)(a).

For exports of the goods from China that are imported by the customer in Australia, the Commissioner considers that Anhui BRC is the exporter of the goods.

The Commission preliminarily considers that Anhui BRC is the exporter of the Australian export goods because this company:

- produced the Australian export goods
- arranged and paid for inland transport to the port of export
- arranged and paid for port handling charges at the port of export

For all Anhui BRC's transactions, the Commissioner considers that the Australian customer is the importer of the Australian export goods. In other words, the Australian customer beneficially owned the Australian export goods at the time of import into Australia.

For each transaction, the Australian customer:

- is named as the consignee on bills of lading
- is named as the importer on import declarations to ABF

Arms length assessment

Based on the information that the Commission attained from Anhui BRC and its Australian customers, the Commissioner finds in accordance with section 269TAA, there is no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price.

Accordingly, the Commissioner is preliminarily satisfied that purchases by Australian customers from Anhui BRC were made in 'arms length' transactions as defined in section 269TAA.

Export price for direct sales to Australian importers (section 269TAB(1)(a))

Noting these findings, the Commission has calculated an export price of the goods exported by Anhui BRC to Australia from China under section 269TAB(1)(a). The export price was calculated as the price paid by the importer to the exporter for the goods, less any charges or expenses in respect of the transport of the goods after exportation.

The export price calculation for goods exported by Anhui BRC is at **Confidential Attachment 14**.

6.7.4 Normal value

As outlined in chapter 6.4, the Commissioner is preliminarily satisfied that, because the requirements of section 269TAC(2)(a)(ii) have been met, the domestic sales of Anhui BRC are not suitable for determining a normal value under section 269TAC(1). The Commission has calculated a normal value for Anhui BRC under section 269TAC(2)(c) using the sum of:

- The cost of production using the exporter's recorded cost of production with RIC costs adjusted using the difference between the Malaysian and Chinese RIC market prices to reflect a competitive benchmark for RIC costs in China
- SG&A expenses calculated on the assumption that the goods, instead of being exported, were sold domestically in the OCOT in the country of export based on the company's records under section 44(2) of the Regulation
- An amount for profit based on data relating to the production and sale of like goods by the exporter or producer of the goods in the ordinary course of trade under section 45(2) of the Regulation.

Normal value adjustments

The Commissioner considers that the adjustments in Table 15 are necessary to ensure the normal value constructed under section 269TAC(2)(c) properly compares with the export price under section 269TAC(9).

Adjustment Type	Deduction/addition
Export packaging	Add an amount for export packaging
Export inland transport	Add an amount for inland transport
Export port handling charges	Add an amount for port and handling charges

Table 15: Summary of adjustments for Anhui BRC normal value

The Commission notes that in the PAD, it inadvertently listed a timing adjustment being made. No such adjustments were required, and the Commission has removed these from the adjustment listing above.

The normal value calculation for goods exported by Anhui BRC is at **Confidential Attachment 17**.

6.7.5 Dumping margin

The preliminary dumping margin for the goods exported to Australia by Anhui BRC in the investigation period is **28.5%**.

The dumping margin calculation for Anhui BRC is set out in **Confidential Attachment 18**.

6.8 DMW (Malaysia)

6.8.1 Verification of DMW's information

The Commission conducted a verification visit to DMW in May 2026. The resulting verification report was published on the EPR on 18 September 2026.⁶³

6.8.2 Export price

The Commission recommends determining an export price for DMW under section 269TAB(1)(b). Under this section, an export price is the price at which the importer sold the goods, less the prescribed deductions.

The Commissioner finds that the importer purchased the goods and then sold the goods in the same condition.

The Commission recommends that an export price for DMW cannot be set under section 269TAB(1)(a) because the importer did not purchase the goods at arms length.

The Commissioner considers that DMW is the exporter of the Australian export goods because this company:

- produced the Australian export goods
- is named as the supplier on commercial invoices
- arranged and paid for ocean freight and marine insurance
- is named as consignor on bills of lading.

For all transactions, the Commissioner considers Australian Steel & Wire (ASW) is the importer of the Australian export goods. In other words, ASW beneficially owned the Australian export goods at the time of import into Australia.

For each transaction, ASW:

- is named as the consignee on bills of lading
- arranged delivery from the port of arrival in Australia
- is named as the importer on import declarations to ABF.

Arms length assessment

DMW did not sell the goods to unrelated customers during the investigation period.

For all related customer transactions, the Commissioner finds that DMW sold the Australian export goods **not at arms length** as defined under section 269TAA.

For these transactions, the Commissioner finds that a relationship between a buyer, a seller or their associates appeared to influence the price.

⁶³ EPR 692, [document no. 63](#).

For these transactions, the Commission notes that:

- DMW and ASW were related by common ownership during the investigation period
- ASW purchased the Australian export goods exclusively from DMW
- an internal transfer pricing guide determined prices between DMW and ASW

Although the Commissioner finds these transactions are not at arms length, the Commissioner does not find that:

- the transactions were unprofitable

Accordingly, the Commissioner is preliminarily satisfied that purchases by Australian customers from DMW were not made at 'arms length' as defined in section 269TAA.

The export price calculations for goods exported by DMW are at **Confidential Attachments 19 and 20**.

6.8.3 Normal value

DMW did not produce and sell like goods for the domestic market.

The Commissioner finds that there is a sufficient sales volume of domestic like goods by other sellers in Malaysia during the investigation period, sold at arms length and in the ordinary course of trade to set a normal value under section 269TAC(1).

The Commission calculated weighted average normal values for DMW based on the normal values ascertained for the other sellers of domestic like goods during the investigation period.

The normal value ascertained from the other sellers has already been adjusted under section 269TAC(8). This is in order to properly compare this value to the export price when measuring the level of dumping.

The normal value calculation for DMW is at **Confidential Attachment 22**.

6.8.4 Dumping margin

The preliminary dumping margin for the goods exported to Australia by DMW in the investigation period is **negative 19.7%**.

The dumping margin calculation for DMW is set out in **Confidential Attachment 23**.

6.9 Kamen Steel (Malaysia)

6.9.1 Verification of Kamen Steel's information

The Commission conducted a verification visit to Kamen Steel in May 2026. The resulting verification report was published on the EPR on 18 September 2026.⁶⁴

⁶⁴ EPR 692, [document no. 65](#).

6.9.2 Export price

The Commission recommends setting an export price for Kamen Steel under section 269TAB(1)(a). Under this section, an export price is the price paid by the importer to the exporter less transport and other costs arising after exportation.

To calculate an export price using a consistent delivery term for all sales at an FOB level, the Commission adjusted some transactions using export price delivery term adjustments.

The Commissioner considers that Kamen Steel is the exporter of the Australian export goods because this company:

- produced the Australian export goods
- is named as the supplier on commercial invoices
- arranged and paid for inland transport to the port of export
- arranged and paid for port handling charges at the port of export
- arranged and paid for ocean freight and marine insurance
- is named as consignor on bills of lading

For all transactions, the Commissioner considers Kamen Steel's Australian customers are the importers of the Australian export goods. In other words, the Australian customers beneficially owned the Australian export goods at the time of import into Australia.

For each transaction, the Australian customer:

- is named as the consignee on bills of lading
- is named as the importer on import declarations to ABF
- is named as the buyer on the commercial invoice at the time of importation

Arms length assessment

For all unrelated customer transactions, the Commissioner finds that Kamen Steel sold the Australian export goods **at arms length** as defined under section 269TAA.

For these transactions, the Commission does not find that:

- there was consideration for the goods other than price
- a relationship between a buyer, a seller or their associates appeared to influence the price
- a buyer or buyer's associate directly or indirectly received compensation, reimbursement or another benefit for, or relating to, any part of the price.

For these transactions, the Commission notes that Kamen Steel:

- sold goods at similar prices to all unrelated customers
- sold goods at similar prices to other sellers in the Australian market.

The Commissioner is satisfied that Kamen Steel has no related party customers.

Accordingly, the Commissioner is preliminarily satisfied that purchases by Australian customers from Kamen Steel were made in 'arms length' transactions as defined in section 269TAA.

The export price calculation for goods exported by Kamen Steel is at **Confidential Attachment 24**.

6.9.3 Normal value

The Commissioner finds that there is a sufficient sales volume of domestic like goods, sold at arms length and in the ordinary course of trade to set a normal value under section 269TAC(1).

The Commission recommends adjusting the normal value to properly compare this value to the export price when measuring the level of dumping, under section 269TAC(8).

Normal value adjustments

The Commissioner considers the adjustments in Table 16 are necessary to ensure the normal value properly compares this value to the export price when measuring the level of dumping, under section 269TAC(8).

The Commission recommends the following adjustments:

Adjustment Type	Deduction/addition
Domestic credit terms	Deduct an amount for domestic credit
Domestic inland transport	Deduct an amount for domestic inland transport
Domestic packaging	Deduct an amount for domestic packaging
Domestic technical support	Deduct an amount for domestic technical support
Export packaging	Add an amount for export packaging
Export inland transport	Add an amount for export inland transport
Export port handling and other charges	Add an amount for port handling and other charges
Export credit terms	Add an amount for export credit terms

Table 16: Summary of adjustments for Kamen Steel normal value

The calculated and applied adjustments in the normal value calculations for Kamen Steel are at **Confidential Attachment 26**.

6.9.4 Dumping margin

The preliminary dumping margin for the goods exported to Australia by Kamen Steel in the investigation period is **negative 4.0%**.

The dumping margin calculation for Kamen Steel is set out in **Confidential Attachment 27**.

6.10 Southern Steel (Malaysia)

6.10.1 Assessment of Southern Steel's information

The Commission conducted a comparative analysis for Southern Steel. The resulting report was published on the EPR on 18 September 2026.⁶⁵

6.10.2 Export price

The Commission recommends determining an export price for Southern Steel under section 269TAB(1)(a).

The Commission has calculated an export price of the goods exported by Southern Steel to Australia from Malaysia under section 269TAB(1)(a). The export price was calculated as the price paid by the importer to the exporter for the goods, less any charges or expenses in respect of the transport of the goods after exportation.

The Commissioner considers Southern Steel is the exporter of the Australian export goods because this company:

- produced the Australian export goods
- is named as the supplier on commercial invoices
- is named as consignor on bills of lading
- arranged and paid for inland transport to the port of export
- arranged and paid for port handling charges at the port of export

For all transactions, the Commissioner considers that Southern Steel's Australian customers are the importers of the Australian export goods.

For each transaction, Southern Steel's Australian customer:

- is named as the consignee on bills of lading
- is named as the importer on import declarations to Australian Border Force (ABF)

Arms length assessment

For all unrelated customer transactions, the Commissioner finds that Southern Steel sold the Australian export goods **at arms length** as defined under section 269TAA.

For these transactions, the Commission does not find that:

- there was consideration for the goods other than price
- a relationship between a buyer, a seller or their associates appeared to influence the price
- a buyer or buyer's associate directly or indirectly received compensation, reimbursement or another benefit for, or relating to, any part of the price.

⁶⁵ EPR 692, [document no. 66](#).

For these transactions, the Commission notes that Southern Steel:

- sold goods at similar prices to all unrelated customers
- sold goods at similar prices to other sellers in the Australian market
- appeared to genuinely negotiate the price with unrelated customers

The Commissioner finds that Southern Steel did not sell to related customers on the Australian market.

Accordingly, the Commissioner is preliminarily satisfied that purchases by Australian customers from Southern Steel were made in ‘arms length’ transactions as defined in section 269TAA.

The Commission’s calculation of the export price of goods exported by Southern Steel is at **Confidential Attachment 28**.

6.10.3 Normal value

The Commissioner finds that there is a sufficient sales volume of domestic like goods, sold at arms length and in the ordinary course of trade to set a normal value under section 269TAC(1).

The Commission recommends adjusting the normal value to properly compare this value to the export price when measuring the level of dumping, under section 269TAC(8).

Normal value adjustments

The Commissioner considers the adjustments in Table 17 are necessary to ensure the normal value properly compares this value to the export price when measuring the level of dumping, under section 269TAC(8).

The Commission recommends the following adjustments:

Adjustment description	Deduction/addition
Domestic credit terms	Deduct an amount for domestic credit
Domestic inland transport	Deduct an amount for domestic inland transport
Domestic packaging	Deduct an amount for domestic packaging
Export packaging	Add an amount for export packaging
Export inland transport	Add an amount for export inland transport
Export port and handling charges	Add an amount for export port and handling charges
Export credit terms	Add an amount for export credit

Table 17: Summary of adjustments Southern Steel normal value

The Commission’s calculated and applied adjustments in the normal value calculations for Southern Steel at **Confidential Attachment 30**.

6.10.4 Dumping margin

The preliminary dumping margin for the goods exported to Australia by Southern Steel in the investigation period is **0.01%**.

The dumping margin calculation for Southern Steel is set out in **Confidential Attachment 31**.

6.11 Wei Dat Steel (Malaysia)

6.11.1 Assessment of Wei Dat's information

The Commission conducted a comparative analysis for Wei Dat Steel. The resulting report was published on the EPR on 18 September 2026.⁶⁶

6.11.2 Export price

The Commission recommends determining an export price for Wei Dat Steel under section 269TAB(1)(a).

The Commission has calculated an export price for the goods exported by Wei Dat Steel to Australia from Malaysia under section 269TAB(1)(a). The export price was calculated as the price paid by the importer to the exporter for the goods, less any charges or expenses in respect of the transport of the goods after exportation.

The Commissioner considers that Wei Dat Steel is the exporter of the Australian export goods because this company:

- produced the Australian export goods
- is named as the supplier on commercial invoices
- is named as consignor on bills of lading
- arranged and paid for inland transport to the port of export
- arranged and paid for port handling charges at the port of export

For all transactions, the Commissioner considers Wei Dat Steel's Australian customers are the importers of the Australian export goods.

For each transaction, Wei Dat Steel's Australian customer:

- is named as the consignee on bills of lading
- is named as the importer on import declarations to Australian Border Force (ABF)

⁶⁶ EPR 692, [document no 67](#).

Arms length assessment

For all unrelated customer transactions, the Commissioner finds that Wei Dat Steel sold the Australian export goods **at arms length** as defined under section 269TAA.

For these transactions, the Commission does not find that:

- there was consideration for the goods other than price
- a relationship between a buyer, a seller or their associates appeared to influence the price
- a buyer or buyer's associate directly or indirectly received compensation, reimbursement or another benefit for, or relating to, any part of the price.

For these transactions, the Commission notes that Wei Dat Steel:

- sold goods at similar prices to all unrelated customers
- sold goods at similar prices to other sellers in the Australian market
- appeared to genuinely negotiate the price with unrelated customers

The Commissioner finds that Wei Dat Steel did not sell to related customers on the Australian market.

Accordingly, the Commissioner is preliminarily satisfied that purchases by Australian customers from Wei Dat Steel were made in 'arms length' transactions as defined in section 269TAA.

The export price calculation for goods exported by Wei Dat Steel is at **Confidential Attachment 32**.

6.11.3 Normal value

The Commissioner finds that there is a sufficient sales volume of domestic like goods, sold at arms length and in the ordinary course of trade to set a normal value under section 269TAC(1).

The Commission recommends adjusting the normal value to properly compare this value to the export price when measuring the level of dumping, under section 269TAC(8).

Normal value adjustments

The Commissioner considers the adjustments in Table 18 are necessary to ensure the normal value properly compares this value to the export price when measuring the level of dumping, under section 269TAC(8).

The Commission recommends the following adjustments:

Adjustment description	Deduction/addition
Domestic credit terms	Deduct an amount for domestic credit
Domestic inland transport	Deduct an amount for domestic inland transport

Domestic packaging	Deduct an amount for domestic packaging
Export packaging	Add an amount for export packaging
Export inland transport	Add an amount for export inland transport
Export port and handling charges	Add an amount for export port and handling charges
Export credit terms	Add an amount for export credit
Specification adjustment	Add or deduct an amount for specification differences
Timing adjustment	Add or deduct an amount for timing differences

Table 18: Summary of adjustments for Wei Dat Steel normal value

The calculated and applied adjustments in the normal value calculations for Wei Dat Steel are at **Confidential Attachment 34**.

6.11.4 Dumping margin

The preliminary dumping margin for the goods exported to Australia by Wei Dat Steel in the investigation period is **negative 29.1%**.

The dumping margin calculation for Wei Dat Steel is set out in **Confidential Attachment 35**.

6.12 Uncooperative and all other exporters

The dumping margins in respect of the goods exported to Australia by uncooperative and all other exporters from China and Malaysia is detailed in the Table 19.

Country	Dumping margin
China	45.4%
Malaysia	1.8%

Table 19: Uncooperative and all other exporters dumping margins

The Commission notes that the 3 cooperative exporters from China accounted for approximately 69% of export volume of the goods from China during the investigation period. Uncooperative and all other exporters from China, which is made up of approximately 250 individual exporters, accounted for the remaining 31% of export volume from China. However, a large proportion of these exporters only exported small volumes.

The calculation is contained in **Confidential Attachment 36**.

6.12.1 Export price

In accordance with section 269TACAB(1)(d), the export price for uncooperative and all other exporters from China and Malaysia was determined having regard to all relevant information under section 269TAB(3).

In the present circumstances, relevant information available to the Commission includes the verified export price data for the cooperative exporters and the FOB export prices and volumes for Chinese and Malaysian exporters who exported to Australia, as reported in the ABF import database.

China

The Commission has used the lowest FOB export price of selected cooperative exporters who exported to Australia during the investigation period. The Commission has used the lowest FOB export price on the basis that it is the lowest price at which an uncooperative exporter may export like goods to Australia. This is based on the information before the Commission. The Commission compared the 3 exporters and identified that they all exported similar models at similar prices, without a large variance between the 3.

Malaysia

The Commission has examined the ascertained export prices for the cooperative exporters from Malaysia. The Commission observed a large variance between the upper and lower ranges of export prices between these exporters, indicating a significant variance in the range of models and the product mix exported to Australia by each exporter.

As uncooperative exporters did not provide data to the Commission during the course of this investigation, the Commission has had regard to FOB export prices for uncooperative exporter prices from Malaysia as reported in the ABF import database. The Commission has observed that these prices on a weighted average basis are similar to Kamen Steel's and Southern Steel's ascertained export prices and the FOB export price reported for Kamen Steel's and Southern Steels's exports in the ABF import data.

The Commissioner considers that the lowest weighted average export price for Malaysian exporters who exported to Australia during the investigation period, as reported in the ABF import database to be the most reliable information. The Commissioner has selected the lowest weighted average export price on the basis that it demonstrates a price at which an uncooperative exporter may export goods to Australia.

6.12.2 Normal value

In accordance with section 269TACAB(1)(e), the normal value for uncooperative exporters for China and Malaysia was determined having regard to all relevant information under section 269TAC(6).

China

The Commission has used the highest normal value for the investigation period of selected cooperative exporters who exported to Australia during the investigation period. The Commission chose this on the basis that:

- the Commission does not have specific information relating to the uncooperative exporters relevant to the calculation of the normal value; and
- the highest normal value of cooperating exporters demonstrates a price at which an uncooperative exporter may sell the goods in the domestic Chinese market, noting the variety of products, the different CTMS of selected exporters, normal value adjustments and trading terms of the selected cooperating exporters. This assessment is based on the information before the Commission.

Malaysia

For the reasons provided above in chapter 6.12.1 concerning the determination of the export price, in the absence of specific information relating to uncooperative exporters, the Commissioner considers that the most relevant information to determine the normal value for uncooperative exporters is a weighted average normal value using combined information from Kamen Steel and Southern Steel.

The Commission had regard to Kamen Steel's and Southern Steel's selling prices of domestic sales in the ordinary course of trade, and adjustments for differences in domestic and export sales as outlined in Table 16 and Table 17.

The Commissioner considers Kamen Steel's and Southern Steel's domestic selling prices of like goods in the ordinary course of trade are the most relevant basis to ascertain the selling prices of uncooperative exporters' sales of like goods in the domestic Malaysian market, based on the information before the Commission. This is due to them making up a significant proportion of domestic sales volume of cooperative exporters.

In addition, the Commissioner finds that DMW did not sell steel mesh sheets on the domestic market in Malaysia, and the models sold by Wei Dat Steel's domestically were substantially different to the majority of the goods sold by Kamen Steel and Southern Steel on the domestic market, and to the models that were likely exported by uncooperative exporters.

In the absence of specific information relating to uncooperative exporters, the Commission has not applied other adjustments (besides those listed in Table 16 and Table 17), as it was not demonstrated that these amounts would be equally applicable to the uncooperative exporters.

6.12.3 Dumping margin – uncooperative exporters

The dumping margin for the goods exported to Australia by uncooperative exporters for the investigation period is outlined in Table 20 below.

Country	Dumping margin
China	45.4%
Malaysia	1.8%

Table 20: Uncooperative and all other exporters dumping margins

The dumping margin calculations for uncooperative and all other exporters from China and Malaysia are set out at **Confidential Attachment 36**.

6.13 Level of dumping

Section 269TDA(1) provides that the Commissioner must terminate a dumping investigation, in so far as it relates to an exporter of the goods, if satisfied that:

- there has been no dumping by the exporter of any of those goods, or
- that there has been dumping by the exporter of some or all of those goods, but the dumping margin for the exporter is less than 2%.

The Commissioner is satisfied that there has been dumping by the following exporters of the goods from China during the investigation period at dumping margins greater than or equal to 2%.

- Xingtai Steel
- TKM
- Anhui BRC
- Uncooperative and all other exporters from China

The Commissioner is satisfied that the following exporters have not dumped the goods or the dumping margins are negligible by being less than 2%. Pursuant to section 269TDA(1), the Commissioner must terminate the investigation, in so far as it relates to these exporters from Malaysia:

- DMW
- Kamen Steel
- Southern Steel
- Wei Dat Steel
- Uncooperative and all other exporters from Malaysia

6.14 Volume of dumping

Pursuant to section 269TDA(3), the Commissioner must terminate the investigation, in so far as it relates to a country, if satisfied that the total volume of goods that have been or may be dumped is a negligible volume. Section 269TDA(4) defines a negligible volume as less than 3% of the total volume of goods imported into Australia over the investigation period.⁶⁷

Using the ABF import database, and having regard to the information collected and verified during the investigation, the Commission identified the volume of imports in the Australian market. Based on this information, the Commissioner is satisfied that, when expressed as a percentage of the total Australian import volume of the goods, the volume of dumped goods that have been exported from China is greater than 3% of the total import volume. The volume of dumped goods is therefore not negligible.⁶⁸

⁶⁷ Section 269TDA(5) does not apply to this investigation.

⁶⁸ Confidential Attachment 1 – Australian Market.

7 ECONOMIC CONDITION OF THE INDUSTRY

7.1 Preliminary finding

Based on an analysis of the information contained in the application, additional data obtained from Australian industry members during the investigation to date and ABF import statistics, the Commissioner preliminarily finds that the Australian industry has experienced injury in relation to the following economic factors across the injury analysis period and during the investigation period:

- lost market share
- price depression
- price suppression
- loss of profits
- loss of profitability

The Commission notes that there are numerous members of the Australian industry and that members have at times experienced different indicators of injury and/or different magnitudes of injury. The Commission also notes that aggregated data for all Australian industry participants was not available in relation to certain economic indicators and the Commission has therefore not made findings in relation to those indicators.

The Commissioner is, however, preliminarily satisfied that, in aggregate terms, both across the injury analysis period and during the investigation period, the Australian industry has experienced injury in relation to the economic indicators detailed above.

7.2 Approach to injury analysis

The matters that may be considered in determining whether the Australian industry producing like goods has experienced material injury are set out in section 269TAE.

The Commission notes that the application was lodged by InfraBuild as the largest domestic manufacturer of steel mesh sheets, with support from the SRIA. The SRIA consists of a range of manufacturers and distributors, with significant variation in market share and geographic penetration among those members. The analysis detailed in this chapter seeks to assess the economic condition of the Australian industry in aggregate and is based on:

- verified financial information submitted by InfraBuild in support of its application as well as additional information requested at verification⁶⁹
- consolidated production and sales data provided by the SRIA⁷⁰
- quarterly sales and production data for SRIA members from 2016 to 2025⁷¹
- other information provided by 6 individual SRIA members in relation to their economic performance across the injury analysis period
- verified export sales volume data provided in REQs

⁶⁹ EPR 692, [document no. 19.](#)

⁷⁰ EPR 692, [document no. 52.](#)

⁷¹ EPR 692, [document no. 52.](#)

- data from the ABF import database.

In terms of aggregating data from InfraBuild and other SRIA members, the Commission notes the presence of inter-entity sales. Where an aggregated analysis is undertaken for the purposes of this report, inter-entity sales have been removed so as to avoid double counting.

The Commission notes that, after adjusting for inter-entity sales, the combined volume of sales for InfraBuild and the 6 other SRIA members that provided financial data accounted for just under 90% of the applicants' total sales during the investigation period.⁷² Further, of this 90%, the balance of sales is almost evenly split between InfraBuild and the other 6 SRIA members who supplied financial data.

The Commission examined the period from 1 October 2021 (the injury analysis period) to assess changes in the economic condition of the Australian industry.

The Commission's detailed assessment of the economic condition of the Australian industry is set out in **Confidential Attachment 2 and 3**.

The injury indicators identified in this chapter form the basis for the Commissioner's causation assessment in chapter 8.

7.3 Applicant's injury claims

In its joint application for a dumping investigation, InfraBuild and the SRIA claimed that the Australian industry has experienced injury in the form of:

- loss of sales volume
- loss of market share
- price depression
- price suppression
- loss of profits
- reduced profitability
- reduced revenue
- reduced return on investment
- reduced capacity utilisation
- increased stock holding
- loss of employment and reduced wages
- reduced productivity.

The application detailed that material injury from the dumped imports was present during its proposed investigation period (1 July 2024 to 30 June 2025).⁷³ As detailed in section 7.2 above, an investigation period of 1 October 2024 to 30 September 2025 was established on initiation of the investigation.

⁷²The combined volume of sales for InfraBuild and the 6 SRIA members providing data represents approximately 70% of all Australian industry sales, noting a portion of Australian industry has not commented on the application.

⁷³EPR 692, [Application](#), p. 63.

Following the publication of InfraBuild’s verification report,⁷⁴ InfraBuild made a submission concerning material injury.⁷⁵ InfraBuild noted that the verification report identified declining indicators across the period from YE September 2022 to September 2024, followed by an improvement during the investigation period.

InfraBuild argued in its submission that the initiation of INQ 643 had a suppressive effect on export volumes from China, with limited displacement of those volumes by Malaysia, such that Australian industry’s sales volume and market share during the investigation period improved. InfraBuild considers that, but for the presence of dumped goods that have undercut InfraBuild’s and the Australian industry’s selling prices, InfraBuild and the Australian industry would have secured a materially greater volume of sales during the investigation period.

InfraBuild provided an analysis of export volumes for China and Malaysia in support of its assertion.

7.4 Volume effects

7.4.1 Sales volume

Figure 3 below outlines Australian industry’s total sales volumes for steel mesh sheets over the injury analysis period.

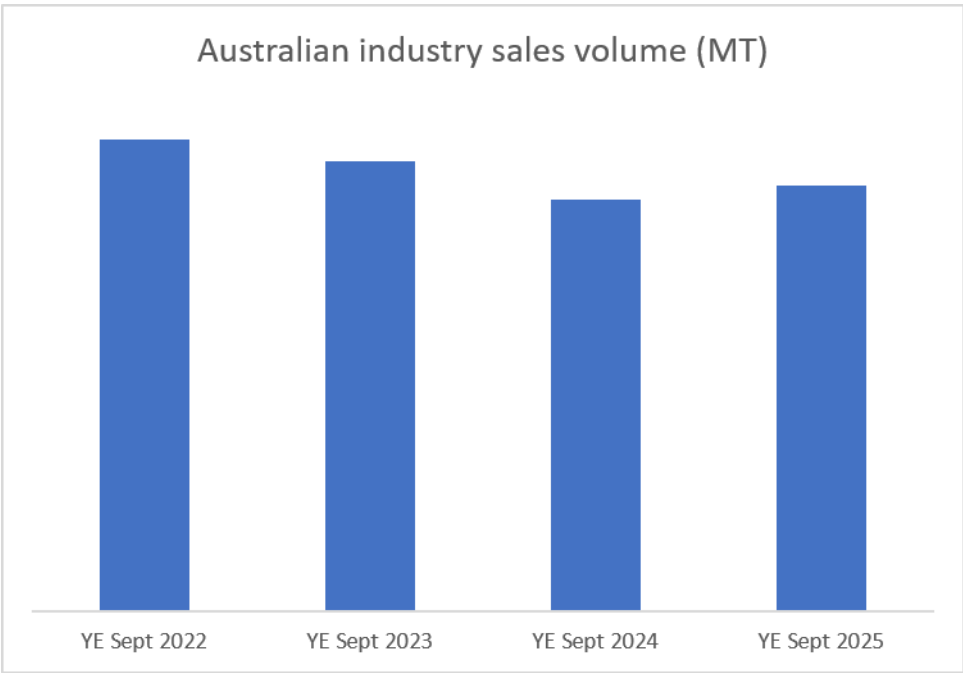


Figure 3: Australian industry sales volume (MT)

Figure 3 shows that Australian industry’s sales volumes declined year-on-year from YE September 2022 to 2024, followed by an improvement in the investigation period. While Australian industry has experienced an improvement in sales volume during the

⁷⁴ EPR 692, [document no. 19](#).

⁷⁵ EPR 692, [document no. 34](#)

investigation period, sales volumes remain well below 2022 levels, suggesting sustained market pressures despite the improvement observed during the investigation period.

Based on this analysis, the Commissioner considers that there appear to be sufficient grounds to support the Australian industry’s claim that it has experienced injury in the form of lost sales volume during the injury analysis period. Australian industry does, however, appear to have experienced an improvement during the investigation period.

7.4.2 Market share

Figure 4 shows Australian industry’s market share for steel mesh sheets over the injury analysis period as well as the market share for imports from subject countries (China and Malaysia) and other countries.

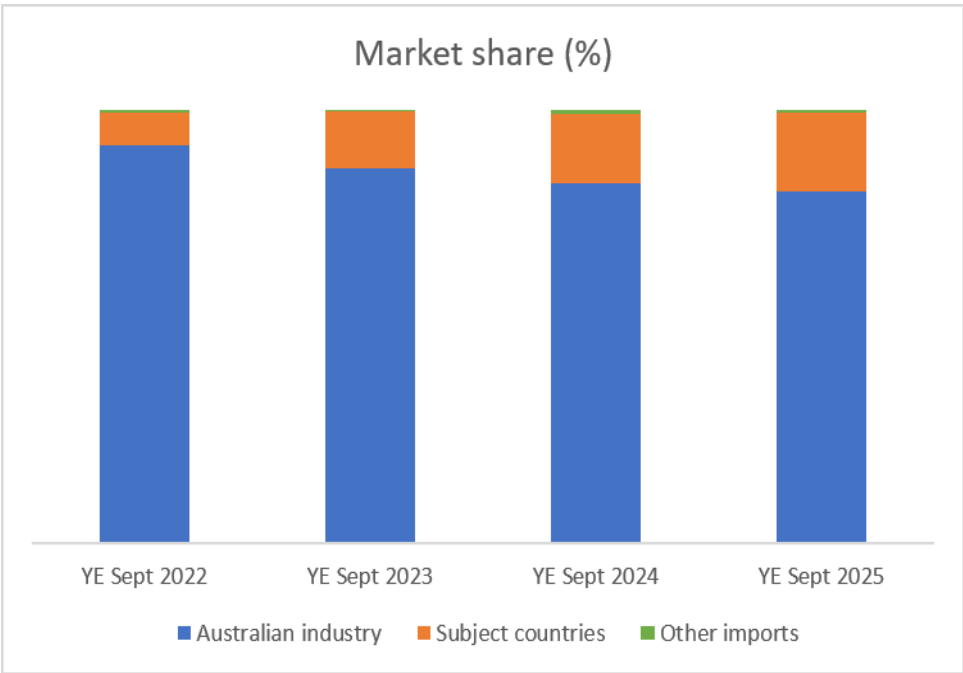


Figure 4: Australian market shares (%)

Figure 4 shows that Australian industry’s market share has been in decline across the injury analysis period, including during the investigation period. Despite an increase in its total sales volumes as detailed in chapter 7.4.1, Australian industry captured less than half of the total growth observed in the Australian market during the investigation period, leading to a continued erosion of its aggregate market share. Based on this analysis, the Commissioner considers that there appear to be sufficient grounds to support the Australian industry’s claim that it has experienced injury in the form of lost market share during the injury analysis period and during the investigation period.

The Commission has also reviewed the claim made by InfraBuild that the initiation of INQ 643 had a positive impact on Australian industry’s economic indicators. InfraBuild claimed that the initiation of INQ 643 had a dampening effect on imports from China, and that there was minimal displacement of Chinese volumes by Malaysian exporters, thus allowing Australian industry to improve its sales volume and market share while the investigation progressed. InfraBuild undertook a cumulative export volume analysis to demonstrate that throughout the course of INQ 643, the cumulative export volume of steel mesh sheet exports from China remained below the cumulative volume for the same

period of the previous year, while export volumes surged in the months following the publication of SEF 643, which preliminarily recommended that steel mesh sheets exported from China not become subject to the measures applying to RIC exported from China.

The Commission notes that InfraBuild’s cumulative analysis does not provide context for the overall volume of sales in the Australian market during the period considered in its submission. To contextualise changes in export volumes, the Commission has examined changes in market share over the period 1 October 2023 to 30 September 2025. The Commission’s analysis is shown at Figure 5 below. The Commission notes that INQ 643 was initiated in May 2024 (2024-Q2) and SEF 643 was published in July 2025 (2025-Q3).

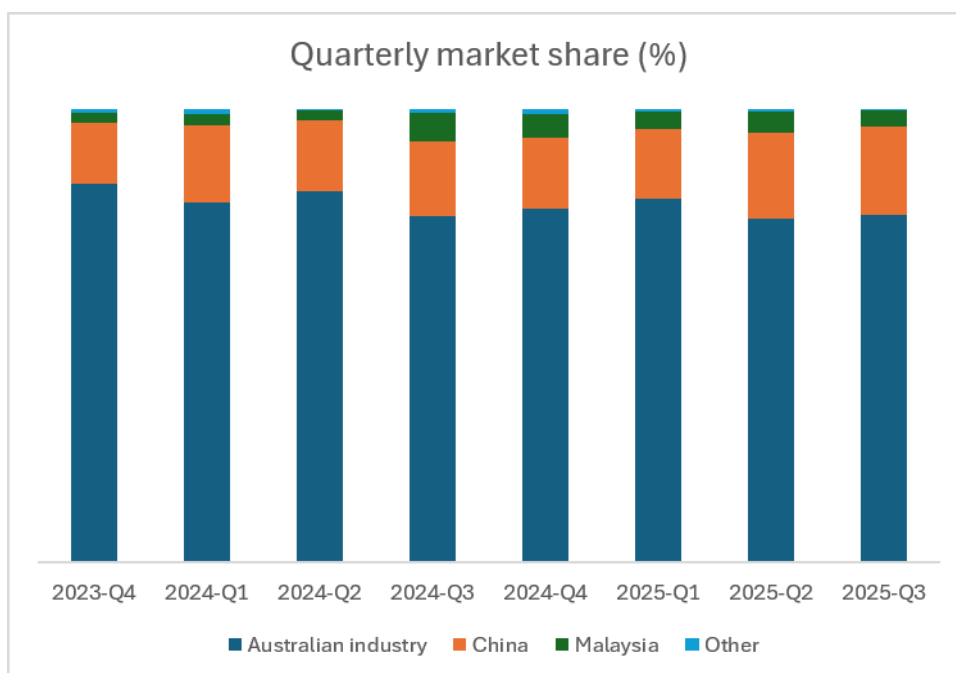


Figure 5: Australian industry quarterly changes in market share (%)

Figure 5 shows a more ambiguous picture than that presented by InfraBuild. In the quarter *after* the initiation of INQ 643 (2024-Q3), Australian industry’s market share dropped to the lowest quarterly level observed during the period examined. This was the result of a disproportionate increase in imports from both China and Malaysia in a growing market.

The Commissioner considers that there was likely a lag effect following the initiation of INQ 643. In relation to China, there would have been goods already on the water, goods in production and forward orders to be filled, all of which would have arrived in 2024-Q3. In relation to Malaysia, there does appear to be a displacement of volume in quarters 2024-Q3 and 2024-Q4, with ABF import data indicating the largest importers transitioning away from Chinese supply to Malaysian supply.

The Commission’s analysis does indicate some dampening of Chinese supply across the 2024-Q4 and 2025-Q1 periods, with market share for Australian industry returning briefly to pre-INQ 643 levels. ABF import data indicates a reorientation from Malaysian exporters to Chinese exporters in 2025-Q2 and 2025-Q3, though this predates the publication of SEF 643.

Based on this analysis, the Commissioner considers that the initiation likely had an impact on Australian market dynamics; however, it is not clear that this advantaged Australian industry, given that Australian industry's quarterly market share remained lower throughout the period immediately following the initiation of INQ 643 than prior to the initiation.

These observations do not, however, detract from the Commissioner's preliminary finding that there appears to be sufficient grounds to support Australian industry's claim that it has experienced injury in the form of a reduction in market share during the investigation period, independent of any distortions related to the initiation of INQ 643.

7.5 Price effects

Price depression occurs when a company, for some reason, lowers its prices.

Price suppression occurs when price increases, which otherwise might have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs.

In determining whether price suppression has occurred, the Commission may assess:

- whether prices have increased at the same rate as costs over time or within a specified period, and/or
- whether prices for the Australian industry's like goods are lower than prices that may have been achieved in the absence of dumping.

In support of the application, InfraBuild provided comprehensive data in relation to its selling prices and cost to make and sell the goods across the injury analysis period.

Figure 6 below shows InfraBuild's unit selling price against its unit CTMS for steel mesh sheets over the injury analysis period.

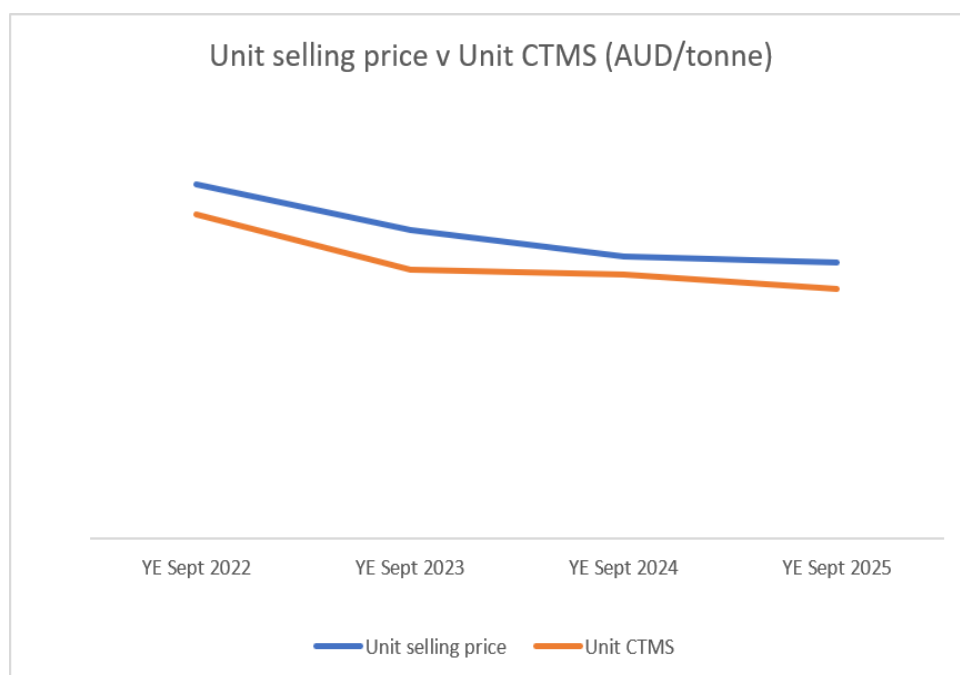


Figure 6: InfraBuild unit selling price and Unit CTMS (AUD/tonne)

Figure 6 indicates that InfraBuild has lowered its prices over the course of the injury analysis period, including during the investigation period. The rate of reduction observed during the investigation period was lower than the preceding years. The Commissioner considers that InfraBuild has experienced injury in the form of price depression during the investigation period.

The Commission further noted that during YE September 2024, InfraBuild had decreased prices at a greater rate than the reduction in CTMS, indicating price suppression. This trend did not, however, continue into the investigation period where prices were observed to have reduced at a marginally slower rate than the reduction in CTMS, leading to an improved margin.

Based on this analysis, the Commissioner considers that there appear to be sufficient grounds to support InfraBuild’s claim that it has experienced injury in the form of price depression during the investigation period. While price suppression is evident across the injury analysis period, it is not evident in the investigation period when compared to the immediate previous 12-month period. InfraBuild has attributed this improvement in its margin to the influence of INQ 643 and argues that, but for the presence of dumped goods, it would have achieved higher margins.

To further inform its understanding of the Australian industry’s injury claims as they relate to price injury, the Commission sought information from other SRIA members that detailed the trend each had experienced in relation to the margin or spread between selling prices and input costs over the injury analysis period.

The Commission received information from 6 SRIA members detailing these trends for either the full 4 years of the injury analysis period or the most recent 3-year period ending September 2025. Together, these 6 entities account for over 3-quarters of the investigation period sales volumes for non-InfraBuild related SRIA entities.

Figure 7 shows the trend in margin or spread (spread) as a percentage of selling price over the injury analysis period.

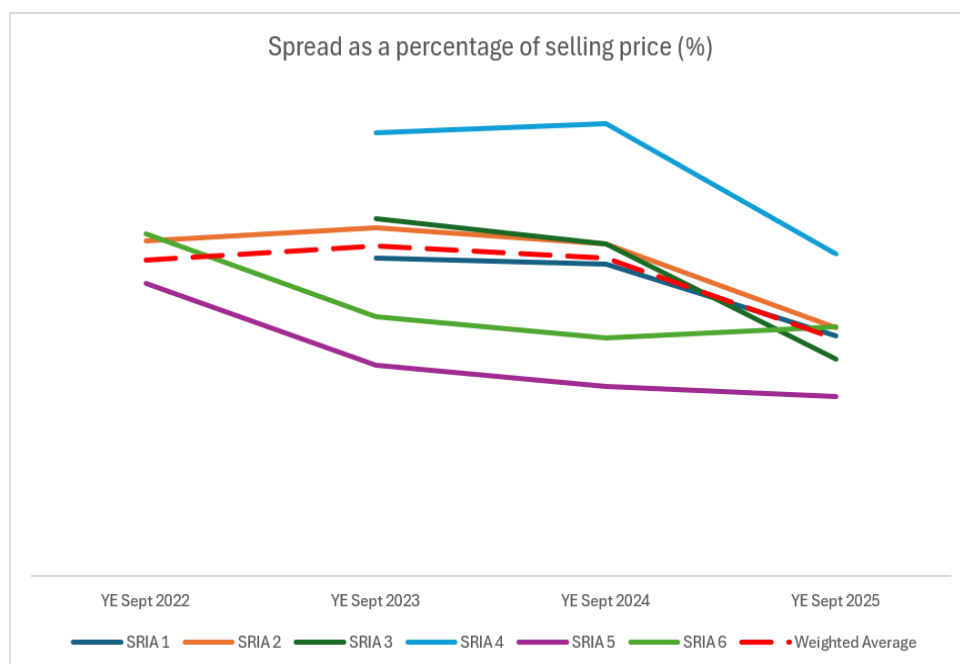


Figure 7: SRIA members change in margin or spread as a percentage of selling price

Figure 7 shows that for 5 of the 6 SRIA members, and in weighted average terms, the spread as a percentage of selling price has deteriorated across the injury analysis period as well as during the investigation period.

The Commission notes that the 6th SRIA member showed an improvement in spread during the investigation period, though the overall trend across the injury analysis period is one of deterioration. The Commission notes in relation to this member that a decision was reached in 2024 to shift its business model from the manufacture of mesh to the resale of mesh. The underlying data provided by this member indicated that the change reduced the cost profile of the business while allowing a corresponding reduction in selling prices, with an overall improvement in spread evident following the change.

The Commissioner considers that the inability of these entities to maintain historical spreads is indicative of price suppression; that is, prices have been suppressed in an effort to maintain price competitiveness despite the resultant erosion of spread.

Based on this segregated analysis of InfraBuild and other SRIA members, the Commissioner considers that there appear to be sufficient grounds to support the Australian industry's claim that it, in aggregate, has experienced injury in the form of price depression across the injury analysis period and during the investigation period.

While InfraBuild showed a marginal improvement in its margin during the investigation period, the deterioration in margin for the other assessed SRIA members was observed to be of a magnitude that, when Australian industry is considered in aggregate, more than offset the improvement observed in relation to InfraBuild. As such, the Commissioner preliminarily considers that there appear to be sufficient grounds to support the Australian industry's claim that it has experienced injury in the form of price suppression during both the injury analysis period and the investigation period.

7.6 Profits and profitability

Figure 8 below outlines InfraBuild's unit profit and profitability from steel mesh sheets over the injury analysis period.

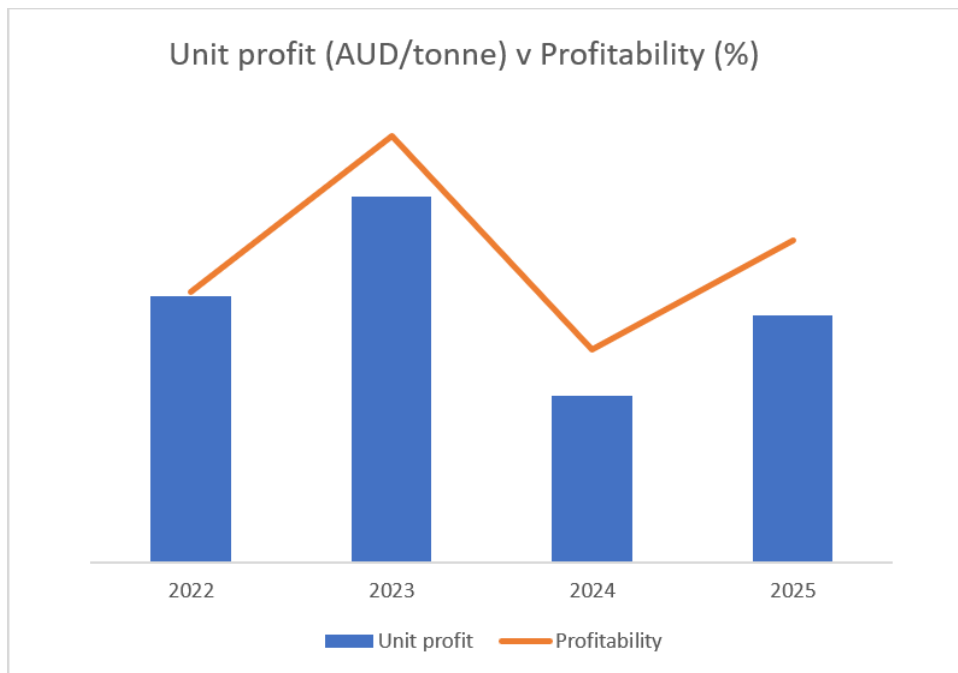


Figure 8: InfraBuild's unit profit and profitability

Figure 8 demonstrates that during the injury analysis period, InfraBuild's unit profit and profitability reached their highest level in YE September 2023, which was a significant recovery compared to 2022. This peak was followed by a sharp decline in 2024. The Commission noted that during 2024, InfraBuild had a significant one-off increase in SG&A expenses, which contributed materially to the reduction in profit observed in that year. InfraBuild experienced improved profit and profitability during the investigation period, driven by an increase in sales volume and a more favourable margin between unit selling prices and unit CTMS. The Commission notes that, despite the improvement during the investigation period, unit profit and profitability remained below the levels achieved in 2023.

Based on this analysis, the Commissioner considers that there appear to be sufficient grounds to support InfraBuild's claim that it has experienced injury in the form of loss of profit and profitability during the injury analysis period. However, the Commissioner considers that InfraBuild has not experienced injury in the form of loss of profits and reduced profitability in the investigation period when compared to the immediate previous 12-month period. InfraBuild has attributed this improvement in its profit and profitability to the influence of INQ 643 and argues that, but for the presence of dumped goods, it would have achieved higher profits and profitability.

The Commission's analysis of volume and price trends in relation to the other SRIA members indicates that they have experienced a contraction in unit profit and profitability across the injury analysis period and the investigation period. While SRIA members, in aggregate terms, experienced an increase in sales volume during the investigation period, the magnitude of the deterioration in spread, as discussed in chapter 7.5, has had

a material impact on those entities' unit profit and profitability. When assessed in conjunction with the observed improvement in InfraBuild's unit profit and profitability during the investigation period, the Commissioner considers that there appear to be sufficient grounds to support the Australian industry' claim that it, in aggregate terms, has experienced injury in the form of reduced profits and profitability during the investigation period, as well as across the injury analysis period.

7.7 Other economic indicators

InfraBuild claimed in its application that it had suffered injury in the form of:

- reduced revenue
- reduced return on investment
- reduced capacity utilisation rates
- reduced productivity
- lost employment and wages
- increased stock holding

Table 21 below shows the change or variation in the other economic indicators for InfraBuild during the period 1 July 2021 to 30 June 2025. It is noted that these indicators are reported on a financial year basis, rather than for years ending 30 September. The Commission does not consider that this minor timing difference materially affects its analysis.

Period	FY2022	FY2023	FY2024	FY2025
Revenue	100	85	66	68
Return on investment	100	242	77	93
Capacity utilisation	100	93	83	88
Employment	100	86	85	95
Productivity	100	101	98	95
Stock holding	100	89	82	110
Wages	100	72	79	82
Capital investment	100	159	201	350
Assets	100	96	105	135

Table 21: InfraBuild's other injury factors (indexed)

Table 21 indicates that InfraBuild has suffered injury over the period of analysis in relation to several economic factors, including revenue, return on investment, capacity utilisation, employment, productivity, stock holding, and wages. In FY 2025, which the Commission has assessed as a proxy for the investigation period, injury is evident in the form of increased stock holdings and reduced productivity.

While SRIA members did not provide financial data in relation to each of the economic indicators listed for InfraBuild, responses to the Australian Market Questionnaire indicated a range of consistent themes across the injury analysis period, including:

- reduction in capacity utilisation, including shifting toward a greater reliance on reselling rather than manufacture;
- reduction in staff numbers through redundancy and natural attrition;
- deferment of capital investment;
- reduced borrowing capacity because of reduced profits.

Given that the Commission could not compile aggregated data in relation to these other economic indicators, it has not made findings in relation to whether injury is evident during the investigation period.

8 HAS DUMPING CAUSED MATERIAL INJURY?

8.1 Preliminary assessment

Based on the Commission's preliminary assessment, the Commissioner is preliminarily satisfied that dumping of steel mesh sheets exported from China has caused material injury to the Australian industry producing like goods for the following reasons:

- steel mesh sheets are considered a commodity, and Australian industry primarily competes on price with imported goods due to the interchangeable nature of the product (chapter 3.6)
- the goods were exported from China at dumped prices, which allowed exporters to be more competitive on price than they otherwise would have been (chapter 8.9.1)
- the Australian industry's prices were undercut by the dumped goods exported to Australia in the investigation period (chapter 8.5.2)
- by responding to the lower-priced dumped exports, the Australian industry has experienced price suppression (chapters 7.5 and 8.5)
- by selling at lower dumped prices, Chinese exporters have attracted sales which would likely otherwise have gone to the Australian industry, leading to lost market share for the Australian industry (chapter 8.6)
- while Australian industry maintained the largest share of the market during the investigation period, it did not capture a proportional share of the growth in the market during that time. Imports from the subject countries captured more than half of the growth in the Australian market during the investigation period, with China taking most of the growth in imports (Figure 10 in chapter 8.6)
- the combination of suppressed prices and lower sales volumes (as represented by the observed reduction in market share) in turn led to material reductions in the Australian industry's revenue, profit and profitability (chapter 8.9)
- while certain factors other than dumping may have influenced the performance of the Australian industry, those factors do not explain the injury observed to the extent that injury can be attributed to those factors rather than to dumped imports (chapter 8.8).

The Commission's analysis in chapter 8.5.2 shows that steel mesh sheets imported from China undercut Australian industry's selling prices at the aggregate and MCC level during the investigation period and that this price undercutting coincided with price suppression and a reduction in market share. The Commissioner preliminarily considers that dumping by Chinese exporters resulted in them selling goods to customers in Australia at prices that were lower than they would have been if the goods had not been dumped.

The Commission's analysis at chapter 8.9.1 shows that if the prices of the dumped imported goods had been adjusted to undumped prices, they would have been more expensive at a distributor level than the prices achieved by Australian industry. The Commissioner preliminarily considers that, in this situation, Australian industry would be unlikely to be experiencing the volume, price, and profit injury identified during the investigation period.

The Commission also notes that the Material Injury Direction states that dumping or subsidisation need not be the sole cause of injury to the Australian industry.⁷⁶ As such, the Commissioner is satisfied at this point in the investigation that there appear to be sufficient grounds to support the conclusion that steel mesh sheets exported from China were at dumped prices and caused material injury to the Australian industry producing like goods.

8.2 Legislative framework

Under section 269TG, one of the matters the Minister must be satisfied of in order to publish a dumping duty notice is that, because of the dumping, material injury has been or is being caused or is threatened to the Australian industry producing like goods.

Section 269TAE(1) outlines the factors to which the Commissioner has had regard and that may be taken into account when determining whether material injury to an Australian industry has been, or is being, caused or threatened.

Section 269TAE(2A) also requires the Commissioner to consider whether any injury to an industry is being caused or threatened by a factor other than the exportation of the goods and provides examples of such factors.

In assessing material injury, the Commissioner also has regard to the *Ministerial Direction on Material Injury 2012* (Material Injury Direction).

8.3 Approach to causation and materiality analysis

Causation may be examined using what is termed a ‘coincidence’ analysis, which involves comparing the industry to a point in time prior to the injury having commenced, or using a ‘but for’ analytical method where it may be possible to compare the current state of the industry to the state the industry would likely have been in if there had been no dumping.

Causation is most commonly examined by using a ‘coincidence’ analysis—where the volume and prices of the dumped imports and the injury factors are examined to assess whether a linkage exists between these events. To complete the causation analysis, the Commission examines other factors that cannot be attributed to dumped imports and excludes their effects when determining causation.

In understanding causation, there will be a focus on injury indicators in the investigation period. It is the Commission’s view that section 269T(2AD) allows the examination of material injury indicators before the investigation period, but it cannot support an inference or presumption that material injury identified as occurring before the investigation period can be attributed to dumped imports.

A causal link between dumped imports and material injury may be established only in circumstances where indicators of material injury are identified as being present during the investigation period in which dumped goods are found to have been exported to

⁷⁶ Ministerial Direction on Material Injury 2012, available at www.atrc.gov.au.

Australia. There can be no presumption that goods exported to Australia before the commencement of the investigation period are dumped goods.

The injury analysis period provided by section 269T(2AD) also enables the Commission to examine alleged indicators of injury over a period of time so that benchmarks/trends may be established to assess the materiality of any injury occurring in the dumping investigation period.

The following evidence was examined for the purposes of assessing injury and causation in this report:

- the volume, price, and profit effects on the Australian industry during the injury analysis period and investigation period as detailed in Chapter 7
- verified sales data from cooperating exporters as well as data supplied by importers in response to importer questionnaires to determine sales prices and volumes achieved by the subject exporters
- dumping margins for the subject countries
- information from the ABF import database to determine import volumes and export prices
- the broader context of the economic condition of the Australian industry, including information provided by participating entities through Australian market questionnaires and other requests for information.

As detailed in Chapter 7, the Commission identified that Australian industry has experienced injury during the investigation period and this injury has coincided with the presence of dumped imports from China. InfraBuild has also asserted that, but for the presence of dumped goods in the market, Australian industry's economic condition would have been better than the examined economic indicators demonstrate.

The Commission's assessment of injury is at **Confidential Attachment 38**.

8.4 Size of dumping margins

Section 269TAE(1)(aa) provides that regard may be given to the size of each of the dumping and subsidy margins worked out in respect of the goods exported to Australia.

The Commission has calculated dumping margins for China at the rates set out in Table 22.

Exporter	Dumping margin
Xingtai Steel	29.8%
TKM	32.4%
Anhui BRC	28.5%
Uncooperative and all other exporters	45.4%

Table 22: Calculated dumping margins

The Commissioner preliminarily considers that dumping by Chinese exporters resulted in them providing goods to customers in Australia at prices that were lower than they would have been if they were not dumped. If the prices of imported goods were adjusted to an undumped price, they would in fact exceed the prices that Australian industry achieved during the investigation period. The Commissioner preliminarily considers that, in this situation, Australian industry would be unlikely to be experiencing the volume, price, and profit injury identified during the investigation period.

8.5 Price effects

As discussed in chapter 7.5, the Australian industry has experienced injury in the form of price depression and price suppression during the investigation period. The deterioration of the Australian industry's economic condition with respect to these factors coincides with the presence of imports from China that were dumped during the investigation period.

Section 269TAE(1)(d) provides that regard may be given to the export price that has been or is likely to be paid by importers for goods exported to Australia from the country of export.

Section 269TAE(1)(e) provides that regard may be given to the difference between the price paid for like goods produced and sold in Australia and the price paid or likely to be paid for goods exported to Australia from the country of export and sold in Australia.

Based on the available information at this stage of the investigation, the Commissioner concludes that dumping was a cause of the price injury experienced by the Australian industry during the investigation period. The Commissioner's reasons are detailed throughout this chapter.

8.5.1 Export price changes

The Commission has examined trends in export prices across the injury analysis period as well as during the investigation period.

Figure 9 below shows the trend in export price at FOB terms throughout the injury analysis period.⁷⁷ Over 95% of imports came from China and Malaysia during this time. Pricing from non-subject countries is provided for completeness.

⁷⁷ The FOB pricing analysis has endeavoured to exclude higher value galvanised steel mesh sheets so as to ensure a more accurate price comparison on standard mesh which represents the vast bulk of imports.

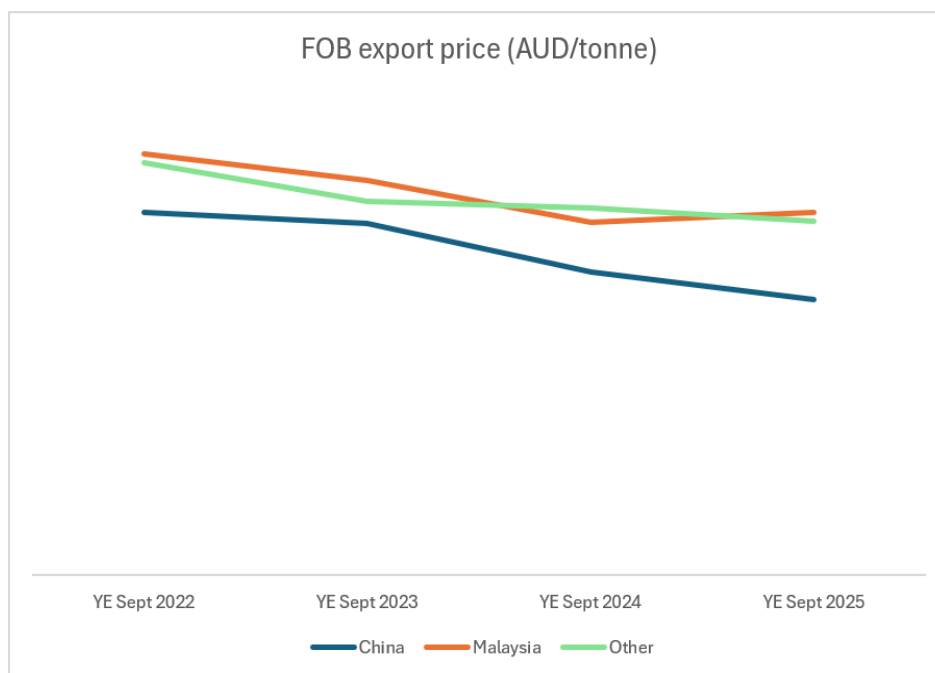


Figure 9: Movement in FOB export price (AUD/tonne)

Figure 9 shows that there has been a downward trend in export prices from all sources across the injury analysis period. The price of exports from China has consistently been lower than the price of exports from other sources. The Commission noted that during the investigation period the price of exports from China decreased while the price of exports from Malaysia increased, materially increasing the relative price competitiveness of Chinese exports which were dumped during the investigation period with margins ranging between 28.5% and 45.4%.

The Commissioner considers that this analysis indicates that exports from China enjoy a significant competitive advantage over exports from other sources, and this advantage increased during the investigation period due to dumping.

8.5.2 Price undercutting

Price undercutting occurs when imported goods are sold at a price below that of the Australian produced like goods. The Commissioner considers that the presence of price undercutting in a price-sensitive market such as steel mesh sheets informs the finding of whether the prices for sales of Australian-produced like goods would have been influenced due to this undercutting.

As outlined in chapter 5.3, steel mesh sheets are supplied to the Australian market through a range of Australian entities who manufacture and/or distribute the goods, or via Australian-based importers, distributors and traders, who source the goods primarily from China and Malaysia.

The undercutting analysis has therefore examined prices in the Australian market where imported goods are available for sale in direct competition with the Australian industry. Noting the number of Australian manufacturers, and InfraBuild's position as the largest manufacturer in the Australian market, the Commission has used InfraBuild's verified delivered duty paid (DDP) selling prices to distributors as the basis of its price undercutting analysis. To ensure a fair comparison, the Commission has constructed

equivalent DDP selling prices to Australian distributors for the exported goods. In the PAD, the Commission constructed the prices using:

- verified FOB export prices for the exported goods
- an average per tonne amount for ocean freight and marine insurance costs calculated using verified exporter data
- an average per tonne amount for Australian port handling and other charges based on data provided by importers responding to importer questionnaires
- an average per tonne amount for Australian inland freight based on data provided by importers responding to importer questionnaires
- importer SG&A and profit for the investigation period for the largest trader in imported steel mesh sheets that provided relevant information in response to the importer questionnaire.

On 27 August 2026, following the publication of the PAD, InfraBuild requested that the Commission review its price undercutting analysis to ensure appropriate allocations were made in relation to inland freight, SGA and profit.⁷⁸ In response to this submission the Commission reviewed its undercutting analysis. The Commission has revised the approach to SG&A and profit and rather than basing the SG&A and profit on the largest trader only, the Commission has used all information available to the Commission from relevant traders in the investigation. The Commission also made an adjustment to inland freight to ensure inland freight only related to the shipment of goods to the distributor level of trade and did not include any costs related to the delivery of goods to end-users.

The Commission notes that the revision to its undercutting analysis in response to the InfraBuild submission has resulted in small changes (of 1-2%) to the levels of undercutting from those contained in Table 12 of the PAD.

Table 23 below shows the results of the price undercutting analysis in relation to the 2 largest volume MCCs (P-N-B-XL and P-N-B-S) which account for over 90% of the combined sales of InfraBuild and the verified exporters during the investigation period. The table compares InfraBuild's weighted average quarterly price to the lowest weighted average quarterly price identified among the verified exporters from China and Malaysia. A positive value indicates a discount to the comparable InfraBuild price, while a negative value indicates a premium to the comparable InfraBuild price.

MCC	Source	2024-Q4	2025-Q1	2025-Q2	2025-Q3
MCC 1	China	17%	14%	18%	15%
	Malaysia	-2%	-6%	-1%	0%
MCC 2	China	18%	15%	19%	21%
	Malaysia	-4%	-7%	0%	-3%

Table 23: Price undercutting by MCC, quarter and source of supply

⁷⁸ EPR 692, [document no. 58](#).

Table 23 shows that, in relation to the 2 highest volume MCCs in the Australian market, China has undercut Australian industry prices in all quarters within a range of 14% and 21%. Exports from Malaysia, on the other hand, have been priced at parity or a premium to Australian industry in all quarters, within a premium of up to 7%.

The Commission also noted that, at an aggregate level (all MCCs), the delivered price of dumped Chinese goods was, in all quarters, below InfraBuild's CTMS, indicating that InfraBuild would need to sell its goods at a loss to match Chinese import pricing.

The price undercutting findings in relation to China are consistent with evidence of import price offers provided to the Commission by SRIA members throughout the investigation. The Commission was provided with numerous offers received during and after the investigation period by Australian industry members in relation to a range of importers sourcing the goods from China. These price offers were invariably below contemporaneous Australian industry pricing for the same steel mesh sheets.

The Commissioner considers that this analysis indicates that Chinese exports are consistently the lowest priced in the Australian market and are the cause of the price depression and suppression experienced by Australian industry.

8.6 Volume effects

The Commissioner is preliminarily satisfied that Australian industry experienced volume injury in the form of lost market share during the investigation period, and that this injury was caused by increased volumes of dumped imports from China.

As detailed in chapter 7.4, Australian industry increased its sales volume during the investigation period; however, this growth did occur within a growing market. The Commission has examined the market share of Australian industry, the subject countries and other countries for the investigation period and compared that to the share of the growth in the market during the investigation period that was captured by each participant. The Commission's analysis is presented at Figure 10 below.

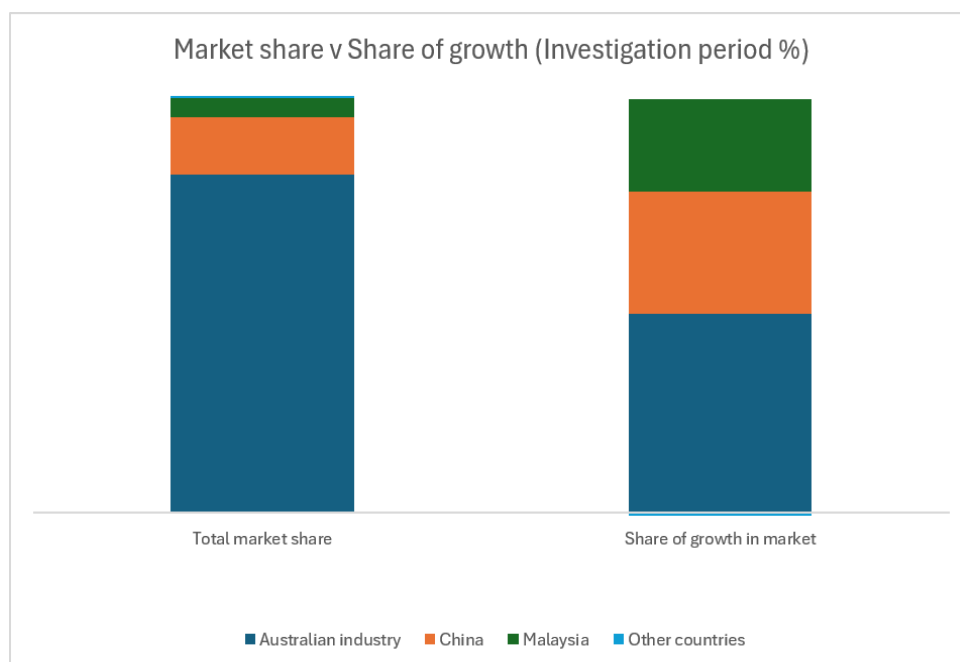


Figure 10: Investigation period market share v share of growth in investigation period market (%)

Figure 10 shows that, while Australian industry maintained the largest share of the market during the investigation period, it did not capture a proportional share of the growth in the market during that time. Imports from the subject countries captured more than half of the growth in the Australian market during the investigation period, with China taking most of the growth in imports.

The Commissioner considers that this observation is consistent with the findings in chapter 8.5.1 that Chinese export pricing was the lowest in the market during the investigation period, and in chapter 8.5.2 that Chinese exports undercut all other market participants by a material degree.

The Commissioner considers that the price advantage afforded by dumping has resulted in sales volumes transitioning to Chinese exporters, leading to the Australian industry experiencing reduced market share.

8.7 Profit effects

As discussed in chapter 7.6, the Commissioner considers that Australian industry has experienced injury in the form of reduced profit and profitability.

Profit and profitability are products of the margin of the sales price over costs and sales volume. A decrease in either price or volume, or an increase in costs which is unmatched by a price increase, will result in a corresponding decrease in profit and profitability.

As detailed in chapter 7.5, Australian industry experienced price depression and price suppression caused by dumped goods undercutting Australian industry's selling prices.

Chapter 8.6 details that even though Australian industry increased its sales volume during the investigation period, it did not capture a proportional share of the growth in the Australian market, leading to declining market share. Dumped Chinese exports that materially undercut Australian industry's selling prices captured additional market share, leveraging the competitive advantage afforded by selling at dumped prices.

Based on these findings in relation to price and volume, the Commissioner is preliminarily satisfied that Australian industry's reduced profit and profitability were caused by imports of dumped goods from China.

8.8 Factors other than dumping causing injury

In determining whether material injury is being caused or threatened to an Australian industry producing like goods, the Minister must consider whether any injury is being caused or threatened by a factor other than the exportation of the dumped goods.⁷⁹ While injury caused by other factors should not be attributed to dumping, dumping need not be the sole cause of injury to the industry.

Noting the volume of imports from sources other than China, the Commission has examined whether these imports have caused injury to the Australian industry.

⁷⁹ Section 269TAE(2A).

At chapter 8.6, the Commission identified that during the investigation period imports from both China and Malaysia captured a larger share of the growth in the Australian market than their market share as a percentage of the total market. The Commission identified that during the investigation period there was a temporary transition toward Malaysian sourced goods at the expense of Chinese sourced goods as a response to the initiation of INQ 643.

The Commission noted that importers who sourced from both China and Malaysia had returned to preferencing Chinese goods by the end of the investigation period. The Commissioner considers that pricing is the key driver of this change. At chapter 8.5.1 the Commissioner finds that the FOB export price of goods from China, which had always been lower than that of goods from Malaysia, became even more attractive during the investigation period. The Commissioner considers that once the threat of measures being imposed on steel mesh sheets exported from China as a result of INQ 643 had dissipated, importers once again preferred imports of the goods from China over Malaysia.

The Commission also notes the findings in chapter 8.5.2 that imports from Malaysia had not undercut the prices of Australian industry in relation to the 2 highest volume MCCs in the Australian market, whereas dumped imports from China had materially undercut the prices of Australian industry (and Malaysia imports).

In relation to goods from other sources, the Commission notes that these goods accounted for less than 1% of the volume of sales in the Australian market during the investigation period, and that these goods also had FOB export prices materially above those of the dumped Chinese exports.

Based on this analysis, the Commissioner considers that the increased prevalence of dumped goods during the investigation period that have consistently been the lowest priced in the market is indicative of dumped goods being the primary cause of injury to Australian industry despite the presence in the market of other subject goods that were not dumped.

The Commission also received a submission from the Australian Steel Association on 7 August 2026 asking that the Commission recognise the extent to which the claimed material injury to the Australian industry is caused by the unreliable supply of Australian produced materials, specifically the flow through effects to Australian manufacture of mesh from the shutdown of the Whyalla blast furnace in April 2026.⁸⁰

The Commission notes that the shutdown of the Whyalla blast furnace occurred after the investigation period, and therefore any ramifications relating to this shutdown cannot be a cause of the injury experienced by the Australian industry during the investigation period.

⁸⁰ EPR 692, [document no. 54](#).

8.9 Materiality of dumping causing injury

The Commissioner is preliminarily satisfied that the Australian industry has experienced material injury caused by dumped goods exported to Australia from China in the investigation period.

The term 'material' in the context of determining whether material injury has been or is being caused is not defined in the Act. However, the Material Injury Direction directs the Commission to consider 'material injury' to be injury that is not 'immaterial, insubstantial or insignificant'.⁸¹ There is no threshold amount that is capable of general application and identifying material injury will depend on the circumstances of each case and will differ from industry to industry and from time to time. A material injury assessment involves a range of factors that are considered together, and no one or several of these factors can necessarily give decisive guidance.

The Material Injury Direction provides that injury from dumping need not be the sole cause of injury to the industry where injury caused by dumping is material in degree. It further provides that the Commission will judge the materiality of injury caused by a given degree of dumping differently, depending on the economic condition of the Australian industry suffering the injury.

In considering the circumstances of each case, the Commission must consider whether an industry that at one point in time is healthy and could shrug off the effects of the presence of dumped products in the market, could at another time, weakened by other events, suffer material injury from the same amount and degree of dumping.

When considering the materiality of the injury caused by dumping, the Commission had regard to several factors, including:

- the size of the dumping margins as outlined at chapter 6
- the importance of price in purchasing decisions and the transparency of pricing
- the magnitude of price undercutting by dumped imports and the perceived importance of price in purchasing decisions
- the change in Australian industry's prices relative to the prices of imports from China
- the change in the volume and market share of imports and of the Australian industry.

8.9.1 Price injury

The Commissioner is preliminarily satisfied that Australian industry experienced price injury in the form of price depression and price suppression, and that this injury was caused by dumped imports from China undercutting Australian industry prices. The Commissioner considers that the degree of price undercutting observed exerted downward pressure on members of the Australian industry, resulting in erosion of the margins that were observed during the earlier stages of the injury analysis period.

⁸¹ Ministerial Direction on Material Injury 2012.

To assess the materiality of the price injury experienced by Australian industry, the Commission has undertaken a price analysis that compares the Australian industry's prices with the prices of imports from China assuming those imports were not dumped.

To establish an undumped price, the Commission has uplifted the weighted average FOB export price for each exporter by the dumping margin ascertained for that exporter. For the purposes of comparison, the Commission has focussed on the highest volume MCC sold during the investigation, which accounts for over 80% of the combined sales volume for InfraBuild and the cooperating exporters. The Chinese price used for the comparison (for both dumped and undumped prices) is the lowest quarterly price observed among cooperating exporters.

Figure 11 below shows the Commission's analysis.

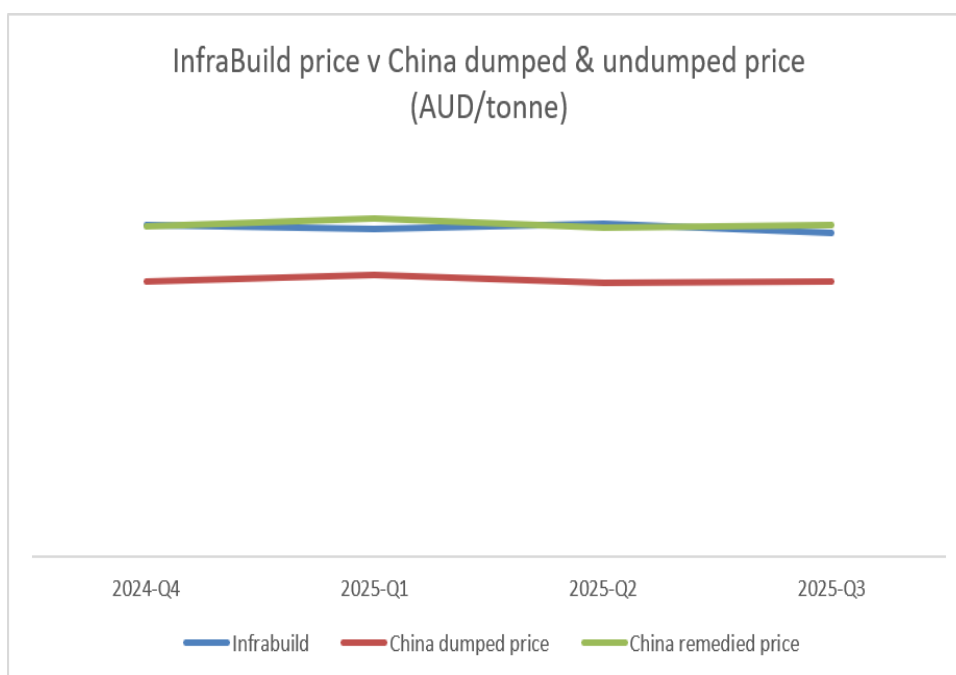


Figure 11: InfraBuild price compared to dumped and undumped Chinese prices (AUD/tonne)

Figure 11 shows the material degree of undercutting by dumped Chinese exports, and that when the price of those exports is adjusted to correct for the level of dumping ascertained, the price of Chinese exports is in all quarters above the InfraBuild price. The Commissioner considers that at a minimum, had the goods been exported to Australia at undumped prices, Australian industry could achieve price increases that would align with the undumped Chinese price. This would translate to price increases of up to 3.5%.

Using the findings in relation to this MCC as a proxy for the broader market, the Commission has calculated the additional revenue that Australian industry would have generated during the investigation period based on it increasing its prices to match the undumped Chinese price. The Commission estimated that Australian industry would likely have generated a material amount of additional revenue. The Commissioner considers this amount of revenue foregone because of dumped imports to be material.

The Commission notes, however, that the level of price increases that Australian industry could achieve in the absence of dumping would likely exceed that which would simply bring Australian industry pricing to parity with Chinese pricing. The Commission notes that

Australian industry maintained a price premium over imported goods during the injury analysis period, though with an erosion of market share and the price suppression detailed in this report. The availability of a price premium is a function of Australian industry's physical presence and relationship with customers in the Australian market, the convenience brought by that presence in terms of delivery times and after sales service, and other qualitative factors. The Commissioner is satisfied that the magnitude of price injury experienced by Australian industry as a result of dumped imports from China is material and has not estimated the value of any price premium achievable for the purposes of this report.

8.9.2 Volume injury

The Commissioner is preliminarily satisfied that, despite increasing sales volume during the investigation period, the Australian industry experienced volume injury in the form of reduced market share, and that this injury was caused by the increased volume of dumped imports from China.

At chapter 8.6, the Commission identified that Australian industry captured less than half of the growth in sales volume in the Australian market during the investigation period, despite maintaining a materially higher market share in terms of the total size of the Australian market. The Commissioner considers that China's disproportionate growth in relation to the growth in the market during the investigation period was a result for the price advantage afforded by dumping. Further, the Commissioner determined in chapter 8.5 that had these goods not been dumped they would likely have been priced higher than Australian industry's price, thus enhancing the price competitiveness of Australian industry and likely leading to those sales being captured by Australian industry rather than Chinese imports.

The Commissioner considers that had Australian industry retained the additional 1% share of the market that was captured by dumped Chinese imports during the investigation period Australian industry would have increased its revenue by an estimated \$8million. The Commission notes that this figure does not reflect Australian industry recapturing additional market share, nor achieving an increase in selling prices, and is therefore considered a conservative estimate.

The Commission notes that, across the injury analysis period, imports from China have increased market share from around 5% to 14%, and approximately 30% share of market growth during the investigation period as shown in Figure 10. While there can be no presumption that the goods exported to Australia before the investigation period were dumped, the Commissioner considers that the level of dumping identified during the investigation period, has entrenched the price advantage Chinese exporters enjoy relative to Australian industry. This has hindered the Australian industry's ability to reclaim the market share lost to Chinese imports across the injury analysis period.

As detailed in chapter 8.9.1, were the Chinese imports sold into the Australian market during the investigation period at undumped prices, they would have been more expensive than Australian industry's prices. The Commissioner considers that in this event the Australian industry would have the more attractive value proposition and would have reclaimed some or all of the market share enjoyed by dumped Chinese imports during the investigation period. Had Australian industry reclaimed market share to the levels observed in YE September 2021, it is estimated that Australian industry revenue

would have been around \$80 million higher (assuming the same pricing as observed during the investigation period).

As such, the Commissioner is preliminarily satisfied that the volume injury caused by dumped exports from China has had a material impact on the economic performance of the Australian industry.

8.9.3 Profit injury and injury to other economic factors

The Commissioner considers that Australian industry's lower sales volumes and the observed price suppression caused by dumped imports from China have translated into materially lower profits, profitability and revenue.

In addition, lower sales volumes result in lower capacity utilisation and productivity and increase fixed costs on a per-unit basis as fixed costs are allocated across fewer units. This has a material impact on profit and profitability.

8.10 Preliminary findings

The Commissioner is preliminarily satisfied that the level of injury experienced across the multiple injury indicators caused by imports of dumped goods as outlined above is material.

9 WHETHER DUMPING MAY CONTINUE

9.1 Preliminary findings

Based on the available evidence, the Commissioner is preliminarily satisfied that exports of the goods may continue in the future at dumped prices by all exporters from China.

9.2 Introduction

To publish a notice under sections 269TG(2) the Minister must be satisfied that, among other things, dumping may continue. In assessing whether dumping may continue, the Commissioner considers the term 'may' to mean 'possible'.

9.3 Whether dumping may continue

In assessing whether dumping may continue, the Commissioner considers prior evidence of dumping to be a relevant consideration.

The Commission has calculated dumping margins ranging between 28.5% and 45.4% in relation to exports from China during the investigation period and found that the dumping margins are not negligible and that the volume of dumped goods is not negligible.

The Commission examined import volumes from the ABF import database during and following the end of the investigation period (up to April 2026). The Commission observes that imports from China have continued in relation to exporters whose goods were dumped during the investigation period. The volume of these imports represented a material share of total import volumes from all sources.

9.4 Commissioner's assessment

Based on the available evidence, the Commissioner is preliminarily satisfied that exports of certain welded steel mesh sheets may continue in the future at dumped prices from China.

10 NON-INJURIOUS PRICE

10.1 Preliminary finding

The Commissioner preliminarily considers that the Minister should exercise their discretion to not apply a lesser amount of duty on the basis that certain circumstances exist where the Minister is not required to have mandatory consideration of the lesser duty rule. This being that because the Commission did not ascertain the normal values of all exporters under section 269TAC(1) due to the operation of section 269TAC(2)(a)(ii).⁸²

The Commissioner preliminarily considers that, in relation to all exporters from China, it is not desirable for the Minister to specify a method of calculating IDD in accordance with the lesser duty rule. Notwithstanding the Commissioner's consideration, the Minister retains this discretion. Therefore, the Commission has calculated a non-injurious price (NIP).

The calculation of the NIP is at **Confidential Attachment 39**.

10.2 Legislative framework

IDD may be applied where it is established that dumped imports have caused material injury to the Australian industry producing like goods. The level of IDD imposed by the Minister cannot exceed the margin of dumping. Where the Minister is required to determine the IDD, section 8(5B) of the *Customs Tariff (Anti-Dumping) Act 1975* (Dumping Duty Act) applies.

The NIP is relevant to section 8(5B) of the Dumping Duty Act, which requires the Minister to consider the desirability of specifying a lesser amount of duty in accordance with the lesser duty rule if a lesser amount of duty is sufficient to remove injury to the Australian industry,⁸³ unless one of the exceptions in section 8(5BAA) of the Dumping Duty Act applies. The Commission also utilises the NIP as an additional test to establish whether there is a causal link between the alleged dumping and material injury.

The Manual specifies that the Commission will generally derive the NIP from an unsuppressed selling price (USP). The USP is a selling price that the Australian industry could reasonably achieve in the market in the absence of dumped or subsidised imports.⁸⁴

The Commission's preferred approach to establishing the USP is outlined in Chapter 24 of the Manual and observes the following hierarchy:

- Australian industry's selling prices at a time unaffected by dumping or subsidisation (market price method)
- constructed industry prices, using the Australian industry's CTMS and a rate for

⁸² Chapter 6 of this report refers.

⁸³ This is determined by ensuring that the sum of the ascertained export price and the IDD does not exceed the NIP.

⁸⁴ [Dumping and Subsidy Manual](#), pg. 137.

- profit, or
- selling prices of undumped imports.

10.3 Commissioner's assessment and findings

10.3.1 Lesser duty rule

The Commissioner preliminarily considers that the Minister should exercise their discretion to not apply a lesser amount of duty on the basis that there are certain circumstances where Minister is not required to have mandatory consideration of the lesser duty rule.

Pursuant to section 8(5BAA) of the Dumping Duty Act, the Minister is not required to have mandatory consideration of the lesser duty rule where the Minister is satisfied that either or both of the following certain circumstances apply:

- the normal value of the goods was not ascertained under section 269TAC(1) because of the operation of section 269TAC(2)(a)(ii)
- the Australian industry in respect of like goods consists of at least 2 small-medium enterprises, whether or not that industry consists of other enterprises⁸⁵

Where any of the above exceptions apply, the Minister is not required to consider the lesser duty rule but may still exercise the discretion to do so.

The Commission notes that the normal value of the goods was not determined under section 269TAC(1), because of the operation of section 269TAC(2)(a)(ii).

While the Minister must have regard to the desirability of applying the lesser duty rule, the Minister retains discretion as to whether a lesser amount of duty should ultimately be applied. In this case, the Commissioner preliminarily considers that the Minister should exercise the discretion to not apply a lesser amount of duty on the basis that there are circumstances such that the Minister is not required to have mandatory consideration of the lesser duty rule.

The Commissioner notes that, notwithstanding the Commissioner's consideration noted in the preceding paragraph, the Minister retains the discretion to apply a lesser amount of duty. Therefore, the Commission has calculated a NIP in this investigation.

10.3.2 Preliminary assessment of USP and NIP

The Commissioner preliminarily finds that the goods exported to Australia from China during the investigation were dumped. Further, the Commissioner notes that imports from China were prevalent in the Australian market in preceding periods. The Commissioner also considers that the Australian industry selling prices remain affected by dumping and that the market will continue to be supplied by dumped imports.

⁸⁵ 'Small-medium enterprise' has been prescribed by the *Customs (Definition of "small-medium enterprise") Determination 2023* for the purposes of section 269T(1) to mean, a producer or manufacturer with 200 or fewer full-time staff, which is independently operated and which is not a related body corporate for the purposes of the *Corporations Act 2001*.

Based on the above, the Commissioner assessed that it was not preferable to determine the USP, and therefore NIP, using the Australian industry's domestic selling prices for like goods sold during the investigation period and the preceding periods as these periods were affected by imports from China.

Noting that the Australian industry's selling prices in the investigation period are not suitable for establishing a USP, the Commissioner considers that a constructed USP using the Australian industry's CTMS and an amount for profit would be preferable. Accordingly, the Commissioner determined a USP having regard to InfraBuild's CTMS in the investigation period and weighted average profit achieved by InfraBuild in a period prior to the investigation period (the 12 months ending 30 September 2023).

The Commission used this profit based on the Commission's assessment that this period was the least affected by the presence of dumped imports. By using the profit margin, the Commission aimed to ensure that the constructed USP reflects the level of profitability that the Australian industry could reasonably expect to achieve under normal market conditions, absent the effects of dumping. However, the Commission recognises that the Australian market during this period was still supplied by a material volume of imports from China and therefore the Australian industry's profit may also have been suppressed in this period because of these imports.

To derive a NIP at FOB terms for goods exported from China, the Commission deducted from the following verified costs obtained from cooperative exporters and importers from the USP:

- importer SG&A expenses and an amount for profit
- overseas freight and marine insurance
- port handling and other charges, and
- inland freight.

The USP and NIP calculations are at **Confidential Attachment 39**.

11 PROPOSED MEASURES

11.1 Preliminary finding

The Commissioner preliminarily recommends that the IDD payable on the goods exported from China should be worked out using the combination duty method.

This is a change from the PAD where the Commissioner determined that securities to be taken would be an amount worked out in accordance with the *ad valorem* method duty method.

The recommended duty methods and effective rates of IDD for exports from China are set out in Table 24 below.

Exporter	Recommended duty method	Recommended effective rate of IDD (%)
Xingtai Steel	Combination	29.8%
TKM	Combination	32.4%
Anhui BRC.	Combination	28.5%
Uncooperative and all other exporters	Combination	45.4%

Table 24: Proposed measures

11.2 Form of duty

The forms of duty available under the *Customs Tariff (Anti-Dumping) Regulation 2013* include:

- combination fixed and variable duty method ('combination duty method');
- fixed duty method;
- floor price duty method; and
- *ad valorem* duty method (i.e. a percentage of export price).

The various forms of dumping duty all have the purpose of removing the injurious effects of dumping. However, in achieving this objective, certain forms of duty will better suit particular circumstances more so than other forms of duty.

When considering which form of dumping duty to recommend to the Minister, the Commissioner will have regard to the *Guidelines on the Application of Forms of Dumping Duty – November 2013* (the Guidelines) and the relevant factors in the market of the goods.⁸⁶

11.2.1 Fixed duty method

A fixed duty method operates to collect a fixed amount of duty, regardless of the actual export price of the goods. The fixed duty is determined when the Minister exercises their powers to ascertain an amount for the export price and the normal value.

⁸⁶ The [Guidelines](http://www.atrc.gov.au), available at www.atrc.gov.au

11.2.2 Floor price duty method

The floor price duty method sets a 'floor', for example, a normal value of \$100 per tonne, and duty is collected when the actual export price is less than that normal value of \$100 per tonne. The floor price is either the normal value or the NIP, whichever becomes applicable under the duty collection system.

11.2.3 *Ad valorem* duty method

The *ad valorem* duty method applies a proportion of the actual export price of the goods. An *ad valorem* duty is determined for the product as a whole. This means that a single ascertained export price is required when determining the dumping and/or subsidy margin. The *ad valorem* duty method is the simplest and easiest form of duty to administer when delivering the intended protective effect.

11.2.4 Combination duty method

The combination duty method comprises 2 elements: the 'fixed' element and the 'variable' duty element. The fixed element is determined when the Minister exercises powers to 'ascertain' an amount (i.e. set a value) for the export price and the normal value. Either this may take the form of a fixed duty, or an *ad valorem* applied to the ascertained export price. If the actual export price of the shipment is lower than the ascertained export price, the variable component works to collect an additional duty amount, i.e. the difference between the ascertained export price and the actual export price. It is a 'variable' element because the amount of duty collected varies according to the extent the actual export price is beneath the ascertained export price.

11.2.5 Commission assessment – Form of duty method

The Commissioner considers that the fixed price duty method and the floor price duty method alone (i.e. not as part of a combination method) are unsuitable as they will not capture any changes in prices for imported goods. The Commissioner has therefore considered whether the *ad valorem* or combination duty method is the most appropriate.

The Guidelines list the following considerations in respect of the *ad valorem* duty method:

- it has an advantage where there are many models or types as it does not require an ascertained export price or ascertained floor price which may not be meaningful where models show significant price variation
- it has an advantage for goods which are subject to significant price variations over time because it does not show the same variability in the 'effective rate' of the duty
- it may not be the most appropriate duty method when applied to goods which may have high priced varieties or models of the goods, particularly where a particular variety of goods was not causing injury to the Australian industry
- it has a potential disadvantage in that exporters might lower export prices to avoid the effects of this duty.

The Guidelines list the following considerations in respect of the combination duty method:

- it may not suit those situations where there are many models or types of the good with significantly different prices
- it is suited to circumstances where there are complex company structures with related parties and where circumvention of measures is likely
- it can be applied more precisely to certain goods in some cases
- the 'effective' rate of this duty, when imposed as a fixed amount per unit, diminishes in a rising market making it ineffective
- the 'effective' rate increases in a declining market making it punitive, which can have adverse effects on downstream industries
- the ascertained export price used in this measure can become out-of-date.

The Commissioner finds that dumped imports from China caused material injury to the Australian industry through their effects on prices in the Australian market. The evidence indicates that imported steel mesh sheets compete primarily on price and that the dumped imports undercut Australian industry selling prices and contributed to price suppression during the injury period.

Under the combination duty method, duty payable includes a variable component where if the actual export price falls below the ascertained export price, the duty payable is equal to the difference between the actual export price and the ascertained export price. This provides a mechanism to address future changes in export pricing behaviour after measures are imposed.

Having regard to the nature of competition in the steel mesh market and the significance of price as a purchasing factor, the Commissioner considers there is a risk that exporters may seek to maintain market share through further reductions in export prices following the imposition of measures. The combination duty method would preserve the remedial effect of the measures by ensuring that reductions in export prices below the ascertained export price are reflected in the calculation of interim dumping duty payable. The combination method will provide a more effective remedy for the injury caused by dumped and subsidised imports than an *ad valorem* duty method.

The Commission noted that there are different types of steel mesh sheets that are exported to Australia. While there is a significant price variation between the different steel mesh sheet types, in particular between those that are coated or galvanised and those with no coatings, the majority of exports from China are steel mesh sheets without coating that are used predominantly for reinforcement of concrete. This means that the majority of models of steel mesh sheets from China are the lower priced models that do not vary considerably in price between the different models and therefore, are more suited to the combination method. The market for these lower priced models operates more like a commodity market will therefore be more sensitive to small price fluctuations than higher price models.

The Commissioner considers that the combination duty method is appropriate having regard to the nature of the Australian steel mesh market, the models being exported from China and the evidence that price competition is a significant factor in purchasing decisions. The Commissioner considers that the combination duty method is better able to address the risk of future reductions in export prices than an *ad valorem* duty alone. By capturing any reduction below the ascertained export price, the combination duty method

will preserve the remedial effect of the measures and ensuring that the injury caused by dumped imports is effectively addressed.

11.3 Preliminary recommendation

Considering all the information before the Commission, the Commissioner recommends that duties be calculated in respect of any IDD that becomes payable using the combination duty method.

The recommended and effective rates of IDD are in Table 25 below.

Exporter	Recommended duty method	Effective rate of IDD (%)
Xingtai Steel	Combination	29.8%
TKM	Combination	32.4%
Anhui BRC.	Combination	28.5%
Uncooperative and all other exporters	Combination	45.4%

Table 25: Summary of effective interim dumping duty

12 TERMINATION IN RESPECT OF MALAYSIA

12.1 Preliminary finding

The Commissioner preliminarily proposes to terminate the dumping investigation in relation to Malaysia, on the basis that there was no dumping or negligible dumping in the investigation period, in accordance with section 269TDA(1).

12.2 Legislative frame

Section 269TDA sets out the circumstances in which the Commissioner must terminate a dumping or subsidy investigation in its entirety, or solely in respect of a specific exporter.

Section 269TDA(1) provides that in a dumping investigation, the Commissioner must terminate the investigation in so far as it relates to an exporter, if the Commissioner is satisfied that:

- there has been no dumping by an exporter of the goods, or
- there has been dumping by the exporter of some or all of those goods, but the dumping margin for the exporter, or each such dumping margin, worked out under section 269TACB, when expressed as a percentage of the export price or weighted average of export prices used to establish that dumping margin, is less than 2%.

12.3 Termination of dumping investigation in respect of Malaysia

Based on the findings in chapter 6, the Commissioner is preliminarily satisfied that the requirements have been met to terminate the dumping investigation in relation to all exporters from Malaysia. This is on the basis there was no dumping or negligible dumping in relation to the goods during the investigation period, in accordance with sections 269TDA(1).

13 APPENDICES AND ATTACHMENTS

Confidential Attachment 1	Australian Market
Confidential Attachment 2	Economic condition InfraBuild
Confidential Attachment 3	Economic condition SRIA members
Confidential Attachment 4	Xingtai Steel - Export price
Confidential Attachment 5	Xingtai Steel - CTMS
Confidential Attachment 6	Xingtai Steel - Cost Replacement
Confidential Attachment 7	Xingtai Steel - Normal Value
Confidential Attachment 8	Xingtai Steel - Dumping Margin
Confidential Attachment 9	TKM - Export price
Confidential Attachment 10	TKM - CTMS
Confidential Attachment 11	TKM - Cost Replacement
Confidential Attachment 12	TKM - Normal Value
Confidential Attachment 13	TKM - Dumping margin
Confidential Attachment 14	Anhui BRC - Export price
Confidential Attachment 15	Anhui BRC - CTMS
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Confidential Attachment 28	Southern Steel - Export price
Confidential Attachment 29	Southern Steel - CTMS
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Confidential Attachment 31	Southern Steel - Dumping margin
Confidential Attachment 32	Wei Dat Steel - Export price
Confidential Attachment 33	Wei Dat Steel - CTMS
Confidential Attachment 34	Wei Dat Steel - Normal value

Confidential Attachment 35	Wei Dat Steel - Dumping margin
Confidential Attachment 36	Uncooperative and all other rate
Confidential Attachment 37	Raw Material Benchmark
Confidential Attachment 38	Material injury assessment
Confidential Attachment 39	USP and NIP
Confidential Attachment 40	CTM and Raw Materials analysis
Confidential Attachment 41	Import Data and Analysis
Confidential Attachment 42	Post Investigation Import Data and Analysis
Confidential Attachment 43	APPENDIX A - relationship between profit and cost

APPENDIX A Particular Market Situation assessment

A1 Preliminary findings

The Commissioner preliminarily finds that the GOC's actions, policies, and practices have distorted conditions in the Chinese steel market. These distortions have created a particular market situation in respect of the domestic market for welded steel mesh sheets (the goods, steel mesh sheets) in China for the investigation period.

The Commissioner considers that the GOC has had a continued involvement in the Chinese steel industry through its policies, planning guidelines, plans, and directives. This involvement has materially contributed to the steel industry's overcapacity, oversupply, and distorted structure during the investigation period. It is the Commissioner's view that the prices of steel mesh sheets would be substantially different in a market not characterised by GOC influence.

The rationale and evidence that underpins this preliminary finding is based on the information currently before the Commission and is explained below.

A2 Introduction

In assessing whether a particular market situation exists, the Commission has relied on:

- the application
- REQs from cooperating exporters in Malaysia and China
- available contemporary evidence (as referenced in this report)
- the findings of previous relevant cases conducted by the Commission.

In this appendix:

- the GOC refers to all levels of government in China, unless otherwise specified
- SOE refers to a Chinese state-owned or state-invested enterprise.

A3 Australian legislation, policy, and practice

Australia treats China as a market economy for anti-dumping purposes. The Commission has conducted this investigation in the same manner for China as it does for other market economy members of the WTO.

Irrespective of the country whose goods are the subject of the investigation, Australia's anti-dumping framework may result in the Commission not using domestic selling prices as the basis for normal values where there is a particular market situation. This is only applicable if the particular market situation renders sales in the domestic market unsuitable for use. In determining whether sales are unsuitable, the Commission will have regard to whether because of the particular market situation, domestic prices of the goods cannot be properly compared with export prices in determining the margin of dumping.

A3.1 Legislation

Section 269TAC(2)(a)(ii) implements, in part, Article 2.2 of the WTO *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994* (the Anti-Dumping Agreement, ADA). Article 2.2 of the ADA provides:

When there are no sales of the like product in the ordinary course of trade in the domestic market of the exporting country or when, because of the particular market situation or the low volume of the sales in the domestic market of the exporting country [footnote omitted], such sales do not permit a proper comparison, the margin of dumping shall be determined by comparison with a comparable price of the like product when exported to an appropriate third country, provided that this price is representative, or with the cost of production in the country of origin plus a reasonable amount for administrative, selling and general costs and for profits.

Where a particular market situation is found to exist in the domestic market of the exporting country,⁸⁷ the Commission must further consider whether, because of that situation, sales in that market are unsuitable for determining a normal value under section 269TAC(1).

As part of this assessment, the Commission assesses whether, because of the particular market situation, domestic prices can be properly compared with export prices.⁸⁸

APPENDIX B sets out the Commission's consideration of whether sales in the Chinese domestic market are suitable to permit a proper comparison to export prices.

Where the Commissioner determines that, because of the particular market situation, domestic sales are unsuitable for determining a normal value under section 269TAC(1), normal values may instead be constructed under section 269TAC(2)(c) or determined by reference to prices from a third country under section 269TAC(2)(d).

A3.2 Policy and practice

The Act does not define or prescribe what is required to reach a finding of a particular market situation. A particular market situation may arise when there are factors affecting the relevant market in the country of export generally. The Commissioner considers certain factors when assessing whether a particular market situation renders sales unsuitable for use in determining a normal value under section 269TAC(1). These factors include:

- whether government intervention in the industry and/or market of the exporting country results in prices that are lower or not substantially the same as they would otherwise be
- whether there are other conditions in the market that render sales in that market unsuitable for use in determining normal values under section 269TAC(1).

⁸⁷ Pursuant to section 269TAC(2)(a)(ii).

⁸⁸ In accordance with the findings of the [WTO Panel in DS529](#), *Australia – Anti-Dumping Measures on A4 Copy Paper from Indonesia*.

The Manual provides further guidance on the circumstances in which the Commission will find that a particular market situation exists.⁸⁹ In particular, with respect to prices of inputs in the manufacture of like goods, the Manual states:

Prices may also be artificially low or lower than they would otherwise be in a competitive market due to government influence and distortion of the costs of inputs. The mere existence of any government influence on the cost of inputs would not be enough to make sales unsuitable. The Commission looks at the effect of this influence on market conditions and the extent to which domestic prices can no longer be said to prevail in a normal competitive market.

Further, according to the Manual, ‘market conditions will no longer be said to prevail when ...government-owned enterprises, together with any unprofitable sales by those same enterprises, has caused significant distortion to the prices received by private enterprises.’

A4 Assessing the particular market situation in this investigation

A4.1 Questionnaire sent to the Government of China

The Commission sent a questionnaire to the GOC requesting information on the steel mesh sheets and steel markets in China. The GOC did not submit a response to this request.

A4.2 Evidence and information before the Commission

The Commission’s assessment of a particular market situation in the domestic Chinese steel mesh sheets market concerns an assessment of whether the government involvement in the Chinese domestic market has materially altered market conditions. If government influence has materially altered market conditions, then domestic prices may be lower or not substantially the same as they would be in a market free of, or not materially affected by, the government intervention.

Prices for steel mesh sheets may also be lower or not substantially the same as they would otherwise be due to the influence of the particular market situation on the costs of inputs. The Commission has assessed the effect of any such influence on market conditions and the extent to which domestic prices prevail (or not) in a competitive market, that is, a market unaffected by the particular market situation.

The particular market situation assessment for this investigation considers the following information sources as referenced throughout this report:

- information contained in the application lodged by the applicant
- information provided by cooperating exporters (Xingtai Steel; TKM; Anhui BRC), including responses to exporter questionnaires, where relevant
- publicly available policies, plans, laws, regulations, directives and official statements issued by the GOC, including economy-wide and steel-specific planning documents

⁸⁹ [*Dumping and Subsidy Manual*](#), p 29.

- findings of previous investigations, reviews and inquiries conducted by the Commission relating to steel products from China, including Investigation 690, Investigation 658, Continuation Inquiry 669, Continuation Inquiry 632 and Continuation Inquiry 564
- reports and analysis published by international organisations, including the Organisation for Economic Co-operation and Development (OECD), the Global Forum on Steel Excess Capacity (GFSEC), and the Centre for Research on Energy and Clean Air (CREA)
- reports and findings of foreign investigating authorities, including the European Commission's *Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations*
- relevant WTO dispute settlement reports addressing the interpretation and application of the concept of a particular market situation and proper comparison, including *Australia – A4 Copy Paper* and *Australia – Certain Products from China*
- the Commission's *Analysis of steel and aluminium markets* report and other internal analytical material⁹⁰
- information from independent third-party pricing and market data providers, used for benchmarking and comparative analysis
- other publicly available information, including credible industry publications, media reports and desktop research.

A5 Overview of the Chinese steel industry

China remained the world's largest steel producer in 2025, producing 960.8 million tonnes in crude steel, accounting for approximately 52% of the world's crude steel production.⁹¹ China is also the largest steel exporter, exporting approximately 131.2 million tonnes of steel products, equivalent to approximately 41% of global steel exports.⁹²

Since 2019, the Chinese steel industry has increased its export volumes, particularly as domestic demand has fallen. At the same time, falling domestic demand has driven an increase in excess steelmaking capacity.

Historically, the GOC heavily influenced the Chinese steel industry, which has contributed to China's position as the largest steel producer in the world. This influence has continued, with SOEs maintaining a significant role in the Chinese steel industry, as well as numerous GOC plans involving the steel industry.

Figure 12 shows the Organisation for Economic Co-operation and Development's (OECD) estimation of Chinese steel production, demand, and exports since 2005.

⁹⁰ United Nations, [UN Comtrade Database](#), United Comtrade website, accessed 28 April 2026; World Steel Association (WorldSteel), 'World Steel in [Figures](#) 2026', WorldSteel website, June 2026, accessed 15 September 2026..

⁹¹ World Steel Association (WorldSteel), '[World Steel in Figures 2026](#)', WorldSteel website, June 2026, accessed 15 September 2026.

⁹² OECD (2026), *OECD Steel Outlook 2026*, OECD Publishing, Paris, <https://doi.org/10.1787/99ab9b0c-en>.

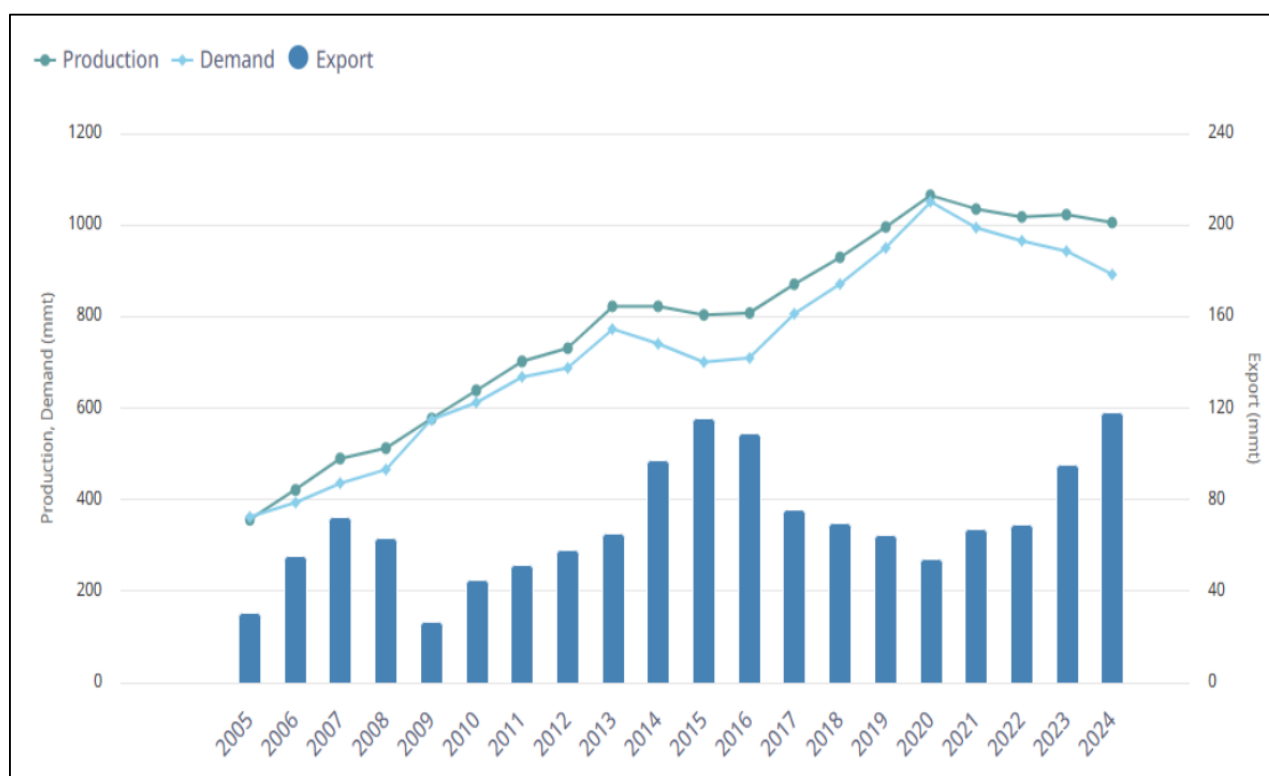


Figure 12: China's steel production, demand and exports⁹³

Chinese steel production has experienced a sustained period of growth followed by a slow contraction coinciding with a decrease in demand since 2019. However, exports have conversely increased since 2020, indicating a shift to exports among steel producers in China. Figure 12 shows that exports have historically risen when domestic production and demand diverge.

The *Resource and Energy Quarterly* (Resources Quarterly) report published by Department of Industry, Science and Resources (DISR) shows that the divergence between domestic steel demand and consumption is forecast to continue beyond 2024 indicating the persistence of the structural imbalance between domestic production and consumption of steel in China.⁹⁴ The Resources Quarterly forecasts that domestic consumption will decline at a faster rate than domestic production between 2024 and 2027, which is indicative of a continued shift to exports in the Chinese steel sector.⁹⁵ These forecasts are consistent with more recent industry analysis, which indicates that weaknesses in China's property and infrastructure sectors continued to affect domestic steel demand beyond the Resources Quarterly forecast period.

As of August 2026, recent industry analysis indicated that domestic steel demand in China continued to be affected by weakness in the property and infrastructure sectors. In contrast, the manufacturing sector had become the primary source of steel demand growth, supported largely by export-oriented production. According to S&P Global Commodity Insights, demand from manufacturing industries, including machinery,

⁹³ OECD (2025), *OECD Steel Outlook 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/28b61a5e-en>.

⁹⁴ Department of Industry, Science and Resources (DISR), December 2025, [The Resources and Energy Quarterly](#).

⁹⁵ Ibid.

automotive production, and energy was forecast to reach approximately 344 million tonnes in 2026, representing growth of 3.3% compared with 2025, following growth of 4.7% in 2025. The manufacturing sector's share of total Chinese steel consumption was forecast to increase from approximately 46% in 2023 to 52% in 2026, reflecting a shift away from demand generated by the domestic property sector towards manufacturing and export markets.⁹⁶

A6 GOC involvement and influence in the Chinese steel market

The Commissioner considers the GOC's involvement within, and influence across the steel industry to be a primary cause of the prevailing structural imbalances within both the broader steel market and the steel mesh market.

The GOC considers that the steel industry is a pillar of the national economy.⁹⁷ The Commissioner considers that the GOC exerts influence over the Chinese steel industry in several ways:

- the GOC's planning systems and its effect on the trends in the steel industry.
- through the size and prevalence of SOEs in the steel industry.
- the GOC's involvement in the markets for raw materials used in the production of steel.
- subsidies and other benefits and incentives provided by the GOC to steel producers.

The Commission has examined these factors as well as other additional factors throughout this appendix.

A6.1 Excess capacity

The Commissioner considers that the Chinese steel market continues to maintain excess capacity.⁹⁸ Excess capacity distorts market conditions by creating an oversupply of steel resulting in reduced prices and profitability of steelmakers.

While China's National Bureau of Statistics reported that crude steel output fell 4.4% to 961 million tonnes in 2025, analysts estimate as much as 60 million tonnes of crude steel production may have gone unreported. These analysts have pointed to China's record 1.26 billion tonnes of iron ore imports in 2025 as evidence that underlying steelmaking activity remained stronger than official figures suggest.⁹⁹ This discrepancy indicates that

⁹⁶ S&P Global Commodity Insights, *China's manufacturing steel demand set to rise in 2026, led by exports*, 4 August 2026, accessed 16 September 2026. Available at: <https://www.spglobal.com/energy/en/news-research/latest-news/metals/080426-infographic-chinas-manufacturing-steel-demand-set-to-rise-in-2026-led-by-exports>.

⁹⁷ Ministry of Industry and Information Technology of the People's Republic of China (MIIT), [Work Plan for Stabilising Growth in the Steel Industry \(2025-2026\)](#), MIIT, 22 September 2025, accessed 25 September 2025.

⁹⁸ The Global Forum on Steel Excess Capacity (GFSEC) defines excess capacity as the 'gap between demand for steel and the capacity to produce steel.'

⁹⁹ Bloomberg, [China's Lower Steel Data Scrutinized as Analysts Flag Output Gap](#), Bloomberg, 23 February 2026, accessed 12 May 2026.

official data may understate actual production volumes and that excess capacity and oversupply remain structural and persistent features of the Chinese steel sector.

The Commissioner considers that the excess capacity in China is largely influenced by the GOC’s involvement in the Chinese steel industry. OECD data shows that Chinese excess capacity represented approximately 87.2% of global excess capacity.¹⁰⁰ Figure 13 shows the Commission’s calculation of excess steel capacity in China from 2020, based on OECD data.

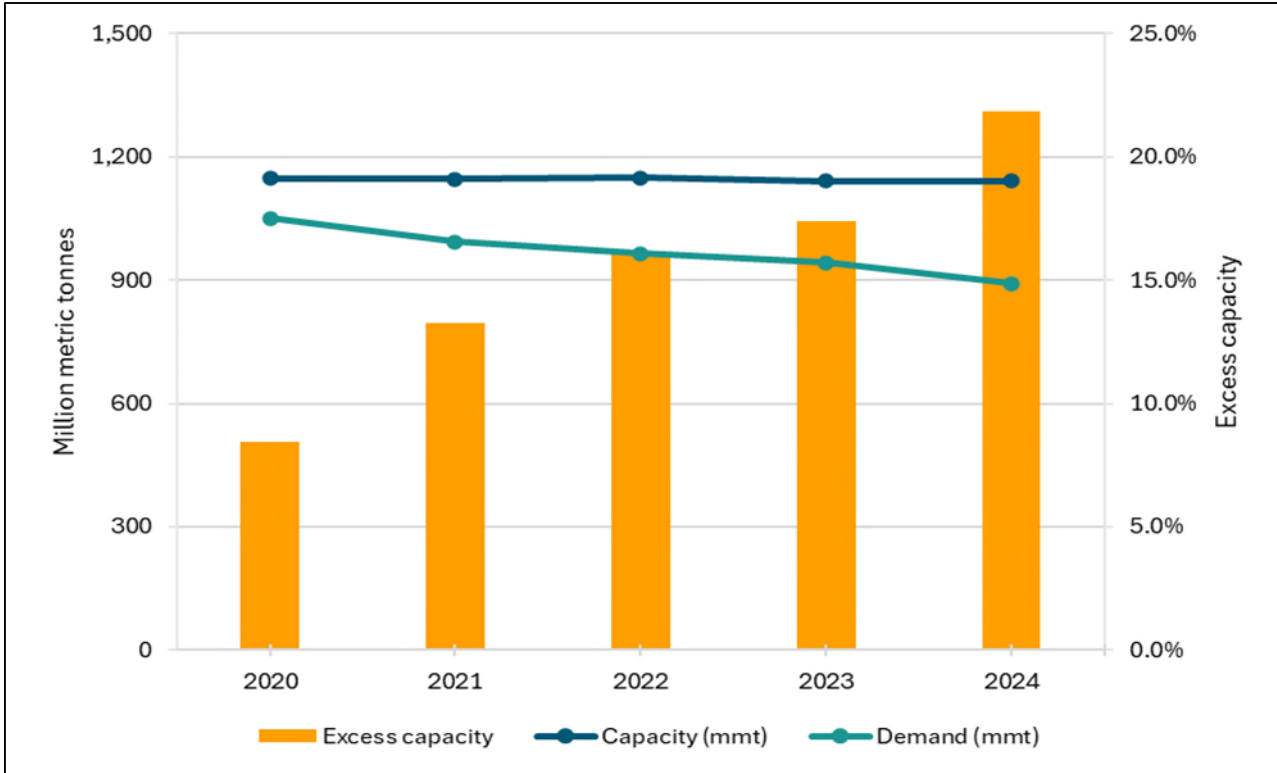


Figure 13: Chinese steel excess capacity¹⁰¹

The Commissioner considers that the excess capacity in the Chinese steel market is influenced by historical and current involvement of the GOC, through direct and indirect means.

A6.1.1 Distortive effects of excess capacity

The Commissioner considers that excess capacity results in several distortive effects to the steel market in China. The GFSEC notes that where excess capacity exists, it results in a situation where ‘steel is oversupplied and prices and profitability are lower than what

¹⁰⁰ Comparison between crude steel demand (Table 4.1) and steelmaking capacity (Table 2.1) in the *OECD Steel Outlook 2025*. OECD (2025), *OECD Steel Outlook 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/28b61a5e-en>.

¹⁰¹ Data from OECD (2025), *OECD Steel Outlook 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/28b61a5e-en>.

normal market conditions would dictate’. In other words, the excess capacity is market distorting.¹⁰²

This is supported by CREA data (shown in Figure 14). It estimates that Chinese steel market profitability has severely deteriorated since 2021. Figure 14 also demonstrates a consistent and increasing oversupply of steel in China.¹⁰³

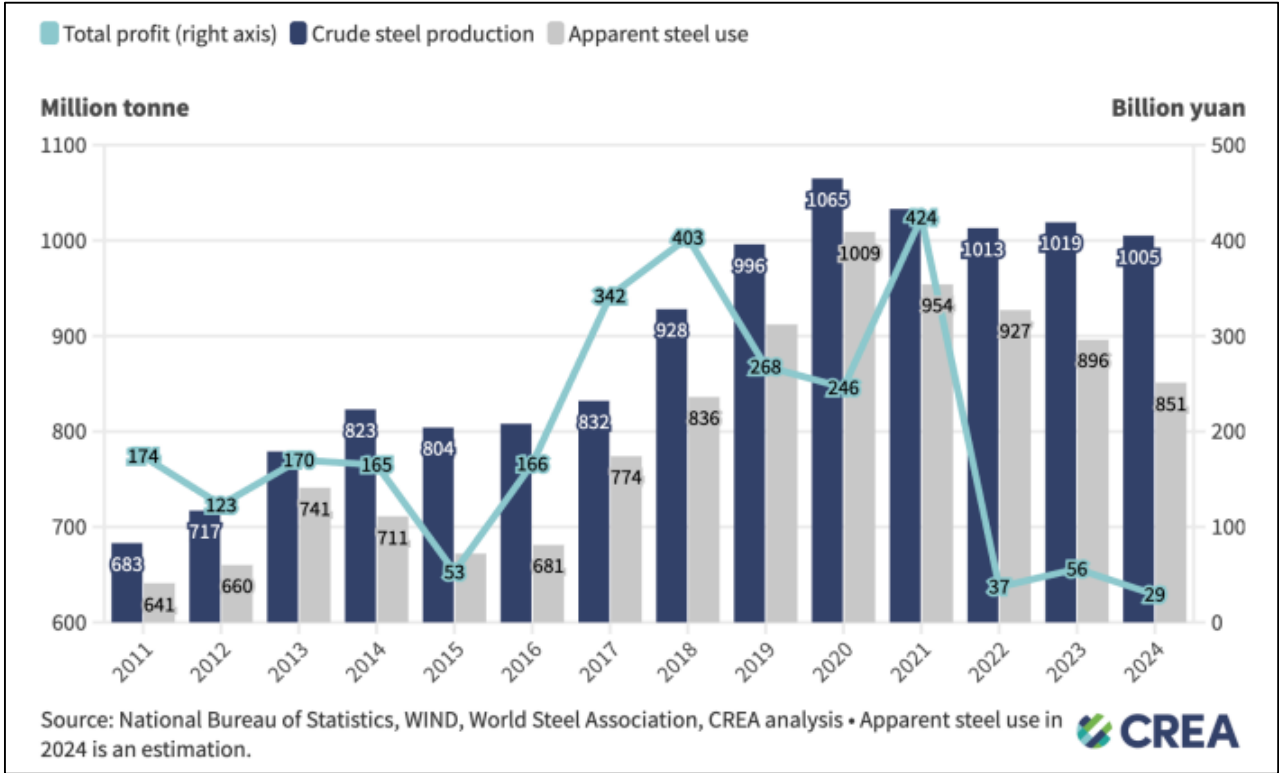


Figure 14: China’s crude steel production, apparent steel use and sector profits, 2011-2024¹⁰⁴

The Commissioner considers that excess capacity has contributed to steel oversupply in China, resulting in depressed prices. This oversupply and depressed pricing would not be as prevalent if excess capacity was not at existing levels.

A6.1.2 Factors contributing to excess capacity

Excess capacity is the gap between capacity and demand. The Commission has examined factors contributing to these 2 areas.

Factors contributing to capacity

The Commissioner considers that the high proportion of blast furnace and basic oxygen furnace (BF-BOF) for steel production in China are a contributing factor to excess capacity. Blast furnaces need to operate continuously and have long operational lifespans, contributing to over-production and excess capacity.

¹⁰² GFSEC, ‘[Steel exports, trade remedy actions and sources of excess capacity](#)’, GFSEC, 2024, p 6.

¹⁰³ The difference between crude steel production and apparent steel use.

¹⁰⁴ B Schäpe and X Shen, ‘[China - Steel industry decarbonisation biannual review - H2 2024](#)’, CREA, 2025.

In 2025, BF-BOF accounted for approximately 90% of crude steel production in China.¹⁰⁵ Due to the nature of blast furnace operation, it is preferable to run them continuously as they are difficult to start and stop. This is highlighted by recent reporting from Shanghai Metal Market (SMM) that the blast furnace operating rate was approximately 86% in September 2025, with capacity utilisation of approximately 88%.¹⁰⁶ This remained broadly consistent in 2026, with reporting from 247 Chinese steel companies indicating a blast furnace capacity utilisation rate of approximately 89% as of September 2026, demonstrating the continued high utilisation of blast furnace capacity in China.¹⁰⁷ Reductions in blast furnace operation were attributed to maintenance, which is one of the few times that operations are stopped. The high utilisation rates incentivise steel production even in circumstances where it may not be financially viable (as indicated by falling profits in Figure 14). As examined later in this report, support provided by the GOC allows steel firms to continue operating on non-commercial terms (see appendices A6.2 and A6.3).

Data from the Global Energy Monitor indicates that the average age of blast furnaces in China is about 12 years.¹⁰⁸ Coupled with operating lifespans of over 40 years, this suggests that China's blast furnace capacity will not reduce in the near future.¹⁰⁹

The Commission also considers that the GOC has directly and indirectly contributed to excess capacity in the Chinese steel market.

The OECD finds:

*The rise in China's position in the global steel industry is not a purely market-driven outcome. Instead, it reflects a steel industry expansion driven by market-distorting subsidies and other non-market policies and practices.*¹¹⁰

*The OECD also found that global steel excess capacity continues to increase and that the viability of market-oriented steel industries is challenged by excess capacity driven by subsidies and other non-market policies and practices in certain economies. The OECD further reported that Chinese steel producers continue to receive substantially higher levels of government support than producers elsewhere.*¹¹¹

¹⁰⁵ Hasanbeigi, A., Springer, C. and Sibal, A. (2025), *China's Steel Transformation: From Blast Furnaces to Electric Arc Furnaces*, Global Efficiency Intelligence, March 2025. Available at: <https://www.globalefficiencyintel.com>.

¹⁰⁶ Shanghai Metal Market (SMM), '[Increased Blast Furnace Maintenance, Hot Metal Output Growth Falls Short of Expectations](#)', SMM, 17 September 2025, accessed 23 September 2025.

¹⁰⁷ CEIC Data, *China: Capacity Utilization Rate of Blast Furnace: 247 Steel Companies*, data reported by Shandong Longzhong Information Technology Co., Ltd., accessed September 2026. Available at: <https://www.ceicdata.com/en/china/steel-capacity-utilization-rate-production--demand/cn-capacity-utilization-rate-of-blast-furnace-247-steel-companies>.

¹⁰⁸ Global Energy Monitor (GEM), '[Steel has a fossil fuel problem, and it's called the blast furnace](#)', GEM, 2025, accessed 23 September 2025.

¹⁰⁹ GEM reports that the average age of blast furnaces outside of China is 42 years.

¹¹⁰ OECD (2025), *OECD Steel Outlook 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/28b61a5e-en>.

¹¹¹ OECD (2026), *OECD Steel Outlook 2026*, OECD Publishing, Paris, <https://doi.org/10.1787/99ab9b0c-en>.

This is similarly concluded by the GFSEC:

*The review process of the GFSEC clearly indicated that China's excess capacity was grounded in market-distorting government interventions and other non-market factors.*¹¹²

Decreasing domestic demand for steel

Research shows that demand for steel in China's building and construction industry has decreased since its peak in 2020.¹¹³ Although demand has shifted to other sectors, the downturn in the building and construction industries has resulted in a net decrease in steel demand since 2020 (Figure 12). Over the same period, China's steel capacity has remained consistent (Figure 13).

The OECD forecasts that steel demand in China will fall by -0.6% on average per year from 2025 to 2030.¹¹⁴ In addition, the Resources Quarterly forecasts that domestic demand for crude steel will fall at an annualised average of 2.1% per year between 2024 to 2027.¹¹⁵ Any decrease in demand without a matching decrease in capacity indicates that excess capacity is likely to continue.

A6.1.3 GOC measures aimed at reducing excess capacity

The Commission recognises that the GOC has made commitments to reduce excess capacity. However, while there have been numerous initiatives to address excess capacity, it remains an ongoing issue which results in distortive effects on the Chinese steel market.

One of the major initiatives for reducing capacity is through the transition from BF-BOF steel production to the use of electric arc furnaces (EAF). This transition also achieves the GOC's goal of reducing carbon emissions associated with steel making. However, the effectiveness of the transition has been limited.

CREA reporting states that EAF steelmaking has remained at 10%, below the 2025 goal of 15%.¹¹⁶ The reasons behind the stagnation in EAF share includes low recycling rates and lack of economic incentives. Further, data from the CREA shows that from 2017 to 2023, blast furnaces accounted for 99% of new ironmaking capacity and BOF accounted for 70% of new steelmaking capacity.¹¹⁷

The replacement of BF-BOF with EAF is also hindered by limitations in steel scrap supply, and the generally higher prices for EAF-produced steel, limiting its

¹¹² GFSEC, '[Steel exports, trade remedy actions and sources of excess capacity](#)', GFSEC, 2024, pg 6.

¹¹³ BHP, '[Visualised: China's steel demand through time](#)', BHP website, 18 July 2024, accessed 23 June 2025.

¹¹⁴ OECD (2025), *OECD Steel Outlook 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/28b61a5e-en>, Table 4.3.

¹¹⁵ Department of Industry, Science and Resources (DISR), December 2025, [The Resources and Energy Quarterly](#).

¹¹⁶ X Shen and B Schäpe, [Urge for reform: blast furnace glut in China erodes profitability and hinders green steel transition](#), CREA website, 2025.

¹¹⁷ China's steel sector invests USD 100 billion in coal-based steel plants, despite low profitability, overcapacity and carbon commitments, Table 1.

competitiveness compared to BF-BOF.¹¹⁸ This is also affected by the real estate downturn in China, a major area of demand for EAF-produced steel. If China is to meet its planned goals for EAF transition, the Commissioner considers that further investment and other policy support will be required. This would increase the risk of market distorting effects due to increased GOC involvement in the Chinese steel industry.

In response to the slow transition in steelmaking capacity, the GOC suspended approvals for steel capacity replacement in August 2024 in order to revise its plans.¹¹⁹ This move was made to address issues with the implementation and changing requirements of the steel industry in relation to steel capacity replacement.¹²⁰ Reporting by S&P Global states that ‘the move seems to be too late as the current steel capacity has already exceeded demand, and more brand-new facilities, which have already received approvals, are planned to come on stream from the remainder of 2024 to 2026’.¹²¹

In addition to the limited effectiveness so far of the transition in steel capacity, these measures can also have the opposite effect. A report by Wiley Law identified instances that resulted in an increase in capacity through investment in EAF facilities.¹²²

The Commission also considers that the absence of specific targets in the GOC’s plans for reducing capacity may hinder their effectiveness. Outside of a general target for yearly growth (4%), there are limited or no targets for how the reduction in capacity will be achieved – for example, the most recent *Work Plan for Stabilising Growth in the Steel Industry* only states that the GOC will implement precise control of production capacity and output and increase capacity reduction and replacement efforts.¹²³

The Commissioner considers the limited effectiveness of the GOC’s measures to reduce capacity mean that the problem of excess capacity remains.

A6.2 GOC planning system and effect on the Chinese steel market

The planning system in China is complex and involves many levels of government, each with their own planning documents. The various plans cover almost all areas of the Chinese economy, and many have a direct or indirect effect on the Chinese steel market.

The Commissioner considers that the GOC’s plans are more than a high-level guide for the direction of the relevant sectors. Through the creation of the Five-Year Plans to the subsequent guiding opinions and supporting plans, the GOC exercises direct control of areas of the Chinese economy, including the steel market.

¹¹⁸ CREA, China – [Steel industry biannual review – H2 2024, p 9](#).

¹¹⁹ J Zhang, [‘China’s latest steel capacity swap move not enough to curb industry expansion’](#), S&P Global website, 29 August 2024, accessed 3 October 2025.

¹²⁰ MIIT, [‘Notice from the General Office of the Ministry of Industry and Information Technology on Suspending Steel Capacity Replacement Work’](#), MIIT website (Google translate), 22 August 2024, accessed 6 October 2025.

¹²¹ J Zhang, [‘China’s latest steel capacity swap move not enough to curb industry expansion’](#), accessed 3 October 2025.

¹²² A Price, R DeFrancesco, III and A Teslik, [‘Shell Game: Case Studies in Chinese Steel Subsidies’](#), Wiley Rein LLP, 2024, accessed 26 June 2025, ‘Scrap support’ pp 26-27.

¹²³ MIIT, [‘Work Plan for Stabilising Growth in the Steel Industry \(2025-2026\)’](#), accessed 3 October 2025.

The Commission notes there is a difficulty in sourcing the exact planning documentation due to the fragmented nature of the planning system in China and unavailability of certain websites outside of China. As plans are managed by the various authorities, publication of planning documents may be limited to summaries, or not available at all on the relevant authority's website. The Commission has used information directly from the relevant authority's websites, where available, in summarising the various plans.

The authorities which manage and implement the various plans include, but are not limited to:

- The State Council of the People's Republic of China (State Council)
- National Development and Reform Commission (NDRC)
- State-owned Assets Supervision and Administration Commission of the State Council (SASAC of the state council)
- Ministry of Industry and Information Technology (MIIT)
- Ministry of Ecology and Environment (MOEE)
- Ministry of Natural Resources
- Ministry of Commerce
- State Administration for Market Regulation
- National Energy Administration
- other provincial or local government bodies.

A6.2.1 Distortive effects of the GOC planning system

Through its various plans, the GOC can influence specific and broader trends in the steel industry, particularly around capacity and production. The GOC can ensure that these plans are followed through enforcement mechanisms. Accordingly, the Commissioner considers that the GOC's plans have caused distortive effects on the Chinese steel industry. This includes:

- contributing to excess capacity through various means, including directives to increase steel capacity
- plans and directives that lead to underperforming firms continuing to operate
- destabilising effects from short timeframes given for entities to respond to certain plans
- conflicts in the plan's directives and entity's incentives leading to limited effectiveness
- effects on production levels, and by extension, pricing.

Mechanisms through which the Commissioner considers the GOC can enforce GOC plans include the presence and role of SOEs within the broader steel industry, the role of the NDRC, and explicit enforcement mechanisms.

The GOC, where it is also the majority owner of an SOE, can exert its influence through the appointment of board directors and chief executives.¹²⁴ As discussed in appendix A6.3, SOEs' significant share of total Chinese steel production and propensity to follow

¹²⁴ D Zhang and O Freestone, '[China's unfinished state-owned enterprise reforms](#)', *Economic roundup issue 2, 2013*, the Treasury, Australian Government, 2013, accessed 25 March 2024.

government guidance and directives ensures that the GOC can influence broader trends in industry capacity and steel production. Similarly, the NDRC, through its dual role of developing planning guidelines and approving large-scale investment projects, has the capacity to ensure that the central government's objectives are implemented at the industry level.

Examples of enforcement mechanisms are reflected in the *Notice of the State Council on Further Strengthening the Elimination of Backward Production Capabilities and Guidelines*.¹²⁵ Mechanisms to address non-compliance in that State Council directive include:

- revoking of pollutant discharge permits
- restrictions on financial institutions providing new credit support
- restrictions on examination and approval of new investment projects
- restrictions on approval of new land for use by the enterprise
- restrictions on issuing of new, and cancelling of existing, production licences.

Additionally, the 15th Five-Year Plan (2026–2030), approved by the National People's Congress in March 2026 (discussed in detail below), reinforces the enforceability of GOC industrial plans. Key implementing bodies are identified as the NDRC, MIIT, and SASAC, with the NDRC continuing to regulate crude steel output and enforce capacity controls. For example, the NDRC has confirmed that during the 2026–30 period China will 'continue to regulate crude steel output' and 'prohibit the addition of illegal new [steel] capacity', effectively capping annual steel production below recent peak levels.¹²⁶

The MIIT also introduced (in late 2025) draft measures to further tighten steel capacity constraints. These include a more stringent capacity swap policy (requiring that at least 1.5 tonnes of existing capacity be eliminated for every 1 tonne of new capacity added) and a ban on new or relocated steelmaking capacity in key regions already under heavy capacity or environmental stress (such as Beijing-Tianjin-Hebei, the Yangtze River Delta, and the Fenwei Plain).¹²⁷ These measures aim to ensure a net reduction of total capacity and prevent regions with stricter environmental targets from increasing steel output.

Under the 15th FYP's emphasis on sustainability, the GOC is actively promoting green and low-carbon development in steelmaking. Policy documents encourage the accelerated expansion of EAF production (to increase the share of scrap-based steel) and the development of hydrogen metallurgy (to eventually replace some coal-based ironmaking), as pathways to reduce carbon emissions and improve energy efficiency.¹²⁸ At the same time, the 15th FYP period will see enhanced environmental regulation: China is implementing a 'dual control' system for carbon emissions, setting binding carbon-intensity targets alongside an emerging system of total-emissions control ('dual

¹²⁵ State Council, '[Notice of the State Council on further strengthening the elimination of backward production capacities](#)', State Council website (Google translate), 6 February 2010, accessed 25 March 2025.

¹²⁶ Reuters, '[China pledges to control steel output during 2026–2030 period](#)', 26 Dec 2025.

¹²⁷ Cheng Yu, '[China unveils draft rules to curb new steel capacity, tighten green standards](#)', China Daily, 27 October 2025.

¹²⁸ Ibid.

control of carbon') in key industries including steel.¹²⁹ The steel sector is being integrated into a strengthened national emissions trading scheme and is subject to increasingly strict quotas and monitoring to meet the country's 2030 carbon peaking goal.

Another significant regulatory development under the 15th FYP is the introduction of an export licensing system for steel-related products. Effective 1 January 2026, China requires export licences for over 280 categories of steel and ferroalloy products, covering the industry's entire value chain from raw materials to finished steel goods.¹³⁰ This new mechanism, implemented via a joint MOFCOM and Customs Announcement No. 79 (2025), provides the GOC with an administrative mechanism capable of constraining or pacing export flows, thereby managing domestic supply and mitigating the global impact of China's excess steel output. In practice, the licensing requirement gives the government discretion over export approvals, which could be used to slow or constrain exports in response to domestic market conditions or external trade tensions.

Finally, the GOC's plans continue to rely on the consolidation and strengthening of SOEs as a means of policy enforcement. SASAC is tasked under the 15th FYP and related directives with enhancing the efficiency, competitiveness, and strategic alignment of state-owned steel producers. Recent high-level policy statements, for example, a major CPC Central Committee resolution in July 2024, explicitly call for making *state-owned capital and enterprises 'stronger, better, and larger,' with enhanced core functions and competitiveness*.¹³¹ This policy direction has manifested in ongoing SOE mergers and restructurings in the steel industry (such as the creation and expansion of China Baowu Steel Group), which the GOC utilises to assert greater control over production and investment decisions. The strong focus on expanding and fortifying SOEs, as reaffirmed in the 15th FYP, indicates that state-owned enterprises will continue to serve as key levers for the GOC to implement its industrial policies in the steel sector.

These developments further support the Commission's view that the GOC's industrial plans are supported by administrative, financial, and regulatory measures that enable the GOC to influence market outcomes in the steel industry.

A6.2.2 Overview of GOC plans relevant to the overall Chinese economy

The following is a summary of the key themes and objectives of major GOC planning guidance and directives that affect the Chinese economy generally.

The Commission notes that this summary may not include every plan that may be relevant due to the complexity of the planning structure of the GOC and access to

¹²⁹ *Outline of the 15th Five-Year Plan for National Economic and Social Development (2026–2030)* – authorized English translation published by Xinhua, Chapter 47 ('Active and Prudent Advancement Towards Carbon Peaking'), Section 1.

¹³⁰ Ministry of Commerce & General Administration of Customs (PRC), *Announcement No. 79 [2025]* (issued 9 Dec 2025, effective 1 Jan 2026). See also: Reuters, 12 Dec 2025, '[China to regulate steel exports with licence system](#)'.

¹³¹ *Resolution of the CPC Central Committee on Further Deepening Reform Comprehensively to Advance Chinese Modernization* (adopted 18 July 2024 at the Third Plenum of the 20th CPC Central Committee), [English translation published by Xinhua on 21 July 2024](#).

relevant sources. The Commission has focused on central government plans, noting that there may be similar plans at the provincial and local government levels.

14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2035 (2021-2025)

The 14th Five-Year Plan (FYP) for national economic and social development was released on 12 March 2021, in force until very recently. The GOC provided a copy of the 14th FYP as part of RGQ 658.¹³²

This plan outlines the GOC's goals, principles and targets for infrastructure, the environment, financial services, health and social, and economic development for the 5 years to 2025. It has a strong emphasis on the modernisation and decarbonisation of the manufacturing industry through promoting green developments and a focus on capping energy utilisation. Notably, this plan includes mention of 'transforming and upgrading traditional industries', including the iron and steel industries.

The Commissioner considers that the 14th FYP affects the Chinese steel market in several ways, including:

- a push to transition away from blast-furnace based steel production to EAF
- financial support for areas of focus, including in the manufacturing sector
- a focus on building supply chains which are not subject to outside interference
- continuing reform of the state-owned sector.

Various ongoing efforts in SOE reform

Since at least 1978, the GOC has pursued reform of the state-owned sector. These reforms have progressed in several stages, with the most recent stage beginning in 2012.¹³³ A major milestone in SOE reform was the establishment of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC of the state council) in 2008.¹³⁴ Since that time, SASAC of the state council has governed the management of SOEs.

Reforms have also resulted in the promotion and consolidation of SOEs, including the build-up of the (at the time) Baosteel Group, resulting in its eventual merger with Wuhan Iron and Steel Corporation in 2016 to form China Baowu Steel Group Corporation Ltd (Baowu Group). Following the merger, Baosteel Group went from the fifth largest steel producer in the world, to the Baowu Group being the second largest in the world from 2015 to 2016. Following further mergers and acquisitions, the Baowu Group is now the largest producer of crude steel in the world.¹³⁵

¹³² EPR 658, [document no 8](#).

¹³³ Gu, T. (2024). The latest round of China's state-owned enterprise reforms: the state advances, the private sector retreats? *Cogent Social Sciences*, 10(1). <https://doi.org/10.1080/23311886.2024.2443033>.

¹³⁴ State-owned Assets Supervision and Administration Commission of the State Council (SASAC), '[What We Do](#)', SASAC website, 17 July 2018, accessed 12 December 2025.

¹³⁵ WorldSteel Association (WSA), '[World steel in Figures 2025](#)', WSA website, n.d., accessed 20 June 2025.

The significance of SOEs to the broader Chinese economy, including the steel market, is reflected in the State Council of China's *Guiding Opinion on Promoting the Structural Adjustment and Reorganization of Central Enterprises*.¹³⁶ In introducing this guidance, the State Council notes the important role of SOEs in actively promoting structural adjustment, optimisation of structural layout and quality improvement within the Chinese economy. The guidance also indicates that the State Council will deepen reform of SOE policies and arrangements to optimise state owned capacity allocation, promote transformation and upgrading. Details concerning the promotion of central enterprises restructuring and reorganisation include the 'safeguard measures' theme, the strengthening of the organisation and leadership of SOEs, strengthening of industry guidance, increased policy support and improved support measures more generally.

More recently, the *Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization* was published.¹³⁷ This resolution further reinforces the support to strengthen SOEs, stating reforms will help 'state capital and SOEs get stronger, do better, and grow bigger, with their core functions and core competitiveness enhanced.'

The Commissioner considers that the strong focus on SOE reform in China supports that SOEs continue to be a key lever for the GOC to exert control over the Chinese economy, and by extension, the Chinese steel market.

The Commission has further examined the effect of SOEs on the Chinese steel industry in appendix A6.3.

15th Five-Year Plan (under development, 2026-2030)

China's 15th FYP for national economic and social development was officially approved in March 2026 by the National People's Congress.¹³⁸ The plan builds upon the 14th FYP and continues to prioritise environmental sustainability, technological self-reliance, and high-quality development. The Commissioner considers that the 15th FYP affects the Chinese steel market in several ways, including:

- Continued enforcement of crude steel output controls, with the NDRC reaffirming its mandate to regulate production levels and maintain output below peak levels¹³⁹
- Strengthened restrictions on the addition of new steelmaking capacity, including a stricter capacity swap policy and a ban on capacity transfers in key regions¹⁴⁰
- Promotion of green and low-carbon development, including the expansion of EAF steelmaking and hydrogen metallurgy¹⁴¹

¹³⁶ SASAC, '[Guiding Opinions of the General Office of the State Council on Promoting the Structural Adjustment and Reorganization of Central Enterprises](#)', SASAC website (Google translate), 29 July 2017, accessed 1 October 2025.

¹³⁷ Xinhua, '[Resolution of CPC Central Committee on further deepening reform comprehensively to advance Chinese modernization](#)', Theory China website, 21 July 2024, accessed 3 October 2025.

¹³⁸ Global Times, '[Chinese lawmakers approve outline of 15th Five-Year Plan](#)', March 2026.

¹³⁹ Amy Lv & Ryan Woo, '[China pledges to control steel output during 2026–2030 period](#)', Reuters, 26 Dec 2025.

¹⁴⁰ Cheng Yu, '[China unveils draft rules to curb new steel capacity, tighten green standards](#)', China Daily, 27 October 2025.

¹⁴¹ Ibid.

- Enhanced environmental and carbon emissions regulations, including the implementation of dual control targets for total carbon emissions and intensity¹⁴²
- Introduction of an export licensing system for steel-related products, enabling the GOC to manage export volumes and mitigate global trade tensions¹⁴³
- Continued consolidation and strengthening of SOEs, with SASAC tasked with enhancing the competitiveness and strategic alignment of state-owned steel producers.¹⁴⁴

Each of the above policy elements is grounded in official GOC plans or directives, underscoring that the 15th FYP is an actionable framework with material implications for the Chinese steel industry. These developments further indicate to the Commission that the GOC's plans are enforceable and have a tangible impact on Chinese steel industry conditions.

As of the date of this report, no new steel-specific subplans or detailed sectoral directives under the 15th FYP have been officially released by the GOC. Instead, the Chinese steel industry is currently operating under the general policy guidance of the 15th FYP outline and the ongoing measures initiated during the 14th FYP.

A6.2.3 Overview of GOC plans relevant to the Chinese steel market

The following is a summary of the key themes and objectives of major GOC planning guidance and directives that affect the Chinese steel market specifically. Many of these plans are focused on curbing excess capacity in the steel industry, as well as managing the transition towards a green economy.

The Commission notes that this may not cover every relevant plan due to the complexity of the GOC's planning framework. The Commission has focused on central government plans, noting that there may be similar plans at the provincial and local levels.

Several plans issued by the GOC apply directly to the steel industry. These plans include, but are not limited to:

- Special Action Plan for Energy Conservation and Carbon Reduction in the Steel Industry (2024-2030): A joint NDRC-MIT-MEE-MSAMR-NEA initiative focusing on reducing energy consumption and emissions in steel production over the 2024–2030 period, aligning with China's carbon peaking and neutrality goals¹⁴⁵

¹⁴² Ministry of Commerce & General Administration of Customs (PRC), *Announcement No. 79 [2025]* (issued 12 December 2025, effective 1 January 2026).

¹⁴³ Ibid.

¹⁴⁴ *Outline of the 15th Five-Year Plan for National Economic and Social Development of the PRC (2026–2030)* – official English translation (Xinhua, March 2026), Chapter 19, Section 1.

¹⁴⁵ GOC, '[Notice from the National Development and Reform Commission and other departments on Issuing the 'Special Action Plan for Energy Conservation and Carbon Reduction in the Iron and Steel Industry'](#)', GOC website (Google translate), 27 May 2024, accessed 3 October 2025.

- Work Plan for Stabilising Growth in the Steel Industry (2025-2026): A 2-year plan issued jointly by MIIT and 4 other central departments in August 2025. It aims at ensuring the steady operation of the steel sector, curbing overcapacity, and accelerating the transition to greener and more advanced production ¹⁴⁶
- Work Plan for Stable Growth in the Steel Industry (2023-2024): An earlier short-term plan issued in August 2023 by 7 ministries (MIIT, NDRC, Ministry of Finance, MNR, MEE, MOFCOM, and GACC) with similar objectives of maintaining stable growth while managing capacity. ¹⁴⁷ Many measures in this plan (such as dynamic output control, capacity discipline, and stimulus for innovation and green upgrades) were continued and expanded under the subsequent 2025–2026 Work Plan.
- Guiding Opinion on Promoting High-Quality Development of the Iron and Steel Industry (2022): A policy directive in January 2022 by MIIT, NDRC, and MEE outlining the long-term modernisation and consolidation of the steel industry ¹⁴⁸
- 14th Five-Year Plan for the Development of Raw Materials Industries (2021-2025).¹⁴⁹

These plans reinforce that the steel industry is a key pillar industry for the Chinese national economy.

Although there have been changes over time to the GOC's goals, the broad areas of focus of these plans include:

- setting targets for growth (typically around 4% annually in value-added output), while prioritising 'reasonable growth' over sheer volume
- improving capacity regulation and output management
- stabilising raw material supply, including restrictions on exports of some raw materials
- setting energy efficiency and ultra-low emissions benchmarks for steel enterprises
- promoting upgrades to steel production to be more efficient
- improved utilisation of surplus energy and by-products in steel production
- increasing the proportion of (electric arc furnace) steel production (short-process steelmaking) and encouraging new low-carbon technologies such as hydrogen metallurgy
- promoting corporate mergers and restructures to consolidate the industry under stronger players
- promoting the elimination of 'backward' production capacity (production facilities that are below industry standard)
- financial support and tax incentives to promote implementation of these objectives.

¹⁴⁶ MIIT, '[Notice from Five Departments on Issuing the 'Work Plan for Stabilizing Growth in the Steel Industry \(2025-2026\)'](#)', MIIT website (Google translate), 22 September 2025, accessed 3 October 2025.

¹⁴⁷ MIIT, '[Notice from Seven Departments on Issuing the 'Work Plan for Stabilizing Growth in the Steel Industry'](#)', MIIT website (Google translate), 25 August 2023, accessed 3 October 2025.

¹⁴⁸ National Development and Reform Commission (NDRC), '[China issues roadmap for high-quality development of iron and steel industry](#)', NDRC website, 25 March 2022, accessed 3 October 2025.

¹⁴⁹ As of 2026, this plan has concluded with the end of the 14th FYP period. An updated raw materials industry plan has been introduced in the 15th FYP.

Implementation of these plans involves coordination between multiple areas of government including the NDRC, MIIT, MOEE, the State Administration for Market Regulation, and the National Energy Administration.

In addition to the steel-specific plans, there are several broader national plans that include the steel industry among other sectors. These include:

- *Circular Economy Development Plan for the 14th Five-Year Plan (2021-2025)*¹⁵⁰
- *14th Five-Year Plan on Developing Scrap Steel Industry (2021-2025)*
- *14th Five-Year Plan on Promoting Clean Production (2021-2025)*
- *Action Plan for Continuous Improvement of Air Quality (2023)*¹⁵¹

These plans and policy instruments echo many of the GOC's overarching goals for the steel industry. Common focus areas relevant to the steel industry include development of green steel production, promotion of the circular economy (minimising waste and maximising reuse, with an emphasis on steel scrap recycling), development of urban recycling systems, and the use of tax incentives and other financial support to encourage compliance and implementation.

The central role of the GOC in the Chinese steel industry is evident through all these planning documents and directives. By using its plans as blueprints for policy and enforcement, the GOC has materially influenced the historical and current conditions in the Chinese steel industry and its raw material markets.

A6.2.4 Effects of the GOC's plans on the Chinese steel market

The Commissioner considers that the GOC's plans have resulted in real effects on the Chinese steel market. This is most evident through the significant excess capacity within the Chinese steel industry. Excess capacity due to GOC's policies has resulted in the following ways:

- **Restriction of free-market forces in industry development:** The direction of the GOC's plans and the extensive involvement of the state in the steel sector, have restricted the ability of free-market forces to shape the industry's development. The substantial level of GOC intervention – through planning targets, administrative guidance, and support measures – has led to a situation in which the Chinese steel industry is dominated by SOEs (see Table 26). SOEs are more likely to adhere to GOC plans and directives, and their dominance (due to their size and government backing) leaves little room for market-driven decisions by non-SOEs to influence outcomes independently of state influence

¹⁵⁰ NDRC, '[Notice on Issuing the 14th Five-Year Plan for Circular Economy Development](#)', NDRC website (Google translate), 7 July 2021, accessed 6 October 2025.

¹⁵¹ State Council, '[Notice from the State Council on Issuing the Action Plan for Continuous Improvement of Air Quality](#)', State Council website (Google translate), 7 December 2023, accessed 9 October 2025.

- **Contradiction between stated policy aims and actual outcomes:** Many of the GOC's recent plans profess aims such as reducing excess capacity and lowering carbon emissions (for example, by closing or converting blast furnace-basic oxygen furnace (BF-BOF) capacity and replacing it with EAF capacity). However, the actual effect of these plans to date has fallen short of those aims. As evidenced by industry data (see Figure 13), there has been limited success in reducing total capacity. In practice, China's crude steel production has remained at very high levels. For instance, crude steel output in 2025 was slightly lower than its peak but still on the order of 1 billion tonnes (a volume consistent with persistent oversupply) and China's steel exports reached record highs in that year.¹⁵² This outcome illustrates the ongoing gap between the GOC's stated goals (to cut excess capacity and rebalance the industry) and the reality of continued high production and capacity.¹⁵³

The GOC has itself acknowledged this contradiction. In August 2024, the authorities suspended all new steelmaking project approvals to provide time to review and adjust policies aimed at reducing overcapacity.¹⁵⁴ Subsequently, as part of the 15th FYP initiatives, stricter capacity control measures were introduced. In late 2025, the MIIT issued draft revised capacity replacement rules to reinforce capacity discipline. These proposed rules would, among other things, ban new steel capacity in key regions, strictly limit capacity transfers between regions, and increase the minimum ratio of old capacity that must be eliminated when installing new capacity (generally a 1.5:1 retirement-to-new ratio, higher than previous requirements).¹⁵⁵ These steps underscore the GOC's determination to correct the course where earlier policies did not fully achieve the intended capacity reductions.

Despite these interventions, significant excess capacity remains a feature of the Chinese steel market. Financial assistance from the GOC, such as below-market-interest loans, bonds, and grants, has allowed many steel firms to continue operating even under conditions that would likely force a free-market firm to cut production or exit. This is particularly the case for large SOEs, which have been found to be the main recipients of such support.¹⁵⁶ Without this assistance, many SOEs would experience substantially reduced performance or commercial viability.¹⁵⁷ Instead, government support has often been used by firms to upgrade or replace ageing infrastructure without substantially downsizing. Old facilities may be closed, but they are frequently replaced with new ones

¹⁵² Reuters, '[China's crude steel output hits seven-year low in 2025 despite record exports](#),' Economic Times Manufacturing, 19 January 2026.

¹⁵³ Transition Asia, '[China's pause on steel policies marks an opportunity on low carbon production](#),' September 2024.

¹⁵⁴ J Ling, '[Pause on steel projects shows challenges of China's green transition](#)', Dialogue Earth website, 12 November 2024, accessed 9 October 2025.

¹⁵⁵ China Daily, '[China unveils draft rules to curb new steel capacity, tighten green standards](#),' 27 October 2025.

¹⁵⁶ OECD (2024), "Quantifying the role of state enterprises in industrial subsidies", OECD Trade Policy Papers, No. 282, OECD Publishing, Paris, <https://doi.org/10.1787/49f39be1-en>, Figure 2.

¹⁵⁷ OECD (2024), "Quantifying the role of state enterprises in industrial subsidies", *OECD Trade Policy Papers*, No. 282, OECD Publishing, Paris, <https://doi.org/10.1787/49f39be1-en>, Figure 8.

of equal or greater capacity (albeit more efficient and less polluting).¹⁵⁸ While this process improves environmental performance on a per-unit basis, the fundamental problem of excess capacity is not resolved if the total capacity does not meaningfully decline.

The consolidation of SOEs through successive waves of SOE reform has also tended to maintain or even increase overall capacity. The GOC has often pursued mergers and acquisitions, consolidating those smaller firms into larger entities, rather than allowing them to shut down entirely. This approach has sometimes led to greater combined capacity under the new consolidated enterprises. The clearest example is the creation and expansion of China Baowu Steel Group: Baowu was formed by the merger of Baosteel and Wuhan Iron & Steel in 2016, becoming the world's second largest steel producer at that time. Following further state-driven mergers and acquisitions (absorbing several other steel producers), Baowu Group is now the largest producer of crude steel in the world.¹⁵⁹ This consolidation has not reduced China's total steel capacity; instead, it has concentrated capacity under state-controlled firms. The strong focus on strengthening and expanding SOEs, as reaffirmed in recent policy statements and the 15th FYP, indicates that this pattern (state-led consolidation rather than widespread capacity liquidation) will continue.

In summary, the GOC's plans and the way they are enforced have materially influenced conditions in the Chinese steel market. These plans have encouraged high levels of production capacity (often more than what purely market-driven demand would dictate) by shielding the industry from some market pressures and by actively directing its development. The result has been a steel industry characterised by chronic excess capacity and state-supported supply, which in turn has influenced steel prices domestically and internationally. This is evident in the need for administrative measures to curb output and the continued presence of surplus production seeking outlets (such as export markets). The Commissioner considers that the intersection of GOC policy aims and their implementation, including the paradox between capacity reduction goals and growth/support measures, has significantly contributed to the sustained excess capacity and associated market distortions in the Chinese steel industry.

A6.3 State ownership in the Chinese steel industry

The Commissioner considers that SOEs make up a significant part of the Chinese steel industry. The Commission identified that, for the largest 10 Chinese steel firms by production, 70% of production was by SOEs in 2024. Crude steel production by these 6 SOEs alone accounted for 30% of total crude steel production in China in 2024. Table 26 outlines the 10 largest steel producing companies in China as well as whether they are state-owned.

¹⁵⁸ A Price, R DeFrancesco, III and A Teslik, '[Shell Game: Case Studies in Chinese Steel Subsidies](#)', Wiley Rein LLP, 2024, accessed 26 June 2025.

¹⁵⁹ World Steel Association. (2024, June). *World Steel in Figures 2024*. As cited in SEAIISI. China's Baowu retains the largest steelmaker spot in 2023. <https://www.seaisi.org/details/24848?type=news-rooms>.

Company or group	State-owned	Crude steel production (MMT)
China Baowu Group	Yes	124.76
Ansteel Group	Yes	57.61
HBIS Group	Yes	42.49
Shagang Group	No	39.10
Jianlong Group	No	38.02
Delong Steel	No	32.03
Shougang Group	Yes	30.23
Jingye Group	No	23.91
Hunan Steel group	Yes	22.60
Shandong Steel Group	Yes	18.26
Total SOEs in Chinese top 10		307.84
Total Chinese top 10		439.48
Total China		1,005.10

Table 26: Largest 10 Chinese steel firms by production in 2025¹⁶⁰

The OECD has found that state enterprises can benefit from certain advantages, including:

- direct and indirect subsidies, which increase with the extent of state ownership
- non-neutral application and enforcement of competition rules
- discriminatory public procurement rules and practices
- forced technology transfers.¹⁶¹

The OECD has also found that ‘*despite benefiting from these advantages, data indicate that SEs [state enterprises] tend to underperform financially, as assessed by their returns on assets and equity, which often decline with the proportion of company shares held by state entities.*’

A6.3.1 Distortive effects of state ownership

In addition to the effects of the various GOC policies described in appendix A6.2, the Commissioner considers that SOEs can distort conditions in the Chinese steel market in the following ways:

- GOC support allows SOEs to develop production capacity
- SOEs can operate on non-commercial terms for extended periods, contributing to excess capacity
- SOEs are insulated from free-market price and profit signals

¹⁶⁰ WorldSteel, ‘[World Steel in Figures 2025](#)’, WorldSteel website, June 2026, accessed 16 September 2026. The commission has used publicly available information to determine whether entities are SOEs.

¹⁶¹ OECD (2024), ‘Quantifying the role of state enterprises in industrial subsidies’, *OECD Trade Policy Papers*, No. 282, OECD Publishing, Paris, <https://doi.org/10.1787/49f39be1-en>. The OECD uses the term ‘state enterprise’ over ‘state-owned enterprises’.

- Difficulty of private enterprises to compete and ‘level the playing field’.

The Commission does not consider that the presence of SOEs alone causes market distortions. However, the Commission does consider that the presence of SOEs is likely to result in adherence with the GOC’s plans and directives. The Commission also considers that the support provided to SOEs by the GOC has enabled many of them to be operated on non-commercial terms for extended periods, significantly impacting supply and pricing conditions within the domestic Chinese steel market.

A6.3.2 Support provided to SOEs

The Commission has previously found that the support provided to SOEs by the GOC has enabled many of them to be operated on non-commercial terms for extended periods, significantly impacting supply and pricing conditions within the domestic Chinese steel market.¹⁶²

The Commissioner considers that this support is both financial and in other forms.

Financial support

A large degree of the support provided to SOEs is in the form of financial support.

The various ways the GOC financially supports SOEs acts to ‘reduce the normal commercial pressures for companies to operate efficiently and for poorly performing firms to cut back or cease operations’.¹⁶³

Examples of the financial support mechanisms that enabled SOEs to sustain ongoing operational losses include government subsidies, support from associated enterprises (through direct subsidy, interest-free loans or provision of loan guarantees) and loans from state-owned banks.¹⁶⁴ A direct example of the support provided to SOEs in the Chinese steel market is that of Baowu Group. Fitch Rating agency has found that Baowu Group’s precedent of support was ‘Very Strong’, due to both the significant state-support provided during Baowu Group’s creation in 2016 and continued support to boost Baowu Group’s operating scale.¹⁶⁵

The OECD had found that SOEs in China are larger recipients of subsidies than other China-based firms.¹⁶⁶ These subsidies were broadly categorised into grants, income-tax concessions, and below-market borrowings.

¹⁶² DIIS, [Analysis of steel and aluminium markets: report to the Commissioner of the Anti-Dumping Commission](#), Anti-Dumping Commission, DIIS, Australian Government, 2016, p 47 (*Commissioner’s steel report*).

¹⁶³ DIIS, [Commissioner’s steel report](#), pg 59.

¹⁶⁴ Liu and Song, ‘Issues and prospects for the restructuring of China’s steel industry’, pg 348.

¹⁶⁵ Fitch Ratings, [Rating report - China Baowu Steel Group Corporation](#), Fitch Ratings website, 24 February 2025, accessed 25 September 2025.

¹⁶⁶ OECD (2024), “Quantifying the role of state enterprises in industrial subsidies”, *OECD Trade Policy Papers*, No. 282, OECD Publishing, Paris, <https://doi.org/10.1787/49f39be1-en>, Figure 5.

In relation to loans, the OECD has found that SOEs have better access to borrowing relative to private firms.¹⁶⁷ Further, a summary of evidence by the European Commission (EC) identified persistent deferred or reduced loans in China, including to SOEs, in spite of GOC plans to reduce such practices.¹⁶⁸ The lack of enforcement of bankruptcy law is also an indirect form of financial support. The EC found that many instances of defaults or near-defaults of SOEs have been handled in ways which result in restructuring or eventual recovery, resulting in a maintenance of capacity.¹⁶⁹ These restructurings or recoveries were ‘achieved without entering into any court-administered bankruptcy proceedings.’ The benefits of these factors for SOEs result in an overall lower risk spread on debt for SOEs, based on implicit guarantees of support by the GOC.¹⁷⁰

Other forms of support

As highlighted by the OECD, SOEs can receive other non-financial means of support. The OECD found that the application of competition rules varies between SOEs and private enterprises. A comparison found that of the 22 merger and acquisition approvals involving central SOEs, only one was not approved unconditionally.¹⁷¹ This is contrasted to 3 prohibited mergers and 59 approved subject to remedies involving private enterprises.¹⁷² In the case of the merger of various enterprises in the formation of the Baowu Group, this resulted in the creation of the largest steelmaker in the world, with the ability to have a significant influence over both the Chinese and global steel markets. This is contrasted to the proposed merger between Shougang Corporation and Hesteel Group Co., Ltd, allegedly prohibited on the basis that there was ‘neither an agenda nor a directive for that in the State Council document’.¹⁷³

A report by Wiley found that SOEs also receive support in the form of bailouts and acquisitions. A case study by Wiley found that struggling firms were brought into state-ownership through a complex restructuring process.¹⁷⁴ This had the effect of ‘bailing out’ the struggling firm through acquiring it, characterised by frequent use of revised loan terms and debt/equity exchanges.

Outcomes of support

The Commissioner considers that the support provided to SOEs in the Chinese steel industry has, and continues to, contribute to excess capacity. GOC support allows SOEs to operate in non-commercial ways, which results in SOEs continuing when they may

¹⁶⁷ OECD (2024), “Quantifying the role of state enterprises in industrial subsidies”, *OECD Trade Policy Papers*, No. 282, OECD Publishing, Paris, <https://doi.org/10.1787/49f39be1-en>, 78.

¹⁶⁸ European Commission (EC), [Commission staff working document: on significant distortions in the economy of the People's Republic of China for the purposes of trade defence investigations](#), SWD (2024) 91 final, EC, European Union Government, 10 April 2024, accessed 3 June 2024, pp 178–179, 308–309 (EC report 2024).

¹⁶⁹ EC Report 2024, pg 178.

¹⁷⁰ OECD (2024), *Quantifying the role of state enterprises in industrial subsidies*, pg15, pg 78, and Figure 3.

¹⁷¹ OECD (2024), *Quantifying the role of state enterprises in industrial subsidies*, pg15 -17.

¹⁷² OECD (2024), *Quantifying the role of state enterprises in industrial subsidies*, pp 18-19.

¹⁷³ EC Report 2024, pg 400.

¹⁷⁴ Wiley, *Shell Game: Case Studies in Chinese Steel Subsidies*, Chapter I: Bailouts and Acquisitions.

otherwise have been closed in a more competitive market. This results in the non-commercial capacity remaining, despite the GOC's plans to reduce capacity.

Examples of the outcomes of the non-commercial terms that SOEs operate under include findings from the OECD that:

- performance with and without subsidies is poorer for SOEs compared to private enterprises¹⁷⁵
- SOEs are less profitable per capacity than private enterprises and have higher levels of debt.¹⁷⁶

A6.3.3 Role of the GOC in private firms

The Commissioner found in REP 632 that, while not expressly compulsory under law, private firms engage with the policies and objectives of the GOC by aligning their commercial interests with industry directives. Private firms also appointed party members on supervisory boards where relevant. An example of a private firm engaging in GOC policies is from Shagang Group, stating 'In the future, Shagang Group will conscientiously implement the State policy concerning the steel industry development.'¹⁷⁷

The Commission also notes that overcapacity arising from GOC influence impacts the overall market in ways that put downward pressure on prices, as do the unprofitable sales of firms (often SOEs) transacting at losses in the Chinese steel market. The high level of government intervention in the steel industry (in part due to the high share of SOEs) means that privately-owned enterprises are prevented from operating under market conditions.

A6.4 Subsidies

In general, the OECD has found that Chinese steel firms receive 5 times as much subsidisation as OECD partner countries.¹⁷⁸ The OECD MAGIC database similarly shows that between 2010 and 2024, Chinese steelmakers received considerably more subsidies than the rest of the world in both relative and absolute terms.

Between 2021 and 2024, subsidies as a percentage of annual firm revenue have surged, rising to approximately 4.0%. Figure 15 shows the trend in absolute terms:

¹⁷⁵ OECD Policy Paper, *Quantifying the Role of State Enterprises in Industrial Subsidies*, Figure 8.

¹⁷⁶ OECD Policy Paper, *Quantifying the Role of State Enterprises in Industrial Subsidies*, Figures 6 and 7.

¹⁷⁷ Shagang Group, [Group Brief Introduction](#), Shagang Group website, n.d., accessed 26 June 2025.

¹⁷⁸ OECD, *Steel Outlook 2025*, Figure 3.4.

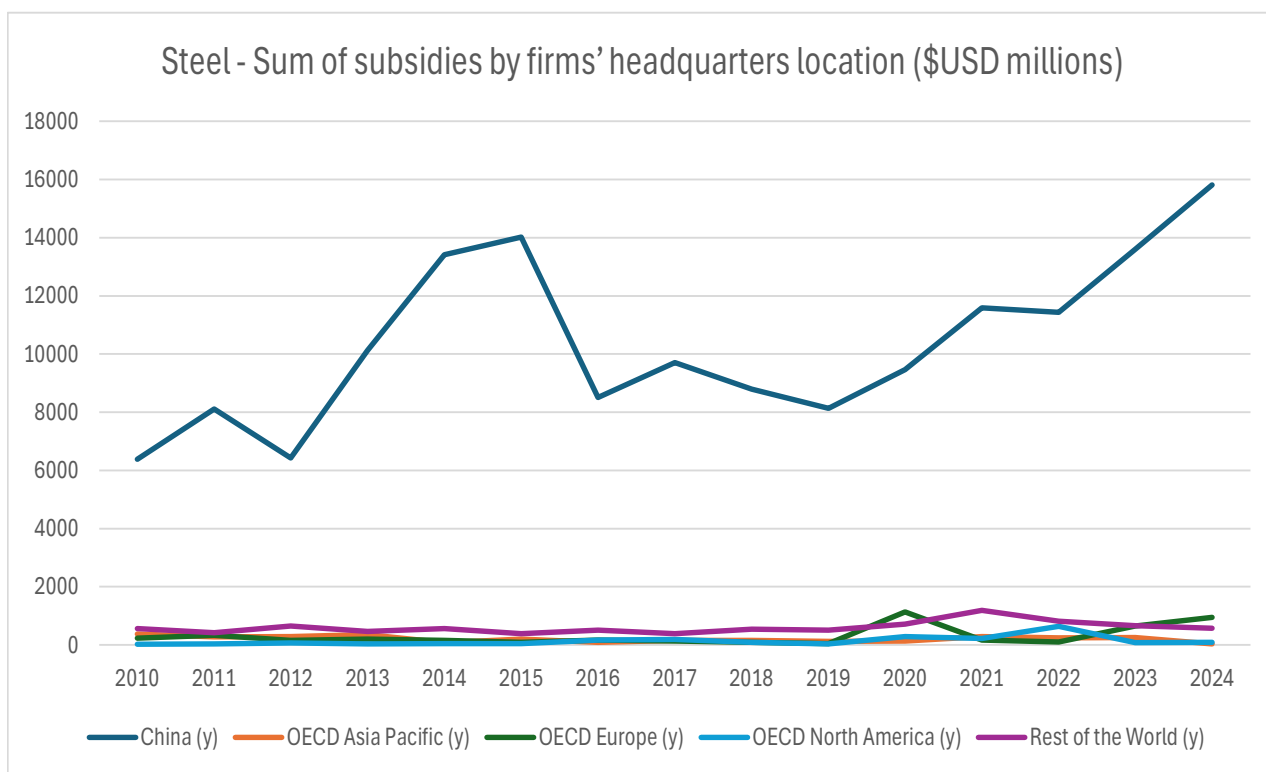


Figure 15: China's crude steel production, apparent steel use and sector profits

The 3 main forms of subsidisation are below-market borrowings, income-tax concessions, and grants.

A6.4.1 Distortive effects of subsidies

The primary effect of subsidisation of the Chinese steel industry is the continuation of excess capacity. Subsidisation allows for steelmakers to invest in capacity or to remain operational even under non-commercial terms. The OECD found that subsidisation may generate a misleading view of firm performance, for example, it can lead to profit levels which would not occur without subsidisation.¹⁷⁹

The Commissioner considers that subsidisation extends to other companies within the Chinese steel market, including companies who sell raw materials and utilities to manufacturers. Accordingly, the effects of subsidisation on the Chinese steel market are broader than the exporter-specific subsidisation that may be the subject of countervailing duties.

Below-market finance

According to OECD research, below-market borrowings are the largest form of subsidisation as a percentage of revenue in China.¹⁸⁰

Below-market finance can take the form of either below-market borrowings (BMB) where a government provides support through debt financing, or below-market equity (BME)

¹⁷⁹ OECD, *Quantifying the role of state enterprises in industrial subsidies*, Figure 8.

¹⁸⁰ OCED, *Quantifying the role of state enterprises in industrial subsidies*, Figure 5.

where a government provides equity finance on terms that are inconsistent with market principles. BMB enables companies to obtain debt financing on terms that are more favourable than those available on the market – for example, preferential interest rates or government loan guarantees. BME is the provision of equity on non-market terms – for example, government equity infusions or below-market equity returns.¹⁸¹ Below-market finance has the effect of reducing companies' cost of capital.

BMB subsidies are the primary form of subsidisation in the Chinese steel sector and the OECD MAGIC database shows that BMB subsidies as a percentage of annual firm revenue surged between 2021 and 2024.¹⁸² Chinese steel producers receive significantly more BMB subsidies than steelmakers in the rest of the world, in both nominal terms and as a percentage of annual firm revenue.¹⁸³ The prevalence of BMB in the Chinese steel sector reflects the sectors reliance on debt financing and the capital-intensive nature of steel production.

The OECD found that movements in steelmaking capacity tracked with below-market borrowings for the steel industry in China.¹⁸⁴ Moreover, the OECD has found examples of financing on non-market terms have been provided to firms that have high debt-to-asset ratios.¹⁸⁵ This has the effect of 'propping up' firms that may otherwise be underperforming, leading to those firms' capacities remaining when they may otherwise have been reduced. Due to the pervasiveness of BMB throughout China, this has the observable effect of perpetuating the issue of excess capacity.

In relation to the Chinese steel industry, BMB is the more relevant factor, as steelmakers typically rely more on debt finance as opposed to equity finance. However, the OECD has found that steel firms had benefited from BME.¹⁸⁶

Grants

As grants are often specific in their focus, the overall effects on firms can be limited.¹⁸⁷ However, the Commissioner considers that grants are a clear indicator of the GOC's incentives to implement the GOC's plans, for example, grants may be provided to reduce emissions.

Income-tax concessions

The OECD found that income-tax concessions appear to benefit SOEs and private firms equally.¹⁸⁸ Income-tax concessions are also the lowest form of subsidisation as a percentage of revenue in China, compared to below-market finance and grants.¹⁸⁹ Further, tax concessions are limited in respect of the Chinese steel industry due to the nature of the steel industry. The steel industry is a heavy industry, characterised by being

¹⁸¹ OECD, *Measuring distortions in international markets: below market finance*, pg 5.

¹⁸² OECD, *OECD MAGIC Database of Industrial Subsidies*, June 2026, pp. 36-38.

¹⁸³ OECD, *OECD MAGIC Database of Industrial Subsidies*, Figure A.23 Steel – subsidies by firms headquarters location, pg 37.

¹⁸⁴ OECD, *Measuring distortions in international markets: below market finance*, Figure 21.

¹⁸⁵ OECD, *Measuring distortions in international markets: below market finance*, pg 36.

¹⁸⁶ OECD, *Measuring distortions in international markets: below market finance*, Figure 17.

¹⁸⁷ OECD, *The market implications of industrial subsidies*, para 54.

¹⁸⁸ OECD, *Quantifying the role of state enterprises in industrial subsidies*, pg 6.

¹⁸⁹ OECD, *Quantifying the role of state enterprises in industrial subsidies*, Figure 5.

energy-intensive and reliant upon debt financing which generally leads to receiving more BMB.¹⁹⁰

The Commissioner considers that tax concessions have an effect of creating incentives for firms to move to specific locations, for example, the Commission has previously found that that preferential tax policies exist for enterprises located in certain zones.¹⁹¹

A6.5 GOC involvement in raw material markets

Based on the information provided by the cooperating exporters, the Commissioner considers that the main raw material involved in the production of steel mesh sheets is RIC.¹⁹² RIC is produced primarily from steel billet which is produced from the following key raw materials:

- iron ore
- coal (thermal and coking)
- steel scrap
- electricity.¹⁹³

The GOC's involvement in the markets for the raw materials used in steel production primarily has the effect of distorting prices for those raw materials. This has the cumulative effect of reducing the cost inputs into steel production, thereby reducing the cost of production for steel. The Commissioner considers that the resulting raw material prices are below those that would have prevailed under normal competitive market conditions.

This is supported by findings by the EC, which considers that 'overall, consistent government intervention in the steelmaking raw materials market exists for the benefit of the steel industry and it has market-distortive effects.'¹⁹⁴ The EC has further found 'significant State interference including in relation to the costs of raw materials as these were not the result of free market forces they are affected by substantial government intervention.'¹⁹⁵ The Commission's analysis supports this conclusion.

A6.5.1 Iron ore

The Commissioner considers that the GOC's influence over the domestic iron ore market was limited in the period preceding the investigation period. Historically, iron ore pricing into China was largely determined through direct commercial negotiations between global mining companies and domestic steel producers. Under this market structure, steel producers were exposed to fluctuations in iron ore spot prices, particularly during periods of increased steel demand.

¹⁹⁰ OECD, *How governments back the largest manufacturing firms*, pg 12 and Figure 1.

¹⁹¹ [EPR 322, no 55, Anti-Dumping Commission Report 322](#), Table 1.

¹⁹² RIC or rod in coil can also be referred to as 'wire rod'.

¹⁹³ These are the primary raw materials used in BF-BOF steel production. EAF steel production does not use iron ore or coal.

¹⁹⁴ EC Report 2024, pg 408.

¹⁹⁵ EC Report 2024, pg 407.

More recent developments, however, indicate a shift in procurement arrangements affecting iron ore supply into China. The Commissioner considers that the GOC has taken steps to increase its involvement in iron ore procurement through the establishment of state-directed coordination mechanisms.

The most notable of these is the establishment of China Mineral Resources Group Limited (CMRG) in 2022. CMRG is a SOE described as being 'dedicated to delivering secure, sustainable raw material supply services and tailored solutions for industries like steel.'¹⁹⁶ The Commissioner considers that CMRG was established, in part, to address China's strategic vulnerability in iron ore sourcing, particularly its reliance on imports from global mining companies and traders. In this context, the establishment of CMRG reflects the GOC's intention to exercise greater influence over iron ore procurement through a more centralised coordination framework.¹⁹⁷

CMRG's influence in the Chinese iron ore market was not immediate.¹⁹⁸ However, available evidence indicates that CMRG has become increasingly prominent in iron ore procurement arrangements over time. Bloomberg has reported that CMRG represents more than half of Chinese steelmakers in negotiations with major iron ore suppliers and has displaced a share of private trading activity.¹⁹⁹

Public reporting further indicates that, in the context of negotiations with suppliers, CMRG has at times coordinated purchasing arrangements relating to particular iron ore products. These arrangements have reportedly been associated with stockpiling activity and logistical effects observed at Chinese ports.²⁰⁰ The Commissioner considers that this reporting is consistent with the broader pattern of centralised procurement and coordination, rather than isolated or ad hoc commercial conduct.

Bloomberg has also reported that CMRG has a greater tolerance for losses due to its state ownership and that, as its presence has expanded, established private trading houses have retreated from the market.²⁰¹ Bloomberg further reported in June 2025 that none of the major global iron ore miners had entered into long-term supply contracts with CMRG at that time, which appears to remain the case based on more recent reporting.²⁰² That reporting also noted that CMRG has engaged in spot market transactions involving iron ore sourced from Brazilian miner Vale. More recently, CMRG reportedly suspended shipments of iron ore from BHP in the context of stalled negotiations relating to currency

¹⁹⁶ China Minerals, www.cmr-co.com, China Minerals website (Google translate), n.d., accessed 15 October 2025.

¹⁹⁷ Baidu, China Mineral Resources Group Co., Ltd, Baidu website (Google translate), n.d., accessed 30 July 2025.

¹⁹⁸ T Parker, '[China iron ore buyer yet to deliver lower prices](#)', *Australian Resources & Investment*, 29 May 2023, accessed 30 July 2025.

¹⁹⁹ K Gemmell, A Cang, '[Xi's giant iron ore trader is shaking up a \\$130 billion market](#)', *MINING.COM (via Bloomberg)*, 19 June 2025, accessed 30 July 2025.

²⁰⁰ See, for example, East Asia Forum, '[China moves to regain iron ore market power](#)', 12 December 2025.

²⁰¹ Bloomberg (via Mining.com), '[Xi's giant iron ore trader is shaking up a \\$130 billion market](#)', 19 June 2025.

²⁰² K Gemmell, A Cang, '[China's giant iron ore trader expands clout selling Vale cargoes](#)', *MINING.COM*, 5 September 2025, accessed 15 October 2025.

arrangements and long-term supply contracts.²⁰³ These restrictions were eased in April 2026 and negotiations were resolved with an undisclosed deal between CMRG and BHP.²⁰⁴

The Commission notes that the relevance of these matters lies in their contribution to the broader market structure affecting steel input procurement, rather than in any individual commercial transaction or negotiated outcome.

Taken together, these matters reinforce the Commission's view that iron ore procurement in China is shaped by state direction and centralised purchasing mechanisms that are capable of influencing raw material cost formation and contributing to conditions that depart from normal market operation.²⁰⁵

A6.5.2 Coal

The Commissioner considers that the price of coal within China is influenced by the GOC. This influence has resulted in a situation of oversupply of coal within China leading to decreased pricing.²⁰⁶

Coal is used in two main forms for blast furnace steel production – as fuel for the blast furnace and as an agent to remove oxygen from iron ore. Coal is primarily used in the production of molten iron before it is turned into steel.

Coal has historically been an important industry over which the GOC desires 'absolute control'.²⁰⁷ The GOC exercises control over the Chinese coal industry in the following ways:

- Requirements for export licencing for coke and coking coal.
- Limits on the production volume of coal.
- Various forms of subsidisation.
- Significant presence of SOEs.

The Commissioner considers that export licence requirements for coke and coking coal have the effect of limiting exports of those products. By limiting the export of coal, the GOC can ensure that more is available for domestic use, decreasing domestic prices.

The GOC has taken steps to try to reduce the oversupply of coal in the Chinese market, including production caps and closing of mines. Despite these efforts, there have been

²⁰³ J Pao, '[China's cargo ban gives new meaning to BHP's 'Broken Hill' origin](#)', *Asia Times*, 1 October 2025, accessed 15 October 2025.

²⁰⁴ This reporting is cited for context only and is not determinative of the commission's findings. Regarding the resolution of CMRG and BHP dispute, see: Peter Ker, Mark Wembridge, '[BHP's price deal with China leaves mark on rivals and minnows alike](#)', *Australian Financial Review*, 3 May, 2026, accessed 22 May 2026.

²⁰⁵ International trade authorities have recognised that state-directed coordination and allocation of key production inputs may give rise to distorted prices and costs, and the commission refers to such international practice by way of comparative context only.

²⁰⁶ H Yermolenko, '[Coking coal prices in China fall amid oversupply](#)', *GMK Centre*, 29 May 2025, accessed 16 June 2025.

²⁰⁷ EC Report 2024, pg 210.

times where the GOC has reversed its policy and instead moved to increase production. This occurred following increases in coal prices in 2021, when the GOC gave permission to re-open previously closed mines in order to increase production and lower prices.²⁰⁸ There are also reports that mines have been exceeding production caps, with the National Energy Administration carrying out inspections to address overmining.²⁰⁹

The GOC provides substantial subsidies to the coal sector in China. The EC found that these subsidies occur in various forms including temporary tax and fee relief, investment in fixed assets, compensation for mines shut down under phase-out plans, VAT rebates, direct subsidies to listed coal companies, methane production subsidies, R&D support, and funding for exploration.²¹⁰ The scale of these subsidies was found to have effectively reduced Chinese coal prices by 4.2% in 2020, while increasing production by 7.6%.²¹¹

The EC found that SOEs represent 88% of assets in the mining and washing of coal industry.²¹² As detailed in A6.3.2, SOEs receive more support from the GOC, and are more likely to implement the GOC's plans and targets. The Commissioner considers this has the effect of perpetuating the situation of overcapacity.

A6.5.3 Steel scrap

The Commissioner considers that the domestic steel scrap market has been distorted by the influence of the GOC. The Commissioner considers that the GOC has distorted the steel scrap market in China in the following ways:

- Plans and directives from the GOC to encourage steel scrap utilisation.
- Duties on the export of steel scrap.
- Control over which entities can process steel scrap.
- Participation of SOEs in the steel scrap industry.

Many of the plans and directives discussed in appendix A6.2 serve to increase and improve steel scrap resource utilisation. As discussed in that chapter, as part of the move to green steel, the GOC aims to replace BF-BOF steel production with EAF. As EAF production requires steel scrap as the main raw material, this necessitates high scrap utilisation.

As part of its efforts to support the amounts of steel scrap required, the GOC has implemented a 40% export duty on steel scrap.²¹³ The high level of duty serves to

²⁰⁸ EC Report 2024, p 290.

²⁰⁹ Bloomberg News, '[China launches inspections to halt excessive coal production](#)', *MINING.COM*, 22 July 2025, accessed 1 August 2025 and REQ – September 2025, section 4.3.

²¹⁰ EC Report 2024, p 293.

²¹¹ S McFarlane, '[Explainer: Global fossil fuel subsidies on the rise despite calls for phase-out](#)', *Reuters*, 23 November 2023, accessed 10 November 2025.

²¹² EC Report 2024, p 354.

²¹³ Ministry of Finance of the People's Republic of China (MOFC), '[Announcement of the State Council Tariff Commission on the Tariff Adjustment Plan for 2025](#)', MOFC website (Google translate), 2025, accessed 25 June 2025, Attachment 3: Export Tariff Rate Table.

discourage exports of steel scrap and instead serve to increase domestic supply. The GOC has also set targets for the amount of steel scrap utilised.²¹⁴

The GOC also sets the criteria for entry into the steel scrap processing industry. Qualified enterprises can enjoy preferential policy benefits, including a 30% VAT refund.²¹⁵ This serves to reduce the operating costs of steel scrap processors.

China Resources Recycling Group Co., Ltd was created in October 2024 to build a national platform for recycling and reusing resources.²¹⁶ Baowu Group holds a 20% share in the group, with other SOEs holding the remaining shares. Although the group has only been recently established, the Commissioner considers that this demonstrates the GOC's ability to influence the steel scrap market in China through centralising control.

A6.5.4 Electricity

The Commissioner considers that the Chinese electricity market was distorted during the investigation period.

The electricity market in China is characterised by strong involvement of SOEs in various stages of the supply chain.²¹⁷

The Commission notes that this strong state presence is not confined to the electricity market but extends across the broader energy sector. Energy production, transmission and distribution in China are dominated by centrally and provincially owned energy SOEs, through which both national and provincial governments exert influence over market outcomes. Of the 96 centrally owned SOEs currently overseen by the State-owned Assets (SASAC), 18 operate in the energy sector.²¹⁸ The EC has found that approximately 50% of China's power generation capacity is state-owned. In addition, almost the entire electricity transmission grid is owned and operated by 2 SOEs: the State Grid Corporation of China and the China Southern Power Grid.²¹⁹

A6.5.5 Steel rod in coil

The Commissioner considers that RIC is the primary processed steel input used in the production of steel mesh sheets and represents a substantial proportion of total steel mesh manufacturing costs. RIC is manufactured using steel billets, the forging and heat-treatment processes required to produce RIC rely on billets of specific steel grades, diameters, and metallurgical properties. As such, distortions affecting the Chinese billet market translate directly into distortions in the cost of manufacturing steel mesh. Consistent with the findings of REP 632 into railway wheels (and previously in REP 564

²¹⁴ For example, the 14th FYP for the Development of the Circular Economy sets a steel scrap utilisation target of 320 million tonnes.

²¹⁵ A Shi, '[China's MIIT announces 13th bath of qualified ferrous scrap suppliers](#)', *MySteel*, 5 November 2025, accessed 10 November 2025.

²¹⁶ State Council, '[A new state-owned enterprise, China Resources Recycling Group Co., Ltd., was established](#)', State Council website (Google translate), 18 October 2024, accessed 11 November 2025.

²¹⁷ EC Report 2024, p 265.

²¹⁸ *Ibid.*

²¹⁹ M Walker, '[Electricity Transmission and Distribution in China – Market Research Report \(2015-2030\)](#)', *IBISWorld*, July 2025, accessed 3 November 2025.

into steel rod in coil) from China, the Commissioner considers that prices for billet in China during the investigation period did not reflect normal market conditions and were materially influenced by distortions present in the broader Chinese steel industry.

The Commission notes that billet production in China is predominantly undertaken by blast furnace–basic oxygen furnace (BF–BOF) operations, which must operate continuously and are therefore unable to adjust production in response to demand fluctuations. These technical and economic constraints contribute to chronic oversupply conditions, exacerbated by the excess steel capacity discussed in A6.1.2.

The GFSEC reported that global steel excess capacity increased by 5.6% in the first half of 2025, with the expansion driven primarily by China.²²⁰ This reflects a broader structural imbalance in the global steel market in which production capacity continues to grow despite weakening demand conditions.²²¹ According to the GFSEC Bulletin, excess capacity rose by 15.9 MMT (million MT) compared to the first half of 2024, and China alone accounted for 134.8 MMT of the world's excess capacity during this period. This is equivalent to 45% of the global capacity–demand gap, up from 38.4% a year earlier.²²² China's scale, combined with continued capacity additions and subdued domestic demand, means its output decisions have disproportionate influence on global steel balances.

The Commissioner considers that this persistent oversupply exerts systemic downward pressure on billet prices. When global supply materially exceeds global demand, marginal producers, particularly in export-oriented economies, offload surplus tonnage into international markets at lower prices. The Commission further assesses that such oversupply would not have occurred to the same extent under market-driven production incentives. Instead, it is amplified by government interventions in several high-capacity jurisdictions, which influence production, investment and capacity decisions. This distortionary dynamic contributes directly to sustained global oversupply and suppressed billet prices, affecting both upstream and downstream steel markets worldwide.

The Commission also notes that SOEs, which hold a significant share of steelmaking and billet capacity, can continue operating on non-commercial terms due to the support mechanisms outlined in appendix A.6.4. The OECD has found that Chinese steel firms receive subsidies, particularly in the form of below-market financing, at levels significantly higher than those received by producers in OECD countries, enabling loss-making firms to remain operational.²²³ In the context of billet, this support reduces the effective cost base of production and facilitates the continued operation of inefficient or unprofitable capacity. This prevents the market from correcting through natural capacity reduction and results in billet prices that are not cost-reflective.

Industry reporting indicates that Chinese steelmakers have increasingly relied on the production of semi-finished steel products, such as billets, to maintain high output levels

²²⁰ Other notable increases, behind China, were Iran and Egypt.

²²¹ Global Forum on Steel Excess Capacity (GFSEC), [Steel Excess Capacity Monitoring Bulletin](#), October 2025.

²²² Ibid.

²²³ OECD, [The Drivers and Impacts of Subsidies to Steel Firms](#), OECD Publishing, October 2025.

during periods of weakening demand for finished steel.²²⁴ The Commissioner considers that this behaviour is indicative of production decisions responding to policy incentives, such as maintaining employment, meeting local economic targets, or complying with Five-Year Plan directives, rather than market signals. Such policy-driven output further contributes to oversupply and depressed billet prices.

The Commission also notes that China experienced a significant surge in billet exports during the investigation period. Publicly available trade data shows that semi-finished steel exports, including billets, increased more than 300% in Q2 2025 compared to the previous year.²²⁵ The Commissioner considers that this export surge reflects an underlying domestic surplus of billet and supports the view that billet has been sold at prices below competitive market levels. This reinforces the finding that domestic billet prices cannot be considered the result of normal market forces.

To avoid repeating analysis presented in appendices A6.1 and A6.5.1, the Commission notes only that recent independent reporting provides further support for these findings in the context of billet. Analysts have questioned the reliability of official Chinese steel production figures, estimating that up to 60 million tonnes of crude steel output in 2025 may not have been reported, despite official claims of a decline. Record iron ore imports of 1.26 billion tonnes during the same year indicate that underlying steel and billet production was materially stronger than official data suggest.²²⁶

Given that billet is the most significant input into the manufacture of RIC, which is the most significant input in steel mesh, the Commissioner considers that the distorted conditions of the Chinese billet market directly affect steel mesh production costs. Artificially low billet prices reduce the costs incurred by Chinese steel mesh manufacturers and place downward pressure on domestic steel mesh selling prices. These conditions materially influence the domestic market for steel mesh in China and form a significant component of the market situation identified in this investigation.

The Commission therefore considers that the distortions present in China's raw material and billet markets constitute a fundamental upstream cost distortion that directly affects the cost of producing the goods. As such, these conditions form an important part of the particular market situation identified in this investigation.

A6.6 Export control measures

The GOC has a number of ways that it exerts control over exports, including duties or refunds for exporting products. The Commissioner considers that the GOC's export control measures have the dual effect of:

- limiting the export of raw materials, thus increasing domestic supply
- reducing incentives to export finished steel products, also increasing domestic supply.

²²⁴ Bloomberg, [China's exports of semi-finished steel surge by more than 300%](#), August 2025.

²²⁵ Ibid.

²²⁶ The West Australian, ['Official Chinese steel figures attract tonnes of scepticism'](#), 25 February 2026.

The result of increased domestic supply is that prices for raw materials are decreased, and the prices of finished steel products are also decreased.

Restrictions on raw material exports

The GOC maintains export duties on a number of raw materials used in steel production, including pig iron (20%) and steel scrap (40%).²²⁷ The Commissioner considers that the high level of these export duties serve to discourage export of these raw materials. In turn, this increases the supply of raw materials domestically, which can reduce prices. This has the overall effect of reducing production costs for steel within China.

The Commission also considers that this is an example of how the GOC promotes compliance with its plans – for example, by discouraging exports of steel scrap and therefore promoting use within China, the GOC incentivises compliance with its plans to promote green steel, as described in appendix A6.2.

Removal of VAT refunds for exported finished steel products

In 2025, the GOC announced it would be tightening the rules around steel exports with an aim of strengthening export management and tax compliance.²²⁸ Key to the new regulations is the requirement for a tax registration check on customs declarations for exports and imposing the same VAT and consumption tax as if goods were sold domestically.

This update was stated to assist with combatting tax evasion and prevent Chinese exporters from exporting steel at low prices. However, the Commissioner considers that by discouraging steel exports, domestic prices within China will decrease due to the increased supply.

A7 Conclusion

The Commissioner found in the preceding appendix A6 that the GOC exerts significant influence over the Chinese steel market. Steel mills in China, regardless of whether they are SOEs or privately owned, are subject to the directives, plans and guidelines of the GOC central government. For SOEs, the Commissioner considers that the role of the GOC as owner serves to strengthen compliance with, and serve the direction of, the central government.

The Commissioner considers that many of the distortions discussed above also directly influence steel mesh producers as members of the Chinese steel market.

Having considered all the information before it, the Commissioner preliminarily finds that a particular market situation existed in respect of the domestic market for steel mesh sheets in China for the investigation period.

The Commission recognises that the impact of these GOC influences on supply is extensive, complex, and multifarious, and their impact on the price of steel mesh is

²²⁷ MOFC, *Announcement of the State Council Tariff Commission on the Tariff Adjustment Plan for 2025*, Attachment 3: Export Tariff Rate Table.

²²⁸ A Pan, '[China tightens tax regulations on steel exports](#)', *MySteel*, 1 April 2025, accessed 23 June 2025.

difficult to quantify. However, based on the Commission's extensive analysis of the available information before it, the Commissioner is preliminarily satisfied that the GOC's influence on the market for like goods in this investigation is not insignificant.

Whether the particular market situation in respect of the domestic market for steel mesh in China has resulted in Chinese domestic sales being not suitable for determining normal value under section 269TAC(1) is discussed in **APPENDIX B**.

APPENDIX B PROPER COMPARISON ASSESSMENT

B1 Preliminary findings

The Commissioner preliminarily finds that sales of steel mesh sheets in the domestic Chinese market are not suitable for determining a normal value pursuant to section 269TAC(1). This is because the existence of a market situation does not permit a proper comparison of domestic prices with the export prices of the goods.

B2 Introduction

For section 269TAC(2)(a)(ii) to apply, the Commissioner must be satisfied that:

1. there is a particular market situation in the country of export, and
2. because of that situation domestic sales of like goods in that market are not suitable for use in determining a price under section 269TAC(1).

The Commissioner has found at chapter 2.4.1 that a particular market situation exists in respect of the domestic market for steel mesh sheets in China for the investigation period. In this appendix, the Commission has examined whether domestic sales of like goods in China are suitable for determining the normal value of the cooperating Chinese exporter under section 269TAC(1).

B3 Proper comparison of domestic and export price

The Commission's assessment of whether sales are 'suitable' for the purposes of section 269TAC(1) considers the relative effect of the particular market situation on both the domestic sales and export sales. If domestic sales and export sales are not equally affected by the particular market situation, such a finding may render domestic sales not suitable for the purposes of section 269TAC(1).

The relative effect of the particular market situation on domestic and export prices requires an assessment of the relationship between price and cost of steel mesh sheets sold in the respective domestic and export markets. In relation to the domestic sales price, the relevant market is the domestic market of the exporting country (for this investigation, China). For the export price, the relevant market is that in the country into which the goods are being sold (Australia). In assessing the comparability of sales in each market, it is important to note that those sales are defined by the prevailing conditions of competition in each market. It is also important that the relevant factual circumstance of each price is considered within the proper context of the relevant market.

B4 Prevailing conditions of competition are different

The Commissioner considers that the prevailing conditions of competition are different between Australia and China. These differences mean that, while the particular identified market situation affects both domestic and export prices for steel mesh sheets, the way in which that market situation operates, and its effects on prices, differs between the two markets.

In making this finding, the Commission has considered a range of information in assessing the prevailing conditions of competition in China and Australia. Sources of information include:

- information provided by the Australian industry
- information provided by exporters in China and Malaysia
- relevant findings from previous steel cases conducted by the Commission
- other publicly available sources referenced throughout this appendix.

In making the findings in this appendix section, the Commissioner has had regard to the structure of each market, prevailing market conditions, access to raw materials, the level of import penetration and the nature of any competitive advantage arising from the particular market situation.

B4.1 Market structure

The Commissioner considers that the Australian and Chinese markets for steel mesh sheets have a broadly similar structure in that both markets are:

- Competitive;
- reliant on downstream demand from construction;
- sold to similar types of customers (distributors and end-users).

Despite the broad similarities, the Commission notes that the Chinese domestic market for steel mesh sheets is more competitive and less concentrated than the Australian market, although Chinese producers face very little import competition.

Construction is the largest source of downstream demand in both China and Australia. However, due to the relative differences in the size of domestic construction in Australia and China, there are also stark contrasts in the scale of the Chinese and Australian domestic market for steel mesh sheets. Many of the largest producers in China supply both the domestic market and export markets, which inflates the differences in scale between Chinese and Australian manufacturers of steel mesh sheets. Australian manufacturers overwhelmingly supply the domestic market.

B4.1.1 Australia

The Commissioner considers that the market in Australia is competitive with multiple suppliers operating in the market. There are numerous domestic manufacturers of steel mesh sheets, including InfraBuild and Steel Reinforcement Institute of Australia ('SRIA') members and other Australian manufacturers who are not members of the SRIA. Imported steel mesh sheets supply the rest of the market, which primarily come from China and Malaysia.

While the Australian market is competitive, the Commission also notes that InfraBuild is the market leader. Figure 5 shows the Commission's estimate of market share over the injury analysis period.

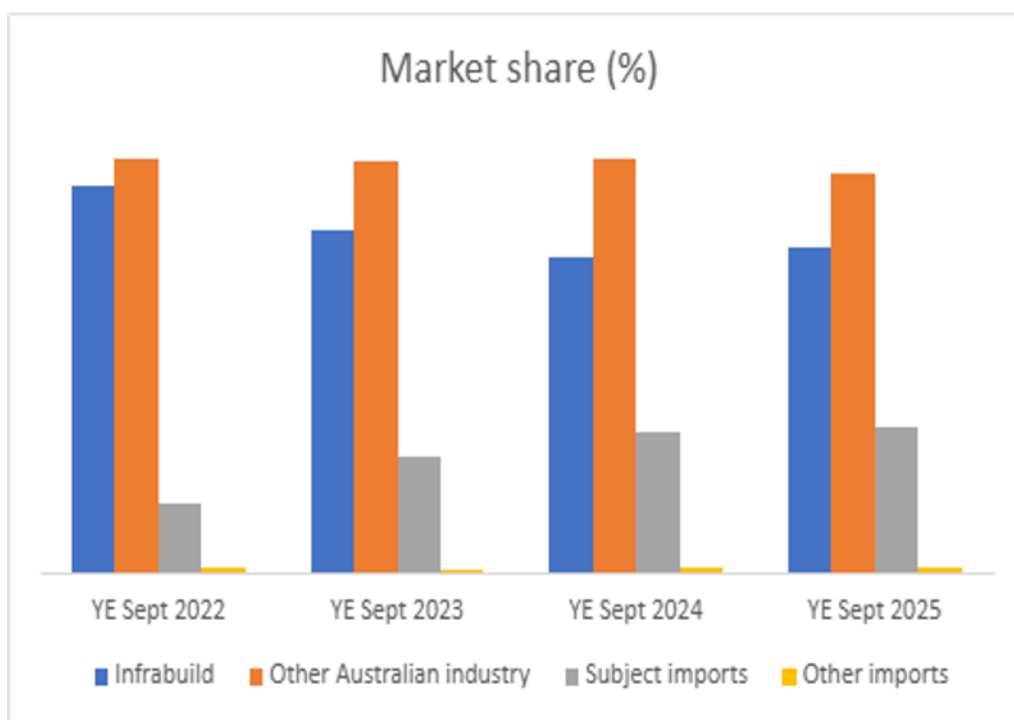


Figure 16: Australian Industry market share

The steel mesh sheets market in Australia covers 4 end-use categories including concrete reinforcement, mining, fencing and general purpose applications, serving a wide range of practical functions, such as strengthening concrete structures or securing perimeters. The primary drivers of demand are residential and commercial construction.

The majority of steel mesh sheets in Australia is sold to distributors and resellers, although Australian industry or importers may also sell directly to end-users. Distributors and resellers purchase locally produced or imported welded mesh to stock for re-sale to end-users in each of the market sectors. InfraBuild sells to both related and unrelated distributors.

B4.1.2 China

The Commission did not receive a response to the GOC questionnaire, including details of the Chinese steel mesh market, and so has relied on the information provided in InfraBuild's application, TMK, Xingtai Steel, and Anhui BRC's REQ and publicly sourced data in completing its analysis of the Chinese domestic steel mesh market.

InfraBuild submits that Chinese steel mesh producers operate under different market conditions to those of the Australian industry by virtue of the prevalence of the GOC in the Chinese steel industry. The particular market situation in China reduces production and selling risks, as well as lowering input costs. This then lowers steel mesh selling prices throughout the Chinese market, reflecting the lower marginal cost of the raw materials required by Chinese producers to make steel mesh.²²⁹

²²⁹ EPR 692, document no 1, [Application](#), pp 107-109.

The Commission's own analysis on the influence of the GOC in the Chinese steel market aligns with InfraBuild's submission.

Based on the information available, the Commissioner considers that the Chinese market is more competitive and less concentrated than the Australian market, with no comparable market leader to InfraBuild. TKM in its REQ described competition in the domestic market as "fierce", which they claim is mostly made up of "private owned companies and foreign invested companies".²³⁰ It is difficult to determine the exact number of steel mesh producers in China, but the Commissioner considers that there is a large volume of producers.

The domestic market for Chinese steel mesh producers is similar to that of Australia, in that the primary buyers are distributors and a smaller proportion of sales are made directly to end-users.

B4.2 Raw materials

The Commissioner considers that there are differences between the Australian and Chinese steel mesh sheets markets in respect of the raw materials used and the prices for those materials. These differences affect the nature of competition in each market.

The Commissioner considers that Chinese exporters of the goods to Australia can take advantage of lower raw material costs to compete with both the Australian industry and exporters from other countries which do not benefit from lower priced raw materials. This benefit does not extend to the domestic Chinese market, where producers benefit relatively equally from the distorted raw material prices and there is no import competition.

B4.2.1 Australia

InfraBuild uses RIC purchased from related producers to manufacture steel mesh sheets, a small proportion of RIC is imported. The Commission verified InfraBuild's production costs and the Commissioner is satisfied that the RIC purchases from related entities to be arms lengths transactions.

Other producers in Australia either purchase RIC from InfraBuild or import RIC to manufacture steel mesh sheets.

B4.2.2 China

The majority of steel production in China is from the Blast Furnace–Basic Oxygen Furnace (BF-BOF) route. The major raw materials used in BF-BOF steel production are iron ore, coal (which is converted into coke), and steel scrap. These inputs are used to produce crude steel, which is subsequently processed into RIC, the principal raw material used in the manufacture of steel mesh sheets.

As discussed in chapter 2.4.1, the Commission has found that the GOC has influenced the prices of these raw materials. The Commissioner considers that the resulting raw

²³⁰ EPR 692, [document 10](#), Tianjin TianKing Metal Products Co., Ltd REQ, p. 56-57.

material prices are lower than they would otherwise be under normal competitive market conditions.

While these distorted raw material prices may affect domestic Chinese steel mesh producers relatively equally, the Commissioner considers that the resulting lower input costs may influence the prices at which the goods are exported to Australia. Chinese exporters may be able to reflect those lower raw material costs in their export prices when competing with the Australian industry and exporters from other countries that do not have access to similarly priced inputs.

B4.3 Import penetration

The degree of import penetration can affect how prices are set in the domestic market. A high level of import penetration may indicate that prices are influenced by reference to import prices. Alternatively, a low level of import penetration indicates that domestic prices are predominantly influenced by domestic sales.

The Commissioner is preliminarily satisfied that import penetration in the Chinese steel mesh sheets market is low compared to that in the Australian steel mesh sheets market. Accordingly, the Commissioner is preliminarily satisfied that the conditions of competition in respect of imports is different between China and Australia.

B4.3.1 Australia

The Commission examined the ABF import database to identify exporters and importers of steel mesh sheets during the review period. During the investigation period, in excess of 250 exporters exported steel mesh sheets to Australia,²³¹ the majority of which were from China, with a comparatively small number from Malaysia. Chinese imports made up 88% of import volume in the investigation period.²³²

InfraBuild, SRIA members and other Australian manufacturers accounted for approximately 81% of the Australian market during the investigation period, while China accounted for 13%.²³³ However, the Australian industry's market share declined over the injury period despite maintaining the largest share of the Australian market. The Australian industry did not capture a proportional share of market growth, with imports from the subject countries accounting for more than half of the growth in the Australian market during the investigation period, and imports from China accounting for the majority of that growth

B4.3.2 China

Questionnaire responses did not provide information about the overall degree of import penetration into the Chinese market including the number of exporters or importers active in the Chinese domestic market. TKM, Xingtai Steel, and Anhui BRC all stated no

²³¹ Confidential Attachment 40 - Import and Data Analysis.

²³² Confidential Attachment 40 - Import and Data Analysis.

²³³ Confidential Attachment 1 – Australian Market.

awareness of any competition between domestic producers and importers, awareness of importer details or market entry restrictions for importers of the goods into China.

As the Commission did not receive a response to the government questionnaire for this investigation, the Commission does not have access to specific GOC information to determine the level of import penetration in the Chinese steel mesh market.

The Commissioner considers that based on the low cost of raw material inputs available to Chinese producers of the goods which is not available to foreign producers, there is a competitive disadvantage applying to foreign producers looking to export steel mesh into China. Accordingly, based on the information before the Commission, the Commissioner considers import penetration in the Chinese steel mesh market was low in the investigation period.

B4.4 Relationship between price and cost

The Commissioner considers that there is a difference in the relationship between price and cost between Chinese exporters' sales of steel mesh to Australia and their domestic sales.

In general, Chinese exporters have been able to achieve greater profits on Australian sales compared to domestic sales, despite limited differences in the respective costs. The Commissioner considers this indicates that the particular market situation has affected conditions in the Chinese steel mesh market such that exporters are able to engage in pricing strategies into the Australian market that allow exporters to achieve greater margins on their Australian export sales and increase their export volumes by outcompeting exports from other countries.

The Commissioner finds that Xingtai, Anhui and TKM's profit on their export sales to Australia was greater than their margin on domestic sales.²³⁴ When compared at the MCC level, the Commission observed that the cost to make is similar in all cases, however, profit margins are significantly higher for export sales in every case.

B5 The market situation affects the comparability of domestic and export prices

Taking into account the above, the Commissioner considers that the market situation identified in chapter 2.4.1 affects the comparability of domestic and export prices for steel mesh. This is because the conditions of competition are different between the two markets and are affected by the market situation differently.

The Commission makes the following observations between the Chinese domestic market and Australian export market:

- Steel mesh is sold to similar types of customers in China and Australia.
- The market structure differs in terms of the number of domestic producers in Australia, with greater competition in China than Australia. The scale of the

²³⁴ Confidential attachment 43 - Appendix A – Relationship between price and cost.

markets is also different, with the Australian market several times smaller than the Chinese market.

- The raw materials used in the production of steel mesh in both Australia and China are the same.
- Import penetration into China is very low, compared to a higher, and growing, level of import penetration into Australia.
- Chinese exporters enjoy a cost advantage resulting in both increased margins and an increase in export volumes to Australia.

The Commissioner considers that the above assessment indicates that the market situation in China affects all Chinese producers within China relatively equally with respect to domestic sales within China. This is characterised by competition influenced by the cost to make and demand factors. Both of these characteristics have been influenced by the market situation. The conditions of competition within China have had the effect of reducing import penetration to very low levels.

In Australia, competition is between imports and the Australian industry. This competition results in a competitive advantage for Chinese exporters, who make up the majority of import volume and who have access to cost inputs which have been materially affected by the market situation. This leads to a situation where Chinese exporters are able to export to other countries, including Australia, at a more competitive price, while still enjoying increased profitability.

APPENDIX C COST OF PRODUCTION IN CHINA

C1 Preliminary finding

The Commissioner preliminarily recommends establishing a cost of production for the goods in China, as the country of export, under section 269TAC(2)(c)(i), based on each exporter's recorded costs, with an adjustment calculated by reference to a benchmark for RIC. The benchmark is based on an average of the RIC costs of the cooperating exporters from Malaysia.

C2 Legislative framework

Where the Minister is satisfied that normal value cannot be determined under section 269TAC(1), section 269TAC(2)(c) provides that the normal value is:

...the sum of:

- (i) such amount as the [Minister] determines to be the cost of production or manufacture of the goods in the country of export; and
- (ii) on the assumption that the goods, instead of being exported, had been sold for home consumption in the ordinary course of trade in the country of export—such amounts as the [Minister] determines would be the administrative, selling and general costs associated with the sale and the profit on that sale.

Sections 269TAC(5A) and 269TAC(5B) provide that the construction of normal values under section 269TAC(2)(c) is to be worked out in such a manner, and taking account of such factors, as the Regulations provide in respect of those purposes.

C2.1 Cost of production

Section 43(2) of the Regulations requires that the Minister must work out the cost of production or manufacture using the information set out in the exporter or producer's records if:

- section 43(2)(b)(i) of the Regulations: an exporter or producer of the goods keeps records relating to the goods that are in accordance with generally accepted accounting principles (GAAP) in the country of export, and
- section 43(2)(b)(ii) of the Regulations: those records reasonably reflect competitive market costs associated with the production or manufacture of like goods.

Section 43(2) of the Regulations imposes an obligation on the Minister to use an exporter's records, where the prescribed criteria are met. Neither the Act nor the Regulations prescribe a particular method for the Minister to determine the cost of production or manufacture under section 269TAC(2)(c)(i) in circumstances where the exporter or producer's records do not satisfy section 43(2) of the Regulations. Additionally, neither the Act nor the Regulations limit the data that the Minister may use in this regard.

In respect of the Anti-Dumping Agreement, the relevant obligations for determining normal values are set out in Article 2. The determination of whether an exporter's

recorded costs are to be used in determining the cost of production in the country of origin are set out in Article 2.2.1.1.

The Commission notes that the Minister's determination of the 'cost of production in the country of export' under section 269TAC(2)(c)(i) may be informed by some of the same factual findings that also informed:

- the conclusions reached as part of the Commission's assessment under section 43(2) of the Regulations
- the Commission's assessment of the existence of a particular market situation.

Where the Commission has had regard to the same factual matters for multiple purposes it has done so mindful that the legal tests being considered are distinct.

C3 Exporter records

The Commission conducted onsite verification of the information provided by Xingtai Steel and TKM in their REQ. It also conducted a comparative analysis of the information provided by Anhui BRC in its REQ. As part of this process, the Commission verified that the 3 exporters kept records relating to the cost of production of like goods and that those records were in accordance with GAAP in China.²³⁵ The Commission also verified that Xingtai Steel, TKM and Anhui BRC's cost to make and sell data was complete, relevant, and accurate.

Accordingly, the Commissioner is preliminarily satisfied that Xingtai Steel, TKM and Anhui BRC kept records relating to the cost of production of like goods, and that those costs were in accordance with GAAP in China and reasonably reflected the actual cost of production.

C4 Competitive market costs

Section 43(2)(b)(ii) of the Regulations requires the Minister to use an exporter's records where those costs reasonably reflect competitive market costs.

As outlined in **APPENDIX A**, the Commissioner preliminarily considers that the significant influence of the GOC has materially altered prices in the steel industry and steel mesh sheets market in China. The Commissioner also preliminarily considers that the GOC's influence has also materially altered the prices of production inputs including (but not limited to) raw materials used to make steel in China. In particular, the GOC's influence has resulted in artificially low prices for the key raw materials, including RIC, as well as the other inputs associated with the production of steel mesh sheets.

The Commissioner considers that the direct and indirect influences of the GOC affect Chinese manufacturers' costs to produce steel mesh sheets and, therefore, that Chinese exporters' recorded costs do not reflect competitive market costs. Xingtai Steel, Anhui BRC, and TKM records indicate that RIC comprises approximately 90% to 95% of the cost to make for steel mesh sheets. In light of these influences, the Commissioner preliminarily considers that the records do not reflect competitive market costs because

²³⁵ EPR 692, document no [41](#) and document no [42](#).

the costs are not the same as they would be if determined only by supply and demand absent government intervention.

C5 Use of exporter records

Where the criteria in section 43(2)(b) of the Regulations are not met, the Commission will determine the cost of production under section 269TAC(2)(c)(i) having regard to all relevant information. The Minister is neither required to, nor prohibited from, using an exporter's records to determine normal values under section 269TAC(2)(c)(i), however, the Minister is to exercise their discretion in section 269TAC(2)(c)(i) in accordance with the requirements of the Anti-Dumping Agreement.

Article 2.2.1.1 of the Anti-Dumping Agreement provides a presumption in favour of using the information in the exporter's records where an exporter keeps information relating to the production of like goods and:

- the records are kept in accordance with GAAP of the exporting country, and
- the records reasonably reflect the costs associated with production of the like goods.

The Commission finds that Xingtai Steel's, TKM's, and Anhui BRC's records are kept in accordance with the GAAP of China and reasonably reflect the costs associated with the production of steel mesh sheets. However, Article 2.2.1.1 does not mandate the use of the information in an exporter's records where those conditions are met in all circumstances. It only provides that where those conditions are met costs 'shall normally' be calculated based on the exporter's records.

The Commission's consideration of the domestic market for steel mesh sheets in China, including the factual findings set out above, suggests the Commission should examine whether circumstances are normal and ordinary such that the presumption in Article 2.2.1.1 should apply. Consequently, the Commission has further considered Xingtai Steel's, Anhui BRC's, and TKM's recorded RIC costs (and hence steel mesh production costs), to assess whether the circumstances in which those costs were formed were normal and ordinary, such that they should be used as the costs of production pursuant to section 269TAC(2)(c)(i).

C6 Normal and ordinary

C6.1 Circumstances that are not normal and ordinary

The Commissioner considers that there are compelling reasons for determining that circumstances in which Xingtai Steel's, Anhui BRC's, and TKM's costs were formed are not 'normal and ordinary' such that using their cost records to construct a normal value is not appropriate. This is despite the Commission's finding that Xingtai Steel, Anhui BRC, and TKM records comply with Chinese GAAP and reasonably reflect actual costs incurred in the production of the goods.

It is the Commission's view that the circumstances in which the cost of RIC has been formed are not normal and ordinary, resulting in Xingtai Steel's, Anhui BRC's, and TKM's recorded costs for RIC reflecting an unreliable cost of production. This unreliability means that it is not appropriate to use their recorded costs for RIC.

The assessment of the circumstances in which RIC input costs were formed and the impact this had on Xingtai Steel's, Anhui BRC's, and TKM's recorded costs is informed by two key factors:

- Firstly, the GOC's influence has materially altered the prices of production inputs including (but not limited to) raw materials used to make steel in China. In particular, the GOC's influence has resulted in artificially low prices for the key raw materials, as well as the other inputs associated with the production of RIC.
- Secondly, as these raw materials represent the majority of the cost to produce steel mesh sheets, the effects on raw material pricing have flowed through exporters' recorded cost of production, noting that the 3 exporters purchased RIC exclusively from Chinese suppliers.

To further examine the circumstances in which the RIC input costs were formed and the impact this had on Xingtai Steel's, Anhui BRC's, and TKM's recorded costs, the Commission compared the exporters' recorded cost to the RIC benchmark selected for this investigation. Further information on the selection of the benchmark is included in chapter C7. For each exporter, the Commission observed that the RIC costs recorded in the exporters' records were consistently significantly below the RIC benchmark for the investigation period. The cumulative effect of these factors is that the circumstances in which Xingtai Steel's, Anhui BRC's, and TKM's costs were formed were not normal and ordinary.

This analysis is included in **Confidential Attachment 37 – Raw Material Benchmark**.

The Commission's assessment of these circumstances and their impact on Xingtai Steel, Anhui BRC, and TKM's recorded costs is further supported by the following findings.

The Commissioner's assessment

The Anti-Dumping Agreement does not provide any guidance as to the type of condition, circumstance or context that may underpin a 'normally' finding, save that it must be sufficient to justify a derogation from the presumption in article 2.2.1.1 that ordinarily the records will be used.

The Commissioner considers that the circumstances or context in which an investigating authority may rely on 'normally' is not unconstrained – there must be a proper basis for doing so on the evidentiary record. Whether a particular condition, circumstance or matter is capable of permitting derogation under the term 'normally' is a facts specific exercise based on the facts and evidence before a particular investigating authority.

The Commission notes that its analysis accords with the guidance from the panels' findings in the *DS529 Australia — A4 Copy Paper* and *DS603 Australia — Certain Products from China*, both of which examine the term 'normally'. The Commission has identified that:

- Xingtai Steel, Anhui BRC, and TKM's records satisfy the first and second condition of article 2.2.1.1 – see appendix C5
- Despite this, there are nonetheless compelling reasons to disregard its records, being that the circumstances in which the cost of RIC has been formed are not normal and ordinary, resulting in cooperating exporters' recorded costs of RIC

reflecting an unreliable cost of production of steel mesh sheets. This unreliability means that it is not appropriate to use the Xingtai Steel's, Anhui BRC's and TKM's recorded cost of production of RIC.

The Commission notes that the panels in DS529 and DS603 found that the Commission was not permitted to make findings relying on the flexibility permitted by 'normally' without having made affirmative findings that both the first and second conditions of Article 2.2.1.1 were met.²³⁶ The panels did not make findings that the circumstances were necessarily incapable of justifying departure from the exporters' records, nor did they make express or implied findings on whether 'normally' would have been available if sequencing had been followed.

The Commissioner has found that Xingtai Steel, Anhui BRC, and TKM's records meet the first two conditions of Article 2.2.1.1. This appendix explains why, nevertheless, the recorded RIC costs should be disregarded. The Commission notes that this assessment differs from the assessment of a particular market situation in the domestic market of the exporting country, although as discussed above some of the factual circumstances which support the conclusion that there is a particular market situation also support a finding that the circumstances are not normal and ordinary such that the recorded RIC costs should be disregarded despite meeting the first two conditions of Article 2.2.1.1. The Commission has arrived at these factual findings supporting the decision to disregard recorded RIC costs following a consideration of all the available evidence before it in an objective and unbiased manner.

The Commission has had careful regard to the distinct legal tests, both under sections 269TAC(2)(a)(ii) and 269TAC(2)(c) of the Act, Regulation 43 and under Article 2 of the Anti-Dumping Agreement. The conclusions reached, being that there is a situation in the market that prevents the normal value from being determined under section 269TAC(1) and determining that Xingtai Steel and TKM's raw materials cost should not be used to determine the cost of production, do rely on some common factual findings. Those factual findings are in fact relevant to both tests, and do not reflect any misunderstanding of the legal requirements for each.

C6.2 Circumstances not being normal and ordinary leading to materially altered production costs

The Commission considers that the 'not normal and ordinary' circumstances (the circumstances) materially affect both Xingtai Steel's, Anhui BRC's, and TKM's cost of

²³⁶ Panel Report, *Australia – A4 Copy Paper*, WTO Report WT/DS529/R (4 December 2019) [7.126]: 'We find that Australia's measure is inconsistent with article 2.2.1.1, first sentence, of the Anti-Dumping Agreement because the ADC has not established that both the first and second conditions in the first sentence of article 2.2.1.1 of the Anti-Dumping Agreement were satisfied when rejecting the pulp component of Indah Kiat's and Pindo Deli's records on the basis of the term 'normally' and therefore has failed to give effect to the whole of the obligation in that provision.'; Panel Report, *Australia – Certain Products from China*, WTO Doc WT/DS603/R (26 March 2024) [7.79]–[7.80]: 'We therefore conclude that the ADC did not make a negative finding under the second condition of article 2.2.1.1 in the expiry review. We also find that the ADC did not make an affirmative finding under the second condition in the expiry review ... In light of the foregoing, we find there was no basis for departure from using TSP's record costs for steel plate in constructing normal value in the wind towers expiry review.'; [7.309]: '...the ADC did not make a finding under the second condition of article 2.2.1.1. The ADC therefore could not rely on any flexibility provided by the word 'normally' in the first sentence of article 2.2.1.1...'

production of steel mesh sheets. The Commission considers that the most appropriate level to undertake its assessment of the effect of the circumstances on Xingtai Steel's, Anhui BRC's, and TKM's records is at the RIC level, as it is the main raw material input used in the production of steel mesh sheets, making up approximately 90% to 95% of Xingtai Steel's, Anhui BRC's, and TKM's production cost.²³⁷

To assess the effect of the circumstances on Xingtai Steel, Anhui BRC, and TKM's records, the Commission has compared its recorded cost for RIC to an appropriate benchmark.

C6.3 Submissions on application of 'not normal and ordinary' in response to the PAD

The Commission received a submission (dated 20 August 2026) from Anhui BRC challenging the Commission's decision to replace its actual RIC purchase costs with benchmark RIC costs derived from cooperating Malaysian exporters when constructing normal value.²³⁸ Anhui BRC argued that the Commission should have used its actual RIC costs when constructing normal value because its records were GAAP-compliant and accurately reflected the costs it incurred.

It submitted that Article 2.2.1.1 requires authorities to normally use an exporter's own records and that the Commission had not established sufficient grounds to depart from that principle. Anhui BRC further argues that the Commission incorrectly concluded that its RIC costs were formed in circumstances that were not "normal and ordinary", contending that its RIC purchases were arms length transactions that reflected actual costs incurred. On this basis, Anhui BRC submitted that the replacement of its recorded RIC costs with benchmark costs was unjustified and that the dumping margin and security rate should be recalculated using its actual costs.

In response, InfraBuild's submission (dated 16 September 2026) disagreed with Anhui BRC's claim that the Commission was required to use the exporter's recorded RIC costs.²³⁹

InfraBuild submitted that, while Article 2.2.1.1 provides that authorities should normally use an exporter's records where they comply with GAAP and reasonably reflect costs, this is not an absolute requirement. InfraBuild argued that the Commission may depart from recorded costs where those costs were formed in circumstances that are not normal and ordinary and therefore do not provide a reliable basis for determining production costs. InfraBuild further submitted that the Commission's decision to substitute Malaysian RIC costs for Anhui BRC's recorded RIC costs was consistent with Australian law and Australia's WTO obligations, and that the Commission had provided a reasoned basis for using Malaysian benchmark costs to adjust the Chinese exporters' costs of production.

²³⁷ Confidential Attachment 40 – CTM and Raw Materials analysis.

²³⁸ EPR 692, [document no. 57](#)

²³⁹ EPR 692, [document no. 62](#)

The Commission's assessment

The Commission continues to consider that, while Anhui BRC's accounting records comply with Chinese GAAP and reflect the costs actually incurred by the exporter, the relevant question under Article 2.2.1.1 is, despite the two conditions being met, whether those costs were formed in circumstances that are normal and ordinary. For the reasons outlined above in appendix C6.1 and C6.2, the Commissioner remains satisfied that government influence materially affected the formation of RIC prices in China such that the recorded RIC costs were formed in circumstances that were not normal and ordinary and therefore do not provide a reliable basis for determining the cost of production for the purpose of constructing normal value.

The Commissioner considers it appropriate to adjust Anhui BRC's recorded RIC costs using benchmark information. The Commission does not accept that Article 2.2.1.1 of the WTO Anti-Dumping Agreement requires the use of an exporter's recorded costs in all circumstances and remains satisfied that its approach is consistent with Australian law and Australia's WTO obligations.

C6.4 Selection of an appropriate benchmark

The Commission considers that an appropriate benchmark will measure the effect of the circumstances on Xingtai Steel, Anhui BRC, and TKM's costs for RIC. An appropriate benchmark represents a cost in China that is free from the effects of the not normal and ordinary circumstances.

The Commission considered whether, instead of using a benchmark, it could have directly quantified the effect of the GOC's influence on the raw material markets and RIC cost. From the Commission's review of publicly available research including from the OECD, academic journals and market research reports, there was no sufficiently reliable information to estimate the effect of the GOC's influence on Chinese RIC costs. The Commissioner considers that the broad ranging and multifactorial nature of the GOC's influence over raw material markets and resulting RIC costs mean that such a quantification is likely to be inaccurate or not fully account for the whole of the effect. The use of the benchmark provides a holistic comparison of both Xingtai Steel, Anhui BRC, and TKM's recorded costs to a cost that is free from the effects of the not normal and ordinary circumstances.

For the purposes of calculating an appropriate benchmark, the Commissioner considered:

- private Chinese export prices for RIC
- third-party RIC market index prices
- prices for RIC from countries other than China.

The Commission did not consider private Chinese domestic prices or import prices for RIC as the Commission was unable to obtain evidence of these prices. The Commission did not receive a response to the GOC questionnaire, including details of private RIC providers or information about RIC prices in the Chinese domestic market.

Further, the Commissioner considers that any private domestic prices or import prices within China would not be reliable because the effects of the circumstances on the raw

material markets, which alter the availability and pricing of raw materials (as discussed in Appendix A), would likely also affect private domestic prices, which would also influence import prices.

Chinese export prices

The Commission examined whether prices at which private Chinese entities exported RIC may be an appropriate basis for a benchmark. As this RIC competed on a global market (as compared to the Chinese domestic market), the Commissioner considered that such prices may be suitable. The Commission contacted interested parties who purchased RIC exported from China, requesting that they share their purchase data in order for the Commission to determine whether it could be used as a benchmark in this investigation. However, due to concerns with managing confidentiality of this purchase data, the Commission was unable to use this information to calculate a benchmark.

Third-party RIC market index prices

The Commission examined third-party RIC market index prices during the investigation period from the subscription service MEPS International Ltd.²⁴⁰ The Commission examined 'wire rod' prices from Japan, South Korea, Taiwan, as well as China.

RIC from countries other than China

The Commissioner examined price data from countries other than China as a basis for determining a RIC benchmark and determined that Malaysian domestic prices provide a suitable benchmark for a comparative analysis with the cost of production data. Appendix C7 sets out the Commissioner's determination of the benchmark.

C7 Benchmark examination

C7.1 Consideration of third country data

The Commission preliminarily considers that verified costs for RIC from cooperative exporters from Malaysia in this case are the most appropriate basis for a benchmark. This is because the purchase costs relate to actual RIC produced in Malaysia for the purpose of manufacturing steel mesh sheets during the investigation period.

The Commission compared the cost of RIC in Malaysia and noted that it is comparable to benchmark data from third-party RIC market index prices.

The data used in this analysis is summarised in **Confidential Attachment 37 – Raw Material Benchmark**.

Adjustments to benchmark

While the Malaysian RIC prices represent a suitable basis for a benchmark, the Commission has considered whether adjustments to the benchmark are warranted to ensure it is an apt to determining a cost of production for RIC in China.

²⁴⁰ MEPS provided this copyright statement about its data: This information is copyrighted, all rights reserved. MEPS data is licensed for the exclusive use of the company's direct employees. Any unauthorised copying, forwarding, or sharing by any means will be an infringement of copyright.

The Commission notes that all of the cooperative exporters in this investigation from both China and Malaysia reported using purchased RIC, or wire products derived from RIC, as raw material inputs in the manufacture of steel mesh sheets. No of the cooperative exporters provided cost of production information for RIC. As the RIC purchase information does not identify the producer's underlying labour, energy, or other overhead costs, the Commission did not receive information that would permit a meaningful comparison of those cost elements between the Malaysian benchmark and Chinese RIC costs.

The Commission understands that RIC production ordinarily includes raw material inputs (primarily steel billet), labour, energy, and other conversion costs. However, it could not identify sufficiently reliable investigation-period specific information permitting those elements to be isolated so that the costs underlying the Malaysian benchmark could be compared with equivalent Chinese producer costs.

The Commission notes that national wage data sources for China and Malaysia are available. However, because labour could not be isolated as a specific element of the Malaysian benchmark or the Chinese exporters' recorded RIC purchase costs and because national wage data does not account for producer-specific or market-specific production routes, input intensity, productivity, utilisation, cost allocation or product mix, the Commission assessed that no adjustment could be made.

The Commission notes that while no adjustments have been made to the Malaysian benchmark, the Commission has considered models, timing, origin and delivery bases in applying the benchmark.

C8 Determining the cost of production in China

In Appendix C6, the Commission explained why it considers there are compelling reasons for determining that circumstances in which Xingtai Steel's, Anhui BRC's, and TKM's costs were formed are not 'normal and ordinary' such that using their cost records to construct a normal value is not appropriate. More specifically, the Commissioner considers that Xingtai Steel's, Anhui BRC's, and TKM's production records of RIC costs are not suitable for use to establish the cost of production of steel mesh sheets in China. The Commissioner considers that the specific facts and evidence in this case, in respect of Xingtai Steel, Anhui BRC, and TKM's records, provide compelling reasons to deviate from using their recorded cost of production for RIC.

The Commissioner considers that the most appropriate method to determine the cost of production for RIC in China is to use Xingtai Steel's, Anhui BRC's, and TKM's recorded purchase cost for RIC, adjusted to remove the effects of the not normal and ordinary circumstances. To make this adjustment to the records of Xingtai Steel, Anhui BRC, and TKM, the Commission has used the same method used to estimate the effect of the circumstances on Xingtai Steel's, Anhui BRC's, and TKM's cost for RIC. That is, the Commission has relied on a Malaysian raw material price, adjusted to account for the type of RIC used in the production of steel mesh sheets.²⁴¹

²⁴¹ Confidential Attachment 37 – Raw Material Benchmark.

To make the adjustment, the Commission has taken the Chinese cooperative exporters' costs of production, adjusted for the difference between the weighted average purchase price for RIC sourced by cooperating Malaysian exporters and RIC purchased by each cooperative Chinese exporter. The Commission has only compared RIC that is a pre-processed raw material input cost. Wire in coils or wire rod that has been further processed (ie. galvanised, annealed wire, ribbed wire) has been excluded from the benchmark data and the comparative data from Chinese exporters, noting that further processed raw materials only made up a small proportion of total purchases for all exporters.

The Commission finds it appropriate to adjust RIC costs relating to the costs of production in Xingtai Steel, TKM, and Anhui BRC's records by reference to a benchmark cost for RIC. The Commission has not adjusted any of the other items recorded in Xingtai Steel, TKM, and Anhui BRC's cost of production.

The Commissioner is preliminarily satisfied that this methodology is a reliable means of determining the cost of production in China.

The GOC's influence on the Chinese market involves a wide variety of measures that interact with each other, which makes precise quantification of the combined effect of that influence on a particular exporter challenging. The Commissioner is preliminarily satisfied that the method used is a sufficiently reliable means of approximating the combined effect of the GOC's influence. The Commission recognises the possibility that there may be other differences between China and Malaysia that have not been captured in its assessment but is satisfied that these would not be material to its overall assessment.