

12 OCTOBER 2026

The Director, Investigations 1
Australian Trade Remedies Commission
GPO Box 2013
CANBERRA ACT 2601

BY EMAIL:
investigations1@atrc.gov.au

Dear Director,

RE: Dumping Investigation No. 705 – Steel flat bar from Taiwan

RESPONSE TO EXPORTER SUBMISSION ON MODEL CONTROL CODE STRUCTURE

InfraBuild NSW Pty Ltd (**InfraBuild**) is the Australian industry applicant for the publication of a dumping duty notice in respect of steel flat bar (**flat bar**) exported from Taiwan.

The Taiwanese exporter TS Steel Co., Ltd (**TS Steel**) has proposed an addition to the Model Control Code (**MCC**) structure, namely a ‘*new category identifying whether the goods are processed or unprocessed*’¹. The proposal is premised on processed goods produced by TS Steel commanding ‘*a materially higher unit selling price than unprocessed goods*’.

The goods description for steel flat bar expressly includes goods that have been subject to minimal processing:

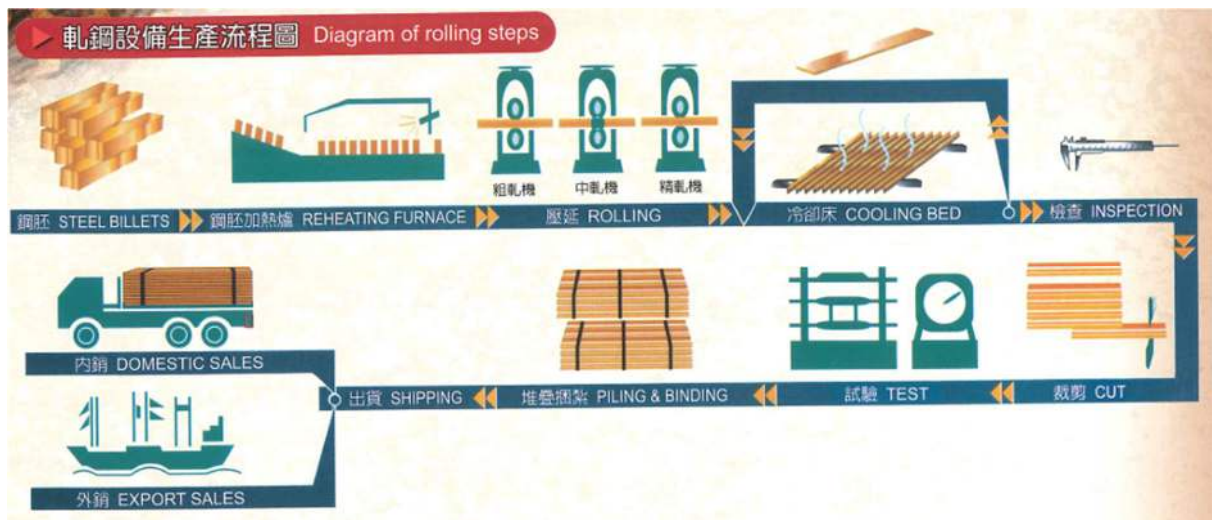
The goods include steel flat bars in the dimensions described that have minimal processing, such as cutting, drilling, punching or coating (other than coating or plating with zinc or a zinc alloy).

1. Clarification of TS Steel processing arrangements via subsidiary party

While the responses to exporter questionnaire (**REQs**) in this investigation are yet to be published on the electronic public record, InfraBuild observes that the product catalogue² previously provided to the Australian Trade Remedies Commission’s (**Commission**) predecessor by TS Steel shows the production of the goods via ‘rolling steps’ with a final shipping stage consisting of ‘domestic sales’ and ‘export sales’:

¹ EPR 705 Folio No. 12 at p1.

² EPR 584 Folio No. 13, Exhibit 6 at p3.



The further processing and fabrication services are extensive, involving other steel products and performed by its **subsidiary entity**, namely 'TS Steel Structure Co., Ltd'³ (**TS Structure**) with a 'sample display' of the (more than minimal) processing operations performed by this entity provided below. TS Steel has described TS Structure as '*the only and fully owned subsidiary of TS Steel which mainly provides the welding service to the domestic market*'⁴ and clarified in relation to the financial reports that '*TS Structure did not involve in the production*

PUBLIC RECORD

樣品展示 Sample Display






志鑫鋼構股份有限公司

TS STEEL STRUCTURE CO., LTD.



³ EPR 584 Folio No. 13 at Exhibit 4.

⁴ EPR 584 Folio No. 15 REQ for TS Steel at p11.

*and sale of the subjected merchandise as TS Structure produced welding bar*⁵. TS Structure is acknowledged as a related party to which the exporter, TS Steel, sells the goods to with details previously provided to the Commission about how the selling price is set⁶.

Given the relationship between TS Steel and TS Structure, and that TS Steel likely sells *unprocessed* flat bar to its related downstream customer, TS Structure, for further processing, means that the additional MCC category may not be necessary for TS Steel, or if it is necessary, will only relate to minimal processing. It is important for the Commission to distinguish domestic sales by TS Steel; of typically unprocessed flat bar; as the relevant exporter of the goods under consideration (**GUC**), from domestic sales of TS Structure; of typically further processed flat bar; who is not an exporter of the GUC, and therefore whose domestic sales are not relevant for the purposes of comparison to the GUC exported to Australia during the investigation period.

2. TS Steel sales to TS Structure – arms length testing to determine whether in the OCOT

As part of verification for TS Steel, the Commission will need to test whether the domestic sales of flat bar from TS Steel to its related party customer, TS Structure, are indeed arms length transactions. InfraBuild would expect that the Commission will compare the conditions of TS Steel's domestic sales of flat bar to unrelated customers and its related customer, TS Structure.

If the related party sales to TS Structure are determined to be non-arms length, and therefore not in the ordinary course of trade, then these sales must not form part of the normal value assessment for TS Steel.

3. Inadvertent inclusion of TS Structure sales in TS Steel domestic sales listing

The Commission will also need to verify whether sales of any further processed goods included in TS Steel's domestic sales listing were in fact made by TS Steel, or instead by TS Structure and included products other than the goods. It should be recalled that TS Steel, not TS Structure is the subject exporter. Taiwanese domestic sales of flat bar (whether or not processed) by TS Structure, should be excluded from the Commission's assessment of the normal value for TS steel under subsection 269TAC(1).

Examination of sales invoices will confirm the sales entity and establish whether these sales apply to flat bar only (or include other steel products) and whether minimal processing such as cutting, drilling, punching or coating has been applied and as such, should be included or excluded from the normal value.

⁵ EPR 584 Folio No. 13 REQ for TS Steel at p13.

⁶ EPR 584 Folio No. 13 REQ for TS Steel at p20.

Sales by TS structure must not be included in the domestic sales assessment for TS Steel.

Sales of goods including more than just steel flat bar i.e. flat bar welded to a steel channel or angle section or any other steel shape or product that has been more than 'minimally' processed, must be excluded from the domestic sales of the goods for TS Steel.

4. Modification of MCCs as a last resort

If the Commission is able to **clearly identify** domestic sales by TS Steel, not TS Structure, of steel flat bar (only) that has had minimal further processing applied, then the additional MCC categories should reflect the language of the goods description, not simply '*Unprocessed goods*' and '*Processed goods*' as proposed by the exporter.

The 'Processing' sub-categories should read:

Goods with minimal processing such as cutting, drilling, punching or coating (other than coating or plating with zinc or a zinc alloy).

and,

Goods without minimal processing such as cutting, drilling, punching or coating (other than coating or plating with zinc or a zinc alloy).

Conclusion

Based on the information currently available, TS Steel has not demonstrated that the creation of an additional MCC category based on a broad distinction between "processed" and "unprocessed" goods is necessary for a fair comparison of domestic and export sales. The available information indicates that significant downstream processing activities are undertaken by a separate, but related entity, TS Structure, rather than by TS Steel itself. Accordingly, the Commission's primary focus should be on ensuring that the domestic sales used for normal value purposes is confined to domestic sales of like goods made by TS Steel, and that any sales to related parties are appropriately tested for their arm's length character and standing in the ordinary course of trade.

Before considering any modification to the MCC structure, the Commission should verify that sales attributed to TS Steel are in fact sales of the like goods and do not include products that have undergone processing beyond that contemplated by the goods description. Any domestic sales made by TS Structure, or sales involving goods that have been substantially fabricated into downstream products, should be excluded from the normal value assessment.

If, following verification, the Commission concludes that a processing-related distinction is required, any additional MCC category should be narrowly tailored to reflect the language of the goods description and distinguish only between flat bar that has received minimal processing



and flat bar that has not. Such an approach would ensure that product matching remains accurate while avoiding the inclusion of non-comparable sales in the dumping analysis.

For these reasons, InfraBuild submits that the Commission should first address the issues of product scope in the sales listing, sales entity attribution, and arm's length trading arrangements with TS Steel's processing subsidiary before adopting the exporter's proposed MCC amendment and should only introduce any processing-related distinction where verification establishes that it is necessary and supported by the facts of the investigation.

Please do not hesitate to contact your InfraBuild representative on record with any questions.

FOR AND ON BEHALF OF THE

AUSTRALIAN INDUSTRY APPLICANT

InfraBuild NSW Pty Ltd