PUBLIC RECORD

SUBMISSION TO THE ANTI-DUMPING COMMISSION

Investigation No. 706

Zinc Coated (Galvanised) Steel Exported from Korea and Vietnam

Submission from an Australian steel industry participant

PUBLIC VERSION — Industry observations are generalised; identifying commercial correspondence is withheld.

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CONFIDENTIALITY

This submission provides observations based on practical experience within the Australian steel distribution and downstream manufacturing supply chain.

The identity of the contributor has deliberately not been included in this public version because of the concentrated nature of the Australian steel market and the commercial sensitivity associated with supplier relationships.

The purpose of this submission is not to advocate against Australian steel production or any particular Australian producer.

It is to provide the Commission with a downstream market perspective on competition, supply availability, pricing, product choice and the potential consequences of progressively restricting legitimate international steel supply.

1. PURPOSE OF THIS SUBMISSION

Australia needs a strong domestic steel industry.
It also needs a competitive and resilient steel supply chain.

Anti-dumping measures are appropriate where there is clear evidence that goods have been dumped and that the dumping has caused material injury to Australian industry.

However, the consequences of those measures can extend well beyond the producer seeking protection. This submission asks the Commission to consider carefully:

- whether the alleged dumping in Investigation 706 has actually caused the material injury claimed;
- whether broader market conditions provide an alternative or contributing explanation for reductions in pricing and profitability;
- the role imports play in maintaining competition, product availability and supply security; and
- the downstream consequences for Australian manufacturers, processors and fabricators when legitimate international supply options are progressively reduced.

2. DOWNSTREAM MARKET PERSPECTIVE

Australian steel distributors commonly source combinations of Australian-produced and imported steel.

The balance between those sources changes according to price, availability, specification, lead time, product configuration and customer requirements.

Imported steel does not exist in the Australian market simply because it may be cheaper.

Alternative mills provide:

- different specifications;
- different coil sizes and configurations;
- additional production capacity;
- alternative lead times;
- supply during domestic shortages or delays; and
- competitive tension within the Australian market.

Over time, anti-dumping measures across multiple steel products and countries can progressively reduce the number of commercially viable international supply options.

While each investigation is considered separately, the effect experienced by the downstream market is cumulative.
This deserves greater consideration.

 # 3. INVESTIGATION 706

Investigation 706 concerns zinc coated steel exported to Australia from Korea and Vietnam.

BlueScope's application identified exporters including POSCO, Dongkuk Coated Metal, Dongkuk Steel Mill, Hoa Sen Group and Nam Kim Steel.

The investigation relating to Dongkuk Steel Mill has subsequently been terminated.

That outcome itself demonstrates the importance of assessing individual exporters and actual evidence rather than assuming that all international supply represents unfair trade.

 # 4. BLUESCOPE'S CLAIMED VOLUME AND MARKET-SHARE INJURY

One of the most significant findings in Investigation 706 to date relates to BlueScope's claimed loss of sales volume and market share.

BlueScope alleged that the subject imports had resulted in lost sales volume and reduced market share, amongst other forms of injury.

However, the Commission's Consideration Report found that BlueScope's sales volume in calendar year 2025 was the **highest recorded during the injury analysis period.

The Commission's indexed market-share analysis was:

2022 – 100
2023 – 110
2024 – 110
2025 – 111

The Commission therefore concluded at that stage that there did not appear to be reasonable grounds to support BlueScope's claim of injury through lost sales volume or reduced market share.

The later Australian Industry Verification Report similarly recorded that BlueScope's market share increased between 2022 and 2023 and remained relatively stable through 2025.

This is important.

The evidence indicates that BlueScope maintained its position in the market while the allegedly dumped imports were present.

The remaining question is therefore particularly important:

To what extent was any deterioration in BlueScope's pricing or profitability actually caused by alleged dumped imports?

 # 5. LOWER MARGINS DO NOT NECESSARILY ESTABLISH DUMPING-CAUSED INJURY

The Australian steel market experienced exceptional conditions during and immediately following COVID.

Steel prices and margins increased substantially across parts of the supply chain.

Those conditions were not permanent.

The market has subsequently normalised and businesses throughout steel distribution, processing and manufacturing have experienced pressure on pricing and margins.

This makes causation particularly important.

A reduction in profitability from unusually strong historical levels does not, by itself, establish that dumped imports caused the reduction.

The Commission itself has recognised broader market factors requiring consideration, including movements in demand.

The Commission should therefore distinguish carefully between:

- injury caused by dumped imports; and
- changes caused by weaker demand, normal competitive pressure, post-COVID normalisation, movements in raw-material costs and broader economic conditions.

 # 6. BLUESCOPE'S CURRENT RESULTS PROVIDE IMPORTANT CONTEXT

BlueScope's FY2026 results provide useful broader market context.

BlueScope reported stronger Australian domestic despatches across all end-use segments and record COLORBOND and TRUECORE sales.

At the same time, Australian underlying EBIT declined.

BlueScope attributed softer Australian performance to factors including lower domestic pricing, sustained low Asian steel spreads and higher raw-material costs.

These results do not determine the outcome of Investigation 706.

They do, however, reinforce the importance of establishing causation rather than assuming that lower profitability was necessarily caused by alleged dumped galvanised imports.

 # 7. NORMAL COMPETITION SHOULD NOT BE CONFUSED WITH DUMPING

BlueScope advised the Commission that it operates an import-parity pricing mechanism and that competing import offers can influence its pricing decisions.

Competition ordinarily causes businesses to respond to competing offers.

That is a feature of a functioning market.

An Australian producer reducing its price in response to competition does not, by itself, establish that the competing product was unfairly priced.

The Commission must determine whether the relevant imports were dumped and, importantly, whether that dumping caused material injury.

This distinction is fundamental.

Imports are also selected for reasons other than price, including:

- availability;
- lead time;
- specification;
- product configuration;
- coil size;
- customer requirements; and
- ability to provide required dimensions;
- quality of product;
- supply diversification.

 # 8. SUPPLY SECURITY

Alternative international steel supply provides resilience to the Australian market.

Where an Australian producer experiences production constraints, equipment failures, extended lead times or product availability issues, alternative international mills provide another source of supply.

If those alternatives progressively become commercially unavailable, demand becomes concentrated among fewer suppliers.

That can result in:

- longer lead times;
- greater exposure to production interruptions;
- reduced product choice;
- reduced competitive pressure; and
- increased supply-chain risk.

This affects not only distributors.

It flows directly through to Australian manufacturers and fabricators requiring steel to maintain their own production.

 # 9. WHYALLA AND THE IMPORTANCE OF SUPPLY DIVERSITY

Recent events at Whyalla provide a timely demonstration of why Australia requires diversity in steel supply.

The failure to successfully restart the Whyalla blast furnace and the resulting loss of that production capacity demonstrate that domestic steel supply cannot simply be assumed to be continuously available.

Australia is now considering how that capacity will be replaced in the future.

Against that background, policies that reduce alternative legitimate international supply should be considered carefully.

Supply diversity is not contrary to Australian manufacturing.

Supply diversity is part of Australia's industrial resilience.

 # 10. PRODUCT CONFIGURATION MATTERS

The existence of an Australian-produced product does not necessarily mean it is a practical substitute for every imported product.

Coil weight provides a straightforward example.

Australian manufacturers may have production equipment, cranes, forklifts and coil-handling systems designed around particular maximum coil weights.

If the required coil configuration is unavailable, purchasing a larger coil and processing it down can introduce additional:

- processing;
- freight;
- handling;
- storage;
- yield; and
- administrative costs.

In low-margin steel markets, these additional costs can make particular customer segments commercially unviable to service.

The Commission should therefore consider **practical substitutability**, not simply whether a broadly similar Australian-produced steel product exists.

 # 11. THE CUMULATIVE EFFECT OF ANTI-DUMPING MEASURES

This is an area that warrants greater consideration.

Individual investigations assess individual products and countries.

Australian distributors and manufacturers, however, experience their “combined effect”.

As successive products, countries and exporters become subject to measures, the pool of commercially viable alternative supply progressively contracts. This affects:

- competition;
- pricing;
- product range;
- availability;
- lead times;
- supply security; and
- the ability to respond when another supplier experiences disruption.

The downstream impact of successive Anti-Dumping actions should therefore form part of the broader consideration of Australia's steel supply resilience.

 # ADDITIONAL EVIDENCE: LONG-TERM LOSS OF INTERNATIONAL SUPPLY OPTIONS

Successive anti-dumping investigations and measures can reduce commercially viable overseas sourcing options. These proceedings may affect purchasing decisions even before final duties are imposed. In a low-margin market, exposure to possible additional or retrospective duties may make an otherwise legitimate import commercially unviable.

Overseas mills also assess whether the Australian market is commercially worthwhile. Australia represents relatively modest tonnage compared with larger international markets. The perceived risk of anti-dumping proceedings can discourage mills from entering or continuing to supply Australia, further reducing competition and available product configurations.

Establishing an alternative mill is not an overnight exercise. Distributors must confirm compliance with Australian Standards, obtain test certificates, traceability and other customer-required documentation, assess consistent product quality and surface finish, establish suitable packing and protection standards, and develop dependable freight, shipping and delivery arrangements. These relationships and supply chains require significant investment and time. Losing an established source can leave an immediate gap that cannot quickly be filled.

The Commission should consider not only duties imposed but also the deterrent effect of investigations, uncertainty and cumulative measures on the availability of international supply.

 # ADDITIONAL EVIDENCE: NEW COATING CAPACITY AND COMMERCIAL INCENTIVES

BlueScope has publicly reported investment of approximately $490 million in Metal Coating Line 7 in Western Sydney, designed to add approximately 240,000 tonnes of annual metal-coating capacity. First metal was processed in August 2026, with production ramp-up to follow. The precise contribution of this line to the zinc-coated products within Investigation 706 should be verified rather than assuming all announced capacity is interchangeable.

A major capacity investment creates an ordinary commercial incentive to secure sales and achieve high utilisation. The Commission should examine whether proposed duties would materially reduce competing supply options and assist BlueScope in securing market share for its additional capacity. This is a question about market effects, not an assertion that BlueScope initiated the investigation for an improper purpose.

The Commission should examine the timing of commissioning, actual output, product mix, customer availability and any delays, alongside BlueScope's claims about injury and its ability to supply demand.

 # ADDITIONAL EVIDENCE: PASSIVATION AND SUPPLY RELIABILITY

Industry experience in 2024 and 2025 included complaints about white dust or passivation residue on galvanised products, which could become apparent after coils had been stored. Downstream processors reported extra cleaning, handling and labour, with some adapting their equipment to reduce marking and residue. These experiences warrant investigation as potential alternative causes of customer dissatisfaction, extra costs and changes in purchasing behaviour.

It should be established what storage-duration testing was undertaken and whether material that appeared satisfactory immediately after production developed residue later. The Commission should obtain relevant technical records and distinguish confirmed chemical mechanisms from observations and concerns reported by customers.

 # 12. AUSTRALIAN INDUSTRY IS A SUPPLY CHAIN

Australia's steel industry does not end when steel leaves the producing mill.
Australian businesses subsequently:

- distribute it;
- process it;
- cut it;
- form it;
- fabricate it; and
- manufacture products from it.

Those businesses employ Australians and compete in their own markets. Many also compete against imported finished goods. Higher steel input costs cannot necessarily simply be passed through to their customers.

There is therefore a potential unintended consequence where measures intended to support Australian manufacturing at the primary steel-production level increase input costs or reduce supply options for Australian manufacturers further downstream. **Both parts of Australian industry matter**.

 # 13. WHAT A FAIR MARKET SHOULD ACHIEVE

Australia should have:

- strong domestic steel production;
- protection against genuine dumping;
- legitimate international competition;
- multiple sources of supply;
- competitive pricing;
- product diversity; and
- sufficient capacity to respond to supply disruptions.

These objectives are not mutually exclusive. Anti-Dumping measures should address unfair trade.

They should not unintentionally protect an Australian producer from ordinary competitive pressure.

PUBLIC RECORD

14. REQUEST TO THE COMMISSION

In completing Investigation 706, the Commission is respectfully requested to:

1. Carefully establish causation.
   Determine whether deterioration in pricing or profitability was caused by alleged dumped imports rather than broader market conditions.

2. Give appropriate weight to the Commission's existing volume findings.
   BlueScope's sales volume and market share evidence does not support its original claims of volume or market-share injury.

3. Distinguish competition from alleged dumping-related injury.
   Competitive pricing pressure alone does not establish injury caused by dumping.

4. Assess exporters individually wherever possible.
   The termination concerning Dongkuk Steel Mill demonstrates the importance of exporter-specific evidence.

5. Consider practical product substitutability.
   Specifications, coil configuration, processing requirements and customer equipment matter.

6. Consider supply resilience.
   Alternative international supply provides capacity when Australian production is delayed, constrained or unavailable.

7. Consider broader market conditions.
   Post-COVID normalisation, demand, global steel conditions, input costs and general economic conditions may affect profitability independently of dumping.

8. Recognise downstream consequences.
   Where permitted by the statutory framework, the effect on Australian processors, distributors, fabricators and manufacturers should also be considered.

Additional request: Examine the cumulative deterrent effect of anti-dumping claims on sourcing countries, the time needed to qualify replacement mills, the commercial effects of the new coating line, and alternative causes of downstream supply and quality problems.

15. CONCLUSION

This submission does not argue that Australia should tolerate genuine dumping.

It argues that anti-dumping measures should be imposed where the evidence establishes both “dumping and material injury caused by that dumping”.

Investigation 706 demonstrates why that distinction is important.

BlueScope alleged lost sales volume and market share.

The Commission's initial analysis did not support those claims.

BlueScope's 2025 sales volume was the highest in the injury analysis period and its market share was above its 2022 level.

The remaining claims concerning pricing and profitability therefore require careful analysis of causation.

At the same time, Australia is confronting domestic steel supply challenges, including the situation at Whyalla.

Reducing legitimate international supply in that environment has potential consequences for competition, product availability and supply security.

Australia needs a strong domestic steel industry.

It also needs competitive Australian distributors, processors, fabricators and manufacturers.

The objective should not be Australian steel or imported steel.
The objective should be a fair, competitive and resilient Australian steel market.

That means acting against genuine dumping while preserving legitimate competition and the supply diversity required by Australian industry.