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**Public Document**

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Attention: Mrs. Catherine de Fontenay and Mr. Barry Sterland

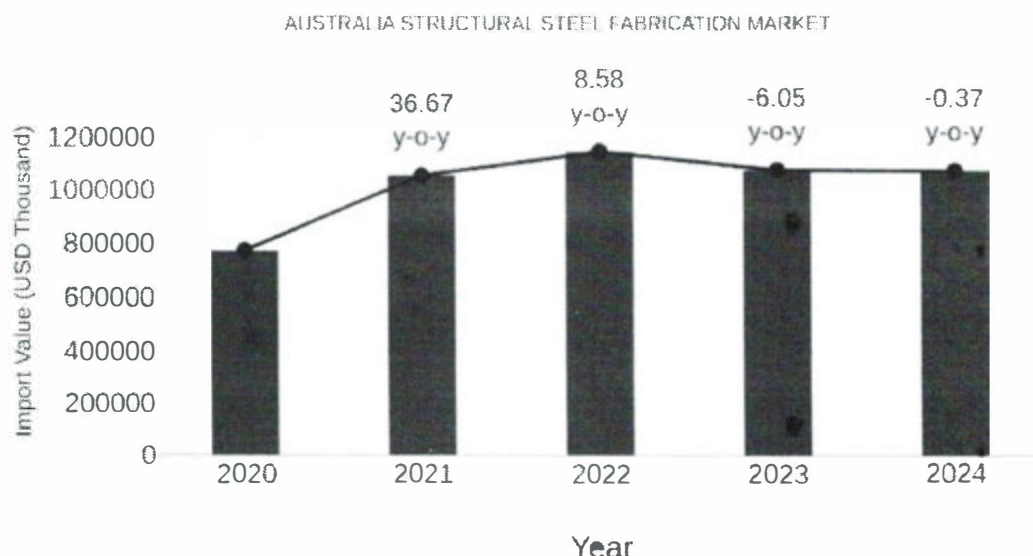
**Subject : Government of Indonesia Comments on the Initiation of Australia's Safeguard Investigation against Imported Fabricated Structural Steel.**

Dear Mrs. Danielle Wood,

The Government of Indonesia (the GOI) presents its compliments to the Productivity Commission (the Commission). With reference to the WTO's notification Number G/SG/N/6/AUS/5 dated January 23<sup>rd</sup>, 2026, and following our registration as an interested party, the GOI herewith submits its written comments for the Commission's consideration.

#### **Australia Structural Steel Fabrication Market: Import Trend Analysis**

1. The GOI examined the Australian structural steel fabrication market. A public source reported that Australia's imports declined by 0.37% from 2023 to 2024. The annual compound growth rate for imports during the period 2020-2024 stood at a healthy 8.56%<sup>1</sup>.



2. Appellate Body in Argentina – Footwear (EC) held that the increase in imports must have been recent, sudden, sharp and significant enough to cause or threaten to cause serious injury. In assessing an import surge, the intervening period also must be considered. Based on those

<sup>1</sup> <https://www.6wresearch.com/industry-report/australia-structural-steel-fabrication-market-outlook>.

interpretations, we do not see the Australian import of FSS as recent, sudden, sharp and significant enough within the context of the Agreement on Safeguards. In contrast, the imports started declining after 2022.

### Indonesia's Export of Subject Product to Australia in the Most Recent Period

3. The following is Indonesia's export performance of Fabricated Structural Steel (FSS) to Australia over the last five years:

HS Code	Indonesia's Export Quantity in Tons					
	2020	2021	2022	2023	2024	2025 (Jan – Nov)
730810	338,1	262,5	3.988	1.986,6	8.083,7	325,6
730890	2.988,1	2.231,2	1.406,8	2.382,1	55.912,7	4.298,6
Total	3.326,2	2.493,7	5.394,8	4.368,7	63.996,4	4.624,2

Source: BPS-Statistics Indonesia.

Those figures indicate that before 2024, Indonesia was a minor supplier of FSS to the Australian market. Indonesian exports of FSS to Australia spiked in 2024 but fell significantly in 2025, the most recent period.

4. We refer to:
- a. Article XIX Para 1 (a) GATT 1994:
 

*"If, as a result of unforeseen developments and of the effect of the obligations incurred by a contracting party under this Agreement, including tariff concessions, any product is being imported into the territory of that contracting party in such increased quantities and under such conditions ...".*
  - b. Article 2 Agreement on Safeguard:
 

*"A Member may apply a safeguard measure to a product only if that Member has determined, pursuant to the provisions set out below, that such product is being imported into its territory in such increased quantities, absolute or relative to domestic production, and under such conditions ...".*
5. In accordance with the above provisions, the GOI recommends that the period closest to the initiation of the safeguard investigation be used to assess the surge in imports. As the investigation commenced in January 2026, we respectfully request that the Commission designate 2025 as the most recent period of investigation. Indonesian exports of FSS to Australia remained low in 2025; including this period will ensure a fair and accurate assessment of the import surge, its impact on the domestic industry, and the causal link to any resulting injury.

### Examination on Unforeseen Development

6. Para 1. (a) Article XIX of GATT 1994, as outlined above, requires an examination of the factors contributing to the surge in imports. Accordingly, the Commission should consider the special characteristics of the merchandise under investigation.
7. Fabricated Structural Steel (FSS) possesses distinctive characteristics as described below<sup>2</sup>:

<sup>2</sup> <https://morfabrication.com/2024/04/04/what-is-structural-steel-fabrication-and-its-process-2/#:~:text=What%20is%20fabricated%20structural%20steel,skills%2C%20equipment%2C%20and%20machinery.>

- a. Structural steel is used across many industries because it is very strong, durable, and capable of withstanding high temperatures. It is easy to work with and can be tailored to specific needs, making it ideal for building bridges, homes, house additions, factories, and other construction projects. The process uses modern machines to cut, bend, and shape steel into different parts and products, turning raw steel into finished pieces through a set of planned steps.
  - b. The process of steel fabrication involves sheet metal fabrication services such as:
    - **Design** – This is the initial concept stage, where projects and products are designed using CAD drawings with detailed specifications and calculations added so steel can be manufactured to meet the required specifications.
    - **Material selection** – once the design has been finalized, the assessment of materials, such as stainless steel, copper, and galvanized steel, is required, and all materials must be ordered.
8. From here, the fabrication process begins:

- **Cutting** – using Computer Numerical Control (CNC) machining, though some cuts are made by hand. Steel is cut to desired lengths using a laser or a waterjet.
- **Shot Blasting** – helps to remove any impurities from the steel.
- **Bending** – bending involves bending sections, rolls, plates, or tubes to create the desired shape. It produces curved, rigid, or straight edges, resulting in a smooth finish that resists breaking or cracking.
- **Punching/Stamping/Shearing** – involves piercing holes, shaping metal, and trimming excess material. Fabricators use specialist tools and machinery to meet design specifications.
- **Welding** – a common fabrication technique that joins sections using specific methods. It creates stability and rigidity by melting materials that solidify as they cool.
- **Quality Checking** – occurs at the end of fabrication to ensure the structural steel meets all specifications through testing and inspection.
- **Finishing** – adding protective layers to structural steel to provide additional corrosion resistance.

This distinctive characteristic of FSS is relevant when assessing the appropriateness of the Petitioner's unforeseen development claims.

9. In this regard, the GOI argues the appropriateness of the Petitioner's unforeseen development claims and their correlation with the increasing import of FSS into Australia, as made by the Petitioner. We find no evidence that the global steel surplus has contributed to the increase in FSS imports into Australia. As previously noted, FSS is predominantly a made-to-order product that relies on mass-produced, standardized raw materials such as I-beams, H-beams, and plates. While steel profiles are produced in large quantities, the final fabricated components, including columns, trusses, and girders, are cut, bent, and welded to satisfy specific project requirements.
10. Due to its engineered-to-order nature, FSS is not a product subject to intense trade remedy measures around the globe. In contrast to the Petitioner's claims, we observe that FSS is not subject to trade defense measures.

## Examination of Other Factors

11. The Commission shall inspect factors that cause the surge in imports or adversely affect the domestic industry's performance, beyond those claimed by the Petitioners. We suggest the Commission examine the relationship between Australian construction activity and imports of the subject merchandise. We believe the intensity of construction activities in Australia was the main driver of FSS consumption.
12. We also observe that Australia has been dealing with a shortage of welders<sup>3</sup>. Since welders are a fundamental production factor in the FSS industry, this shortage must be adversely affecting the industry. The Commission should find that the labor shortage, not imports, has been disrupting the Australian FSS Industry.
13. Therefore, the surge in imports was not triggered by unforeseen development as claimed by the Petitioner. Instead, it resulted from internal development, with no unforeseen element. The Commission shall properly examine this issue.

The GOI avails itself of this opportunity to renew its assurances to the Commission of its highest consideration. Thank you for your attention and cooperation.

Yours sincerely,

Director of Trade Defense

Cc:

1. Director General of Foreign Trade, Ministry of Trade of the Republic of Indonesia;
2. H.E Indonesian Ambassador for Australia Accredited to the Republic of Vanuatu in Canberra.

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<sup>3</sup> Australia needs 70,000 more welders by 2030 to help power renewable energy shift, Weld Australia says - ABC News