

SAFEGUARD SUBMISSION

Import of Fabricated Structural Steel

AMARCON Group Pty Ltd

Summary

AMARCON Group Pty Ltd is an Australian manufacturer of fabricated structural steel serving the industrial and commercial construction sectors. The business is directly exposed to import competition across its full revenue base and has experienced sustained price undercutting, reduced tender competitiveness, margin compression, and constraints on investment caused by the increased availability of lower-priced imported fabricated structural steel.

1. Business Overview

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| Company name | AMARCON Group Pty Ltd |
| Location of operations | Wyong NSW |
| Number of employees | Structural Steel Division 14 |
| Approximate annual production volume | Approximately 1,000 tonnes of fabricated structural steel and associated building components per annum |
| Products manufactured | Fabricated structural steel products for industrial and commercial building projects, including structural steel frames, columns, rafters, beams, trusses, bracing assemblies, connection assemblies, welded structural components, and related building steel packages. |
| Relevant tariff code classifications | Relevant tariff classifications include those applicable to fabricated structural steel, structural sections, and prefabricated structural components as identified in the Appendix to the submission form. |
| Exposure to import competition | Approximately 100% of revenue is exposed to direct import competition. |
| Key customer segments | Industrial and commercial construction sectors, including builders, developers, head contractors, and clients requiring complete structural building packages. |

2. Evidence of an Import Surge

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| Market observations | AMARCON has observed increased import penetration in its product category over approximately the past 3 to 5 years, with particularly noticeable increases over the last 2 to 3 years. Imported fabricated structural steel packages are increasingly being offered into the Australian market at prices materially below sustainable domestic manufacturing levels. |
| Lost contracts or market share | AMARCON has experienced increasing difficulty in securing contracts where imported fabricated structural steel is offered as an alternative. Lost opportunities have included industrial sheds, warehouses, workshops, and commercial building packages, commonly ranging from several hundred thousand dollars to multi-million dollar structural steel packages. |
| Competing product origin | Where known, competing fabricated steel products have commonly originated from lower-cost overseas manufacturing jurisdictions, including Asia. |
| Approximate price difference | Imported offers have frequently been around 25% to 30% below local compliant fabrication pricing, and in some cases more. |

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| Pricing impacts | AMARCON has experienced sustained price undercutting over several years. Import-led market pricing has forced local manufacturers either to reduce margins to unsustainable levels or to withdraw from tenders where pricing does not support viable Australian fabrication. |
| Other indicators | The business has observed lower order conversion rates, reduced success in competitive tenders, increased customer focus on lowest initial purchase price, and broader evidence that imported fabricated steel is setting market price expectations. |

3. Evidence of Injury

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| Financial impacts | Revenue and profitability have been placed under pressure by increased competition from lower-priced imported fabricated structural steel. Gross margins and EBITDA margins have been compressed because AMARCON has either reduced pricing to remain competitive or lost work to imported alternatives. |
| Production and utilisation | Production volumes have been affected by the loss of projects to imports and by the need to be selective where pricing is below sustainable levels. Current capacity utilisation is below the level required for consistently efficient operation when compared with historical averages. |
| Employment impacts | AMARCON seeks to retain its skilled workforce wherever possible; however, prolonged import pressure creates an ongoing risk of workforce reduction. Roles affected include fabricators, welders, machine operators, riggers, estimators, draftspeople, project managers, and support staff based in Wyong, New South Wales. |
| Hiring and recruitment | Import pressure has contributed to caution in recruitment, deferred hiring, and reduced confidence in expanding workforce capability despite underlying project demand. |
| Investment impacts | Capital expenditure on plant, equipment, technology, and operational improvements has been constrained by margin compression and market uncertainty caused by import competition. Planned or desirable investments in productivity upgrades may be deferred or staged due to reduced commercial certainty. |
| Link to import pressure | The injury identified is linked to import surges because the business is operating in the same product category directly affected by low-priced imported fabricated steel. The issue is not merely reduced demand; rather, domestic production is being displaced by imports priced at levels that do not support sustainable Australian manufacturing, employment, and reinvestment. |

4. Productivity Implications

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| Current constraints | AMARCON's ability to pursue productivity improvements is constrained by margin compression and uncertainty caused by import competition. While opportunities exist to improve productivity through new plant, automation, workflow improvements, and digital design and manufacturing integration, these initiatives require capital and confidence in future workload. |
| Response to a temporary safeguard measure | If a temporary safeguard measure were imposed, AMARCON would use that period of stability to invest in fabrication equipment and operational efficiency improvements, strengthen workforce capability through retention and training, improve digital detailing and production planning systems, and pursue productivity gains to improve long-term competitiveness. |

5. Structural Implications

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| Skills and workforce | There is an ongoing risk of losing experienced and specialised employees if domestic fabrication volumes continue to be displaced by imports. Rebuilding this capability would be difficult and time-consuming, particularly for qualified fabricators, welders, supervisors, estimators, and experienced project delivery staff. Rehiring and retraining equivalent staff could take many months to several years depending on the role. |
| Business viability | Import pressure has affected the long-term viability of locally fabricated structural steel product lines in market segments where imported alternatives consistently undercut domestic manufacturing costs. There is a real risk that Australian manufacturers may withdraw from certain market segments if conditions continue. |
| Supply chain implications | AMARCON plays an important role in the domestic construction supply chain by providing local fabrication, project coordination, installation capability, employment, and support services. If domestic capacity contracts further, Australia will become increasingly reliant on imported fabricated structural steel, reducing sovereign capability and increasing exposure to offshore supply disruption. |
| Regional impact | AMARCON's operations at Wyong NSW contribute to regional employment, local procurement, skills development, and the broader industrial economy of the Central Coast region. Any contraction in domestic fabrication capability would negatively affect not only direct employees but also subcontractors, suppliers, and local service providers. |