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Public Document

Ms. Danielle Wood
Chair of The Productivity Commission
Australian Government
Email: safeguards@pc.gov.au

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

**Subject : Government of Indonesia Post Hearing Written Submission - Australia
Safeguard Investigation Against Imported Fabricated Structural Steel.**

Dear Ms. Danielle Wood,

The Government of Indonesia (the GOI) presents its compliments and gratitude to the Australian Productivity Commission (the Commission) for granting us the opportunity to appear in a public hearing held on 13th May 2026 in the framework of the above-mentioned investigation. Following the hearing, we submit our written response to the Commission's questions for your consideration.

1. In response to the Commissioner's inquiry regarding the GOI's position on the Applicant's claims of unforeseen developments, the GOI maintains that Fabricated Structural Steel (FSS) possesses distinctive characteristics that differentiate it from other steel products. Steel products subject to safeguard measures or investigations in many countries are predominantly mass-produced items, such as hot-rolled or cold-rolled carbon steel, which are semi-finished products used as inputs for further processing. Global overcapacity or oversupply in these semi-finished steel products, combined with trade-restrictive measures, may incentivise steel producers to seek overseas markets. In contrast, FSS, as outlined in the GOI's initial written submission, is manufactured according to specific designs or models tailored to particular purposes. Production of FSS is initiated after customers place orders specifying the required design, model, or other construction-related specifications. Accordingly, the GOI asserts that global steel overcapacity or oversupply does not contribute to the surge in Australia FSS imports.
2. In response to the Commissioner's question on the GOI's view on whether global overcapacity in raw steel creates a cost advantage for importing fabricated steel, the GOI does not support that notion, considering the cost advantage coming from the global overcapacity in raw steels should spread to all over the world and create the same level of playing field, except for those who are distorted by trade restrictive policies.
3. In response to the Commissioner's question on the GOI's views on the contribution of other factors to the surge in FSS imports into Australia, we argue that Australian demand

is the main driver of these imports. Further, regarding Indonesian exports of FSS to the Australian market, given the nature of the product, the GOI believes there was an increase in demand in Australia in 2024, which explains the spike in our FSS exports in that period.

4. In response to the Commissioner's question regarding factors affecting Australia's import of FSS or the domestic industry, the GOI refers to a public source, as noted in our first written submission, indicating that welder shortages in Australia have impacted the capacity of the fabrication industry. The GOI believes this issue warrants further analysis by the Commission.
5. In response to the Commissioner's question regarding the GOI's views on the Indonesia FSS export data presented in our submission, we would like to clarify that the data was sourced from the Indonesia Central Bureau of Statistics. We used two HS codes that correspond to the product descriptions stated in the notice of initiation. The increase in export quantity was accompanied by a corresponding rise in value. In 2024, Indonesia's export value of FSS to Australia reached USD 866.9 million, a considerable increase from the 2023 export value of USD 10.2 million.
6. In response to the Commissioner's question regarding the GOI's perspective on the Australia FSS import trend, the GOI clarifies that publicly available data indicate a slight decline in imports, with a growth rate of -0,37% from 2023 to 2024. If 2024 is considered the end of the investigation period, as the Applicant suggests, the chart in recital 1 of our first written submission does not show a recent, sudden, sharp, or significant increase in FSS imports as defined by Article 2 of the Agreement on Safeguards.
7. Furthermore, although the import data presented in recital 67 of the application demonstrates a steady increase in FSS imports in Australia from 2019 to 2024, the Applicant's economic indicators in recital 131 persuade us that the Australian FSS industry remained robust during 2022 to 2024, when imports were at their peak. Key economic indicators, including Sales, Sales Value, Profit, Profitability, and Employment, all showed growth in 2024. Therefore, there is no substantiated evidence to support the claim of injury or threat to the Australian FSS industry as a result of increasing imports.

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

Yours sincerely,

Reza Pahlevi Chairul
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.