InfraBuild – Supporting Australia's Fabricated Structural Steel Industry

InfraBuild welcomes the opportunity to respond to the Productivity Commission's invitation to make submissions or brief comments in response to its call for submissions paper.

The Australian fabrication structural steel products industry is critical to the stability and growth of Australia's building and construction industry. The ability to deliver tailored, just-in-time solutions to the building and construction industry is the key strength of Australia's innovative and efficient fabricated structural steel industry.

The Australian fabricated structural steel industry operates in one of the world's most competitive manufacturing regions and is highly trade exposed due to the open nature of the Australian market that has zero to minimal tariffs due to extensive Free Trade Agreements with its trading partners.

InfraBuild supports the use of WTO compliant international trading rules. Effective trade defence mechanisms do not restrict free and fair trade but are essential to address in real time, serious and unforeseen global trading conditions, which if left unabated stand to cause serious injury to Australia's domestic fabricated structural steel production capability and capacity. This undermines investment, decarbonisation and productivity, threatening a current and a *Future Made in Australia* strategy.

Although not directly a member of the fabricated structural steel products industry in Australia, InfraBuild does manufacture in Australia and supply inputs into fabricated structural steel products, such as hot rolled steel sections and cold formed structural pipe and tube products. InfraBuild is Australia's largest manufacturer of steel long products and with over 4,500 employees across the nation manufacturing and distributing approximately 2 million tonnes of steel products annually. These steel products, which include reinforcing bar, wire rod and merchant bar, are essential for Australia's housing, construction, infrastructure, mining, energy, and rural industries.

Summary

In its submission, InfraBuild has endeavoured to address those questions set out in the Productivity Commission's call for submissions paper, that it feels it is qualified and able to respond to. InfraBuild's analysis notes that one tariff subheading and statistical code dominates the overwhelming majority of the relevant steel products imported. Where appropriate InfraBuild has identified whether its commentary has involved the analysis of all the relevant steel products imported, or only the most popular category. In particular, the was done in order to extrapolate reliable trends in changes to market share.

In summary, InfraBuild found that there was an increase in both absolute and relative terms of imports of the relevant steel products. This has been at the expense of domestic fabricated structural steel products, which have significantly lost market share since the increase in imports were most pronounced in CY 2024.

The increase in imports corresponded with an unprecedented increase in global steel overcapacity. The unforeseen event that caused this overcapacity was a financial and liquidity crisis in China's building and construction industry. This came to a head with the financial collapse of China's largest construction company in January 2024.

To the extent that InfraBuild is able to assess the economic indicators of the Australian domestic fabricated structural steel products industry, InfraBuild has found that the loss of domestic production and sales, the loss of market share held by the Australian domestic industry since CY 2024 are serious in their magnitude and materiality. Global research concerning the causative effects of steel markets in states of overcapacity on domestic industry dynamics, such as profit and employment have also been cited by InfraBuild.

InfraBuild also considered whether constraints in inputs to the domestic industry amounted to a factor other than the increase in imports, and concluded that these were not relevant or material, given the availability of alternative sources of supply.

The public interest of a safeguard measure was also examined by reference to independent research which suggested that the loss of domestic industry and capacity may become a constraining factor to other, critical, downstream industries.

Finally, InfraBuild advocates for the making of a provisional measure to urgently abate the immediate and consequential loss of domestic enterprises, skills and employment. In summary, the benefit of preserving domestic productive capacity far outweighs the cost of the imposition of a provisional measure in the short term.

1. Have imports of the relevant steel products increased?

InfraBuild has considered imports of the relevant steel products since 1 January 2021 and observes that the calendar year (**CY**) 2025 represents the highest annual volume of imports (refer **CHART 1**, below)

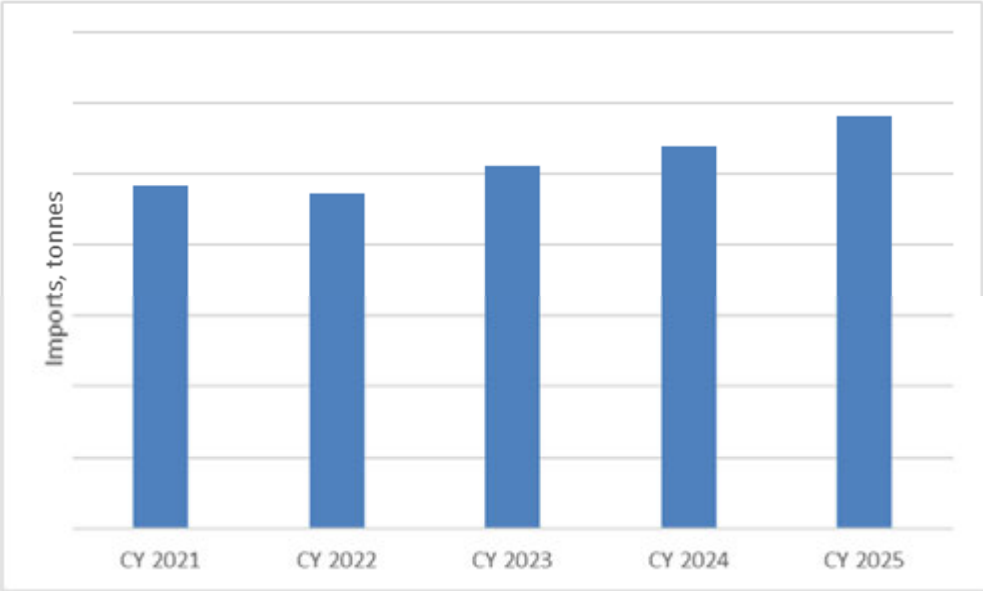
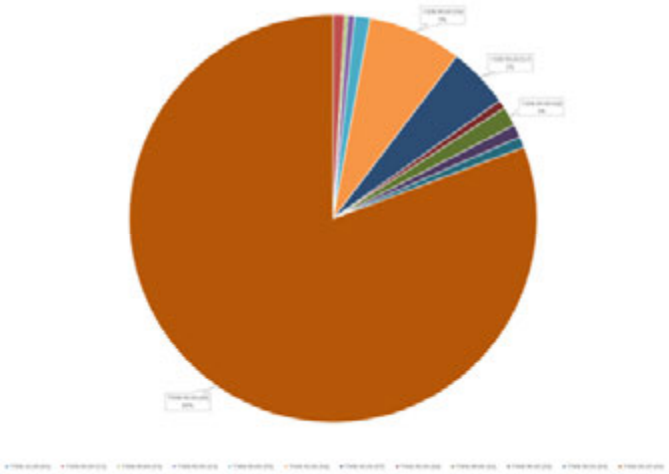


CHART 1: Import volumes, Fabricated structural steel products, All relevant tariff codes (listed in "terms of reference")

Since January 2021, imports of fabricated structural steel products classified to tariff subheading and statistical code 7308.90.00 (65), that is, *'Structures and parts of structures and plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel'* represent the overwhelming majority of the goods imported (80.7%). **CHART 2**, below represents the relative proportions of the different, relevant tariff codes as a percentage of all imports of fabricated structural steel products.



Tariff Code	%, Import volume (t), Fabricated Goods
7308.10.00 (01)	0.0%
7308.90.00 (52)	0.9%
7308.90.00 (53)	0.3%
7308.90.00 (54)	0.5%
7308.90.00 (55)	1.2%
7308.90.00 (56)	7.4%
7308.90.00 (57)	4.9%
7308.90.00 (60)	0.7%
7308.90.00 (62)	1.5%
7308.90.00 (63)	1.0%
7308.90.00 (64)	0.9%
7308.90.00 (65)	80.7%

CHART 2: Import volumes, CY 2025, Fabricated structural steel products, All relevant tariff codes (listed within terms of reference) (Source: CONFIDENTIAL ATTACHMENT 1)

(a) Absolute change in imports

In absolute terms, the volume of imports of the fabricated goods have increased since January 2021 at varying annual rates. **TABLE 3**, below, indicates the annual changes in import volumes across the analysis period (1 January 2021 to 30 December 2025).

Calendar Year (CY)	% Change, annual comparison
2021	
2022	-3.8%
2023	4.8%
2024	9.4%
2025	7.8%

TABLE 3: Import volumes, % change year-on-year, since 1 January 2021 to 30 December 2025, Fabricated structural steel products, All relevant tariff codes (listed within terms of reference) (Source: CONFIDENTIAL ATTACHMENT 1)

According to **TABLE 3**, above, the rate of absolute change in imports of fabricated structural steel products accelerated in the 2024 CY period and further in the 2025 period. When compared to the previous two years (2022 and 2023), the change in imports in the 2024 and 2025 CY periods increased by **16.4%**.[1]

InfraBuild submits that the absolute change in imports of fabricated structural steel products is recent, sudden, sharp and significant, within the meaning of Article 2.1 of the *Agreement on Safeguards*.

(b) Changes relative to domestic production

To analyse changes in import volumes relative to domestic production, InfraBuild has applied a measure of the total of domestic production and imports of hot rolled structural sections as a proxy metric for the size of the downstream fabricated structural steel products industry in Australia. Such a metric may then be compared to those fabricated structural steel products being classified to tariff subheading and statistical code 7308.90.00 (65). Not only does this subset of the products under inquiry represent the majority of the goods imported; 80.7%; but also, the majority of these products are composed largely of hot rolled structural sections of steel, by weight. InfraBuild submits its methodology presents a reliable means of analysing the trend in changes to the “market share” between the imports and domestic production.

CHART 4, below, indicates the outcome of InfraBuild’s analysis of changes in market share.

[1] Refer CONFIDENTIAL ATTACHMENT 1.

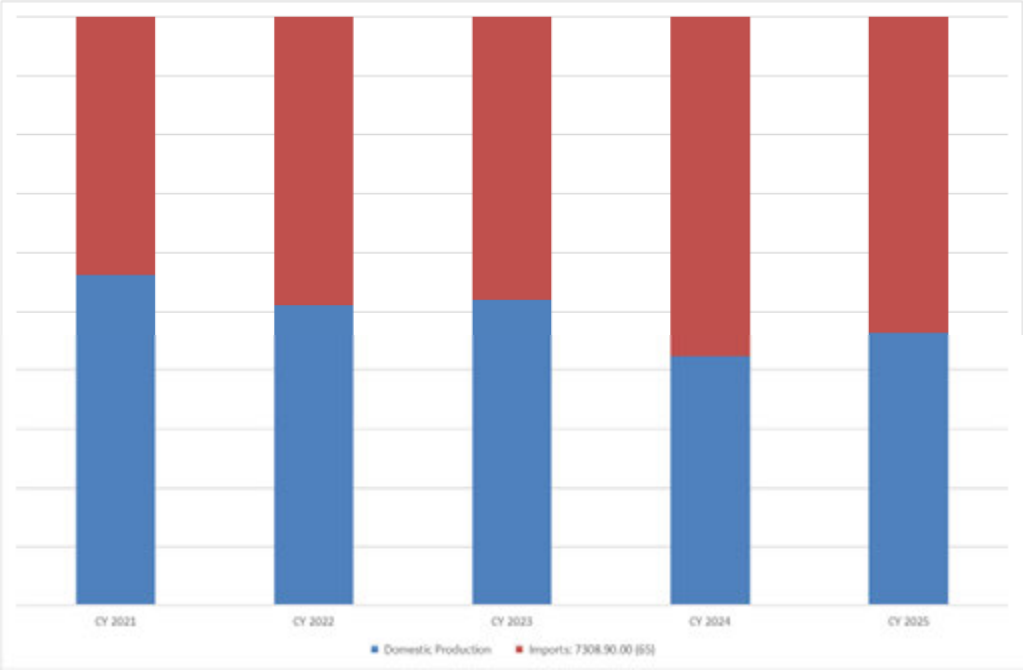


CHART 4: Market share since 1 January 2021 to 30 December 2025, fabricated structural steel products classified to 7308.90.00 (65) and domestic production based on Australian sales of hot rolled structural sections (domestic and imported) (Source: CONFIDENTIAL ATTACHMENT 1)

CHART 4, above, confirms that the market share for domestic production of fabricated structural steel products has declined while the market share of imports has increased.

Consistent with the observation made with respect to absolute changes in imports the acceleration in the gain in market share by imports occurred in the CY 2024 period, and was sustained in the CY 2025 period.

TABLE 5, below, indicates an index of market shares between domestic production and imports.

	Domestic Production	Imports: 7308.90.00 (65)
CY 2021	100	100
CY 2022	91	112
CY 2023	92	110
CY 2024	75	132
CY 2025	83	122

TABLE 5: Indexed table of changes in market share since 1 January 2021 to 30 December 2025, fabricated structural steel products classified to 7308.90.00 (65) and domestic production based on Australian sales of hot rolled structural sections (domestic and imported), CY 2021 base year (Source: CONFIDENTIAL ATTACHMENT 1)

TABLE 5, above, confirms that the change in imports is both consistent in absolute and relative terms, and that the acceleration in the change is pronounced in the CY 2024 period and sustained in the CY 2025 period.

Furthermore, the rates of change in imports relative to domestic production in CY 2024 and sustained in CY 2025; specifically, a 20% increase in market share in CY 2024 when compared to the previous CY (2023) period, and a 32% increase when compared to the CY 2021 period supports the conclusion that the changes in imports relative to domestic production is recent, sudden, sharp and significant, within the meaning of Article 2.1 of the *Agreement on Safeguards*.

(c) Trends in imports of the relevant products.

CHARTS 6 and **7**, below, track the trend in imports in absolute and relative terms.

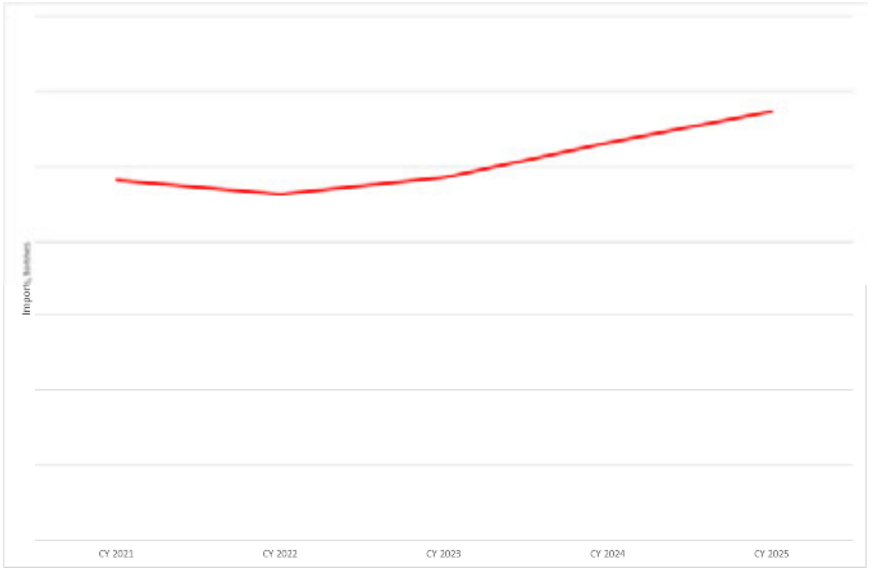


CHART 6: Imports, since 1 January 2021 to 30 December 2025, fabricated structural steel products All relevant tariff codes (listed in terms of reference) (Source: CONFIDENTIAL ATTACHMENT 1)

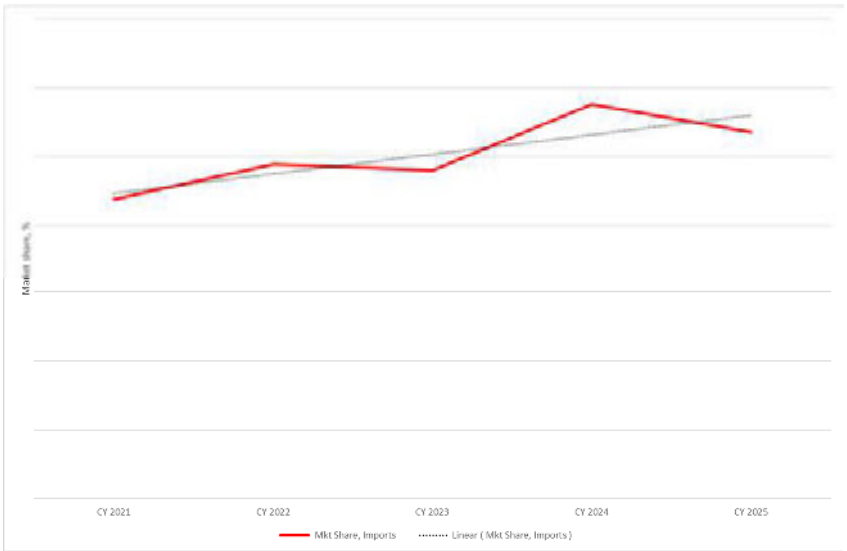


CHART 7: Market share since 1 January 2021 to 30 December 2025, imported fabricated structural steel products classified to 7308.90.00 (65) (Source: CONFIDENTIAL ATTACHMENT 1)

InfraBuild observes that the trend in imports of the relevant products in absolute terms has been upward since CY 2023, and sharply upward since CY 2024. The overall trend is one of rapid and sustained growth.

Similarly, InfraBuild observes that the trend in imports of the relevant products in relative terms to domestic production has been one of growing market share through CY 2022 and CY2023, and market by rapid growth in market share in CY 2024 and sustained market share hold in CY 2025.

2. What are the causes of any changes in imports of the relevant steel products?

According to the Global Forum on Steel Overcapacity (**GFSEC**), the global steel capacity-demand gap reached its highest point in CY 2024 (602 million metric tonnes, mmt). The GFSEC's analysis and forecasts are extracted in **FIGURE 8**, below:

FIGURE 8: GFSEC, Actual and forecast global steel excess capacity (Source: https://www.steelforum.org/, accessed 13 April 2026)

The GFSEC's assessment of the worsening capacity-demand gap in global steel markets coincides with InfraBuild's observation of the surge in imports of fabricated structural steel products to Australia in the CY 2024 period.

In the recently published *GFSEC Steel Excess Capacity Monitoring Bulletin* (February 2026), it was reported that:

> 'The gap between capacity and demand in Q3 2025 grew notably in the People's Republic of China (China), doing so by around 16% y/y in the third quarter. China's share of global excess capacity has risen significantly during the course of 2025, to 54% of the world capacity/demand gap in Q3 2025, from 47% in Q3 2024.'[2]

Global steel exports have accelerated in response to the significant global excess capacity problem. The GFSEC found that countries with persistent overcapacities exported *'32.3 mmt of finished steel and 4.6 mmt of semi-finished steel in Q3 2025 to the rest of the world, a notable increase of 7.2% and 119% y/y, respectively*.[3]

According to the GFSEC the export surge for finished steel was driven largely by shipments to Southeast Asia (+7.4%) in its Q3 2025 analysis.[4]

It is observed from the GFSEC analysis that the trade surpluses of economies with capacity imbalances increased in Q3 2025, with China recording the largest trade surpluses. In turn this causes high levels of import penetration of Chinese exports into Southeast Asian countries. The GFSEC analysis records that more than 60% of the region's steel demand was met by imports from China.[5] Which in turn, directly and indirectly causes changes in imports of fabricated structural steel products to Australia.

(a) Have there been unexpected developments that have caused changes in imports?

Given the correlation between steel capacity imbalances in China and import penetration in Southeast Asian countries and Australia, both directly and indirectly, InfraBuild considers that it is necessary to consider whether there have been any unexpected developments that have caused changes in domestic demand for fabricated structural steel products in China, which in turn caused a gap between capacity and demand, resulting in a shedding of overcapacity in China by shipping surplus production to regional partners, including Australia directly, or resulting in regional partners shedding surplus production capacity of fabricated

[2] GFSEC (2026), GFSEC Steel Excess Capacity Monitoring Bulletin, February 2026, p. 1.

[3] GFSEC (2026), p. 4

[4] Ibid.

[5] Ibid.

structural steel products to Australia. As such, Chinese steel overcapacity would indirectly cause the changes in imports to Australia.

On 29 January 2024, a Hong Kong court ordered the liquidation of the China Evergrande Group (**Evergrande**). Reuters reported that Evergrande was *'the world's most indebted real estate developer and has been at the centre of an unprecedented liquidity crisis in China's property sector, which accounts for roughly a quarter of the world's second-largest economy.'*[6]

Evergrande's deteriorating liquidity position progressively resulted in its projects across China halting construction due to overdue payments. This in turn resulted in a broader collapse within Chinese construction markets, that is, the market for fabricated structural steel products within China.

The impact of the Evergrande collapse in CY 2024 may be observed in the significant loss of steel demand in China by the property sector, with increases in steel demand by the infrastructure sector being unable to absorb the surplus production capacity otherwise stranded by the loss in residential sector demand.

FIGURE 9, below, indicates that the property sector in China continues to be the biggest drag on the domestic steel demand in China in 2025.

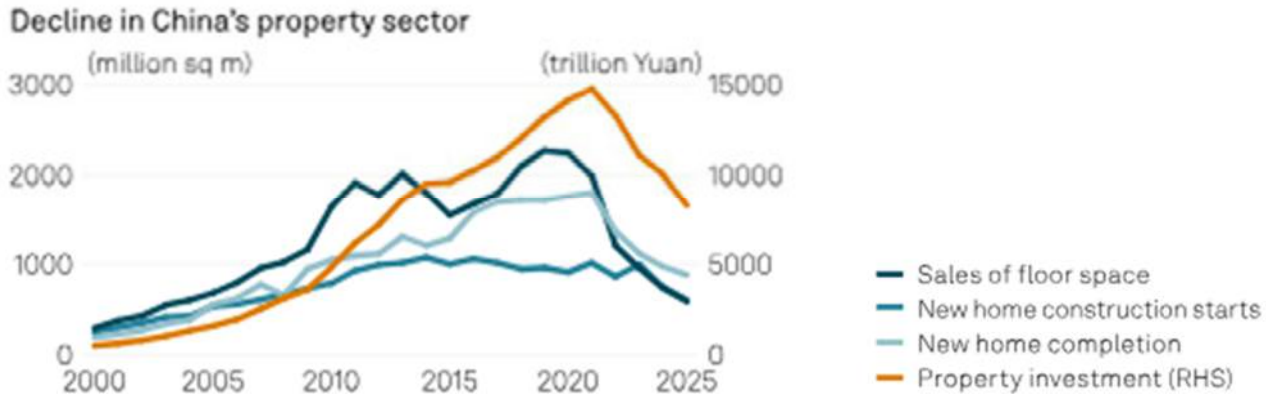


FIGURE 9: China property sector activity (Source: S&P Global Inc., S&P Global Energy, National Bureau of Statistics, China Customs, China Iron & Steel Association; China Construction Machinery Association

It is observed from **FIGURE 9**, above, that new home construction starts, a key steel demand indicator, fell over 20% year on year in 2025 and were over 70% lower than in 2021, during the pandemic.

FIGURE 10, below, indicates the decline in steel demand in China by the property and infrastructure sectors. CY 2024 marked a historic point where the property and infrastructure sectors reached near parity in steel

[6] https://www.reuters.com/business/worsening-crisis-evergrande-worlds-most-indebted-developer-2024-01-29/#:~:text=By%20Reuters,the%20world's%20second%2Dlargest%20economy (accessed, 13 April 2026)

demand achieved through the decline in the Chinese property sector cemented from CY 2024 with no sight of recovery.

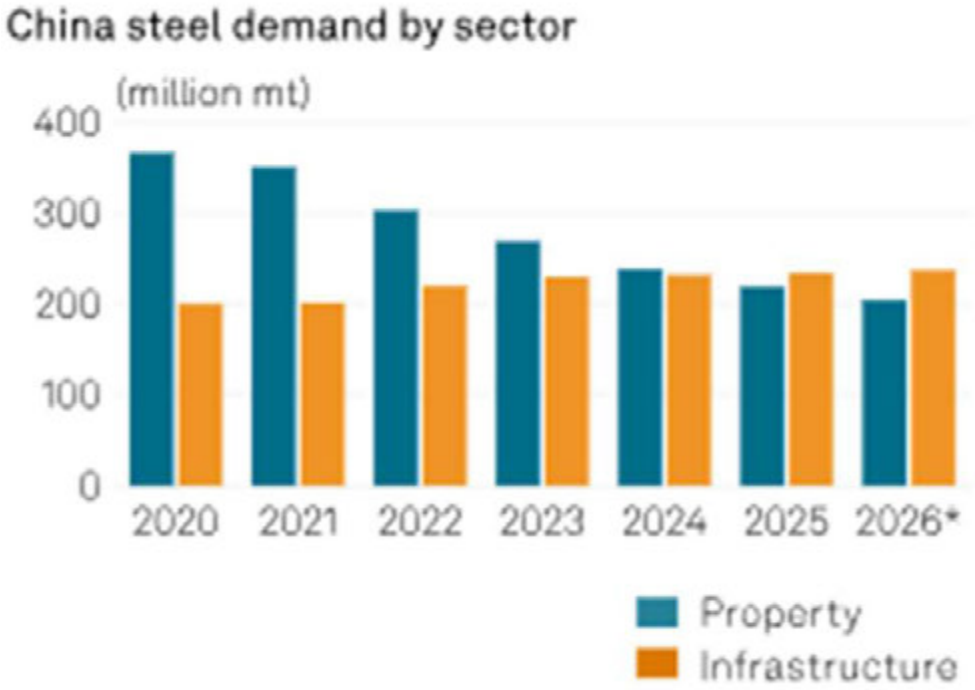


FIGURE 10: Steel demand (mmt) in China by sector (Source: S&P Global Inc., S&P Global Energy, National Bureau of Statistics, China Customs, China Iron & Steel Association; China Construction Machinery Association

(b) Have Australia's GATT obligations constrained it from responding to increased imports?

Australia has not pursued broad, unilateral tariffs outside WTO rules (unlike some countries' Section 232 actions, which faced WTO challenges). Instead, Australia relies on evidence-based, WTO-compliant trade remedies, which the government describes as *'evidence-based and non-discriminatory.'*[7]

However, the GFSEC reports that trade remedies actions have only *'a slight effect on overall import levels of finished steel.'*[8] The GFSEC's methodology observed that in 2024 and 2025 there were many anti-dumping (**AD**) and countervailing (**CV**) initiations on finished steel.[9] The GFSEC study concluded that *'[I]n most*

[7] https://www.trademinister.gov.au/minister/don-farrell/statements/wto-steel-products-dispute (accessed, 13 April 2026)

[8] GFSEC (2026), p. 7.

[9] Ibid.

cases, the initiations of these measures were accompanied by varying decreases in imported hot-rolled coil and other finished steel'. [10]

The key constraint on AD and CV trade remedies actions is that they are typically reactive to trade flows and export activity. Although the GFSEC's analysis focused on initiations against steel exports from China, it did not take into account the transferability of supply to third countries, which in the absence of trade remedies measures may quickly become an unabated source of imports at dumped and/or countervailable subsidised prices.

3. Has the domestic industry suffered serious injury, or is there a threat of serious injury?

(a) the rate and amount of any increase in imports of the relevant steel products in absolute and relative terms

InfraBuild refers to its analysis in Section 1, above, where it demonstrated that the rate of increase in imports of fabricated structural steel products in CY 2024 and CY 2025 were 16.5% higher than in the CY 2022 and CY 2023 period. This represented an estimated increase of over 155,000 tonnes.

Similarly, in relative terms, imports of the relevant steel products gained a near 10 percentage point increase in year-on-year market share in CY 2024. This represented a near 20% increase in market share for imports of the relevant goods.

(b) the share of the domestic market taken by any increase in imports

The market share taken by the increase in imports in CY 2024 represented the point at which the majority of the domestic market for fabricated structural steel products was held by imports and not domestic production.

(c) changes in sales and (d) changes in production

CHART 11, below, indicates changes in InfraBuild's proxy metric for the size of domestic production, and by extension sales.

[10] Ibid.

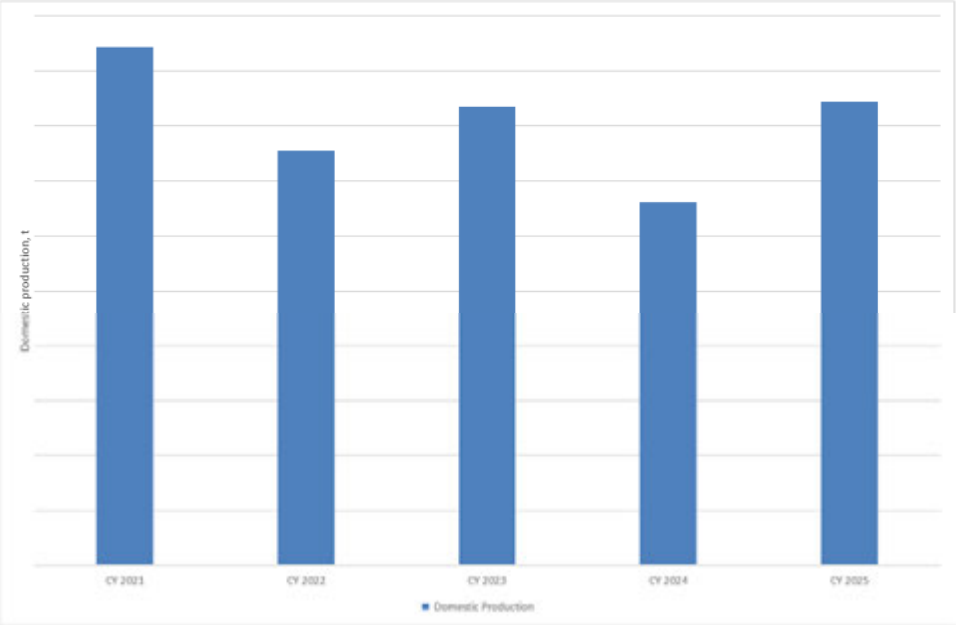


CHART 11: Domestic production represented by sales and imports of hot rolled structural steel sections (Source: CONFIDENTIAL ATTACHMENT 1)

CHART 11, above, suggests that; in trend terms; domestic production, and by extension sales, declined most significantly in CY 2024, namely by **28%**.

(e) changes in profits and losses and (f) changes in employment.

The *OECD Steel Outlook 2025* report observed the relationship between excess capacity and profitability and employment as follows:

> 'the combination of excess capacity, oversupply and price pressures is eroding steel companies' profit margins globally. Steel industry profitability margins have declined noticeably over the last few years and are currently close to historic lows.
>
> 'The need to level the playing field is more urgent than ever. Global excess capacity and the subsidies and other non-market policies and practices that contribute to it have significant negative impacts on market oriented steel industries that suffer from its effects.
>
> 'Global excess capacity leads to steel job losses, weaker industrial supply chains and reduced investment in innovation and next-generation steel technologies.'[11]

[11] OECD (2025), *OECD Steel Outlook 2025*, OECD Publishing, Paris, https://doi.org/10.1787/28b61a5e-en (accessed 13 April 2026), p. 17

4. Have increased imports caused the serious injury? Please also identify any other factors that may have caused injury to the domestic industry.

It is InfraBuild's assessment that the increased imports have caused the serious injury. The correlation between the increased imports in absolute and relative terms with the decline in domestic production support that conclusion.

It is observed that the Australian market for inputs into fabricated structural steel products remain open and competitive. To take the example of hot rolled structural steel sections (typically classified to tariff subheading 7216), anti-dumping measures only apply to exports to Australia from South Korea, Thailand, Japan and Taiwan (with key exporters exempt).[12] However, third-party accreditation exists for numerous exporters of these inputs into the relevant products (not subject to anti-dumping measures) from:

- China,
- Indonesia,
- Bahrain
- United Arab Emirates
- Viet Nam; and
- Tung Ho Steel Enterprises and Feng Hsin Steel Co. from Taiwan.[13]

In other words, the existence of anti-dumping measures on inputs into fabricated steel products are not another factor that may have caused injury to the domestic industry.

5. If safeguard measures are justified, what sort of measure should be put in place? Please address the appropriate form, extent and duration of a definitive safeguard measure.

InfraBuild supports the request of the Australian Steel Institute on behalf of the domestic fabricated structural steel industry.

[12] Australian Anti-dumping Commission, *Dumping Commodity Register: Hot rolled structural steel sections*, Melbourne, https://www.industry.gov.au/sites/default/files/adc/measures/2026-02/dcr---hot-rolled-structural-steel-sections.pdf (accessed 13 April 2026), pp. 7-8.

[13] https://steelcertification.com/product?filter=Hot%20Rolled&sort=Company (accessed 13 April 2026).

6. Is a safeguard measure in the public interest? For example, what flow-on effects to other sectors of the economy might be expected if safeguard measures were to be introduced?

The OECD in its 2025 report notes that:

> 'Downstream industries that are heavily reliant on steel, including energy and other strategic sectors, face risks as well. In particular, there is a longer-term risk of market dependence and economic vulnerability for these industries as excess capacity depresses steel prices and encourages the production of indirect exports of steel-containing goods. As OECD countries become more reliant on foreign-subsidised steel, critical infrastructure and manufacturing could face risks in times of crisis.' [14]

Further, the OECD notes that the public interest in decarbonisation is put at risk:

> 'The magnitude and scope of decarbonisation efforts depend on the availability of capital and the impact of the decarbonisation efforts on costs. The ongoing excess-capacity-related market difficulties that reduce the steel industry's profitability and capital available for investment create a barrier to costly decarbonisation efforts. Even if governments were to support the cost burden of the transition and thriving markets for low-carbon steel eventually emerge and expand, steelmakers cannot return to sustained, healthy levels of profitability until global excess capacity and its consequences are meaningfully addressed. Industries and governments need to be confident that the new, low-carbon steel plants invested in today will be economically viable over the very long term, given the lifetimes of steel plants that can span a generation or more'.[15]

7. Are there critical circumstances that warrant a provisional measure? Specifically, would delay in making a safeguard measure cause damage that would be difficult to repair?

InfraBuild submits that time is of the essence to prevent the loss of fabricated structural steel production enterprises in Australia, and the workforce employed by them. Once critical productivity capacity, and skills are lost, then the cost to reestablish will be significantly greater than the cost of preserving them through the use of provisional measures in the short term.

[14] OECD (2025), p. 17.

[15] OECD (2025), p. 21.