

中华人民共和国商务部

MINISTRY OF COMMERCE OF THE PEOPLE'S REPUBLIC OF CHINA
BEIJING, CHINA 100731

PUBLIC DOCUMENT

April 29, 2026

Commissioner Catherine de Fontenay

Commissioner Barry Sterland

Productivity Commission

Australian Government

Email: safeguards@pc.gov.au

Submission from the Government of the People's Republic of China on Fabricated Structural Steel Safeguards Inquiry

On January 23, 2026, the Productivity Commission of Australia initiated a safeguards inquiry on imported fabricated structural steel (FSS). The Government of the People's Republic of China (GOC), as a registered interested party to this inquiry, hereby submits its initial comments on the aforementioned safeguard measures investigation in accordance with Article 3.1 of the WTO Agreement on Safeguards (SGA).

I. General Comments

The GOC has always believed that China and Australia are natural partners of cooperation and the bilateral trade between the two countries is highly complementary and constitutes a win-win cooperation with reciprocal benefits. Over the years, industries from the two countries have been in close cooperation driven by market dynamics, thereby establishing robust industrial and supply chains which are essential for economic globalization. The FSS products from China, involved in the aforementioned inquiry, serve as a valuable supplement to the demand of the Australian market. Meanwhile, the quantities of FSS imported from

China to Australia show a downward trend over the recent 5 years. Any kind of safeguard measures imposed on the Chinese FSS products would be unfair and inconsistent with Australia's obligations under the SGA, and also jeopardize the interests of downstream sectors and the welfare of consumers in Australia.

II. Specific Issues

1. Insufficient Disclosure of Information Infringes upon the Defense Rights of Interested Parties.

Article 3.1 of the SGA mandates that Members implementing safeguard measures shall afford all interested parties a reasonable opportunity to present their views, including the opportunity to respond to the presentations of other parties and to submit their arguments. The WTO Panels and Appellate Body further clarified in cases such as US – Steel Safeguards and US – Line Pipe that the investigating authorities are required, in their published materials, to explain clearly and unambiguously, in a manner sufficiently intelligible and verifiable to other parties, how the facts support their findings with respect to increased imports, serious injury or threat thereof, and causation.¹ Otherwise, interested parties will be unable to effectively exercise their defense rights, and exporters should not be compelled to refute conclusions that lack a data basis for verification.²

However, the publicly disclosed version of the application in this case extensively employs [XX] in lieu of specific numerical values and ratios regarding critical quantitative issues such as import trends, domestic supply, capacity status, shifts in market share, and damage indicators of sampled enterprises, with certain charts preserving only outlines without identifiable axes or precise measurement units. Owing to the absence of necessary and comprehensible data support, interested parties are unable, on the basis of publicly available information, to independently examine and verify whether the applicant's fundamental allegations of a "sudden, sharp and significant increase in import",

¹ Panel Reports, US – Steel Safeguards, paras. 10.594-10.596.

² Appellate Body Report, US – Line Pipe, paras. 186-187.

“serious injury”, and “causation” stand.

In particular, it is our view that the total volume of Australia’s imports of the products concerned from all sources, which was extensively redacted in the publicly available version of the application, does not have a reasonable confidentiality justification. First, such data constitute publicly available macro-level market statistics and are not derived from any individual enterprise’s internal operational data. Second, this data reflects Australia’s overall import scale and trends and does not involve transaction details of any specific exporter, importer, or user. It contains neither corporate pricing, cost, or customer business secrets, nor does it disclose any particular entity’s competitive strategy, and therefore confidentiality on the grounds of “business secrecy” is unjustified. Furthermore, this aggregate volume data constitutes the pivotal basis for the applicant’s claim regarding the legal requirement of an “imports in such increased quantities”. If this underlying aggregate data is entirely withheld, interested parties will be unable to assess the magnitude and temporal pattern of the import surge, as well as its correlation with relevant economic indicators, thereby effectively depriving them of the ability to exercise their defense rights.

2. Overly Broad Product Scope Definition

Article 2.1 of the SGA provides that Members may impose safeguard measures only in respect of the import surge of a “product”. Although the term “a product” is not explicitly defined within the SGA text, its inherent meaning requires that the product concerned exhibit reasonable internal homogeneity. It is impermissible to aggregate heterogeneous products that differ fundamentally in physical characteristics, production processes, downstream uses, and competitive relationships into a single investigative entity. Otherwise, it would be difficult for the investigating authorities to identify the relevant domestic like products or directly competitive products and in lawfully carrying out the subsequent analyses of the domestic industry, serious injury, and causation.

In this case, however, the product scope asserted by the Applicant

encompasses FSS and their components classified under multiple tariff codes within Chapter 73 HS 730810 and 730890 of the Australian Customs Tariff. More specifically, it potentially includes distinctly differentiated products which pertain to different user markets that are irreplaceable to each other, and also cover different stages in the industry chain, functioning as upstream and downstream products rather than as market competitors. These products exhibit fundamental differences in physical characteristics, technical specifications and industry certification requirements, procurement channels, customer base, manufacturing processes, and pricing mechanisms. This circumstance not only impacts the determination of the domestic industry's scope but also results in a lack of a reliable foundation for conducting subsequent damage and causation analyses in accordance with the "objective and quantifiable" standard. Accordingly, the investigating authority shall consider this complexity and re-examine the definition of the Applicant's product scope.

3. The Alleged Increase in Imports Does Not Satisfy the Legal Requirements.

In Argentina – Footwear (EC), the WTO Appellate Body established the "four enough" test for determining whether an increase in imports constitutes the triggering condition for a safeguard measure: the increase must be recent enough, sudden enough, sharp enough, and significant enough, and must be comprehensively assessed in terms of both absolute volume and relative volume (relative to domestic production).

On the basis of the public statistics and disclosure information of this inquiry case, there has been no absolute or relative increase in the imported FSS. From the perspective of absolute volume, the quantities of FSS imported to Australia over the recent 5 years, from 2021 to 2025, are 879,616 tonnes, 2,544,989 tonnes, 682,483 tonnes, 549,264 tonnes and 618,513 tonnes, according to the Australian Bureau of Statistics, which do not support the alleged "sudden, sharp, and significant" increase in imports.

From the perspective of relative volume, the notification document

from Australia to the WTO Committee on Safeguards mentions the Australian production data of FSS in 2023 and 2024 only, which are 744,000 tonnes in 2023 and 659,000 tonnes in 2024, showing a decline of 12%. However, the quantities of imported FSS to Australia in 2023 and 2024 are respectively 682,483 tonnes and 549,264 tonnes, which show an even bigger decline of 20%. Besides, the proportion of imports to the total supplies (the sum of imports and domestic production) from 2023 to 2024 also decreased by 3 percentage points. Therefore, the statistics disclosed do not support the existence of relative increase of imported FSS to Australia. Thus, the alleged increase in imports of FSS does not satisfy the legal requirements of the WTO rules.

4. Imposing Safeguard Measures Is Not in Australia's Broader Public Interest.

In Australia's safeguard proceedings, whether a safeguard measure is consistent with the "broader public interest" is a matter expressly contemplated in the Australian safeguards process. We consider that any safeguard measure on imported FSS would result in broader economic and social impacts on Australia especially in the following aspects:

a. Impact on Downstream User Industries

FSS are an important input for key sectors such as construction, housing, mining, infrastructure and agriculture. Restricting imports of FSS products through a safeguard measure would increase overall costs and create a ripple effect of negative consequences. Against the backdrop of Australia's housing crisis, such a measure would drive up construction costs, run counter to the federal government's goal of building 1.2 million new homes over five years, and feed through to rents and consumer prices. In the mining sector, it would raise the cost of mine facility construction, affect investment in capital-intensive and time-sensitive mining projects, and weaken the sector's competitiveness. Infrastructure is one of the most important channels for FSS products. Safeguard measures would increase the construction costs of public projects in roads, rail, energy, and related areas, resulting in fewer projects being completed within existing budgets and construction periods or causing delays in

project schedules.

b. Impact on FSS Importers, Distributors, and Engineering Service Providers

There are numerous specialized importers, traders, distributors, and engineering firms providing design and installation services within Australia's FSS supply chain. Their business models are built on the ability to source FSS products from the global market that are both cost-competitive and technically suitable. A safeguard measure would directly disrupt these enterprises' normal operations, restricting supply sources, lengthening delivery times, and increasing operating costs. Some small and medium-sized traders and engineering service providers may face shrinking business or even the risk of exiting the market.

c. Impact on Consumers and Communities.

Rising costs of FSS products will be transmitted step by step along the supply chain to final consumers. Specifically, rising construction costs for residential and commercial buildings will push up housing prices and rents, worsening housing affordability. Higher costs for warehousing and logistics facilities will increase distribution costs and raise consumer goods prices. And higher public infrastructure costs will ultimately be borne by taxpayers, crowding out other public expenditures.

The impact on remote and regional communities would be particularly pronounced. These communities rely more heavily on cost-controlled FSS products for housing, commercial, and community facilities. And their local supply options are even more limited. The cost shock caused by a safeguard measure would therefore fall disproportionately on those least able to access alternatives.

d. Impact on Australia's Industrial Competitiveness and Supply Chain Resilience

A safeguard measure at its core is a temporary industrial protection tool that works by restricting competition. Article 7.1 of the SGA expressly provides that "a Member shall apply safeguard measures only for such period of time as may be necessary to prevent or remedy serious injury and to facilitate adjustment". Where the industry itself lacks the willingness and capacity to adjust proactively, the practical effect of

imposing a safeguard measure is likely only to delay necessary structural adjustment and artificially sustain inefficient capacity, rather than promote the industry's long-term competitiveness.

In addition, from the perspective of supply chain security and resilience, maintaining diversified sourcing channels is precisely the key to strengthening supply chain resilience. Artificially cutting off or restricting import channels would deprive Australia of the flexibility to rapidly supplement supply from international markets in the face of domestic capacity fluctuations, major natural disasters, or sudden demand surges, thereby weakening rather than enhancing the overall security of the supply chain.

III. Conclusion

Based on the foregoing comments, the GOC believes that the imposition of any safeguard measure would be inconsistent with WTO rules and not in the public interest of Australia. We respectfully urge the Productivity Commission to issue a negative determination based on all the necessary legal and evidentiary requirements.

Respectfully submitted,

Director, Trade Remedy and Investigation Bureau
Ministry of Commerce of the People's Republic of China
Beijing, China