



**Productivity Commission Inquiry concerning Safeguards on Fabricated Structural Steel  
Submission of United Steel – PUBLIC FILE VERSION**

28 April 2026

Fabricated Structural Steel Safeguards Inquiry  
Productivity Commission  
GPO Box 148  
CANBERRA CITY ACT 2601

**BY EMAIL:** [safeguards@pc.gov.au](mailto:safeguards@pc.gov.au)

Dear Commissioners

**Safeguards Inquiry into the Import of Fabricated Structural Steel**

**Submission of United Steel**

United Steel Pty Ltd (**United Steel**) makes this submission in relation to the current Productivity Commission Inquiry into Fabricated Structural Steel Safeguards.

**1. Company profile**

United Steel is a major longstanding independent Australian distributor of structural steel products in Australia, providing tailored steel supply solutions to customers across a diverse range of industries. It operates sites in Adelaide, Perth, Kalgoorlie, Sydney and Melbourne.

The products it supplies are predominantly purchased from Australian steel producers (including BlueScope Steel, OneSteel Manufacturing, Orrcon Steel and InfraBuild) and sold to steel fabricators and other commercial customers<sup>1</sup> for transformation into specific finished products for a range of downstream industries, but predominantly into the fabrication market focused on construction.

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<sup>1</sup> United Steel's customer base includes fabricators, steel processors, profilers, manufacturers, builders, resellers, smaller steel distributors operating throughout Australia.

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United Steel Pty Ltd t/as United Steel ABN 67 605 323 591

It supplies steel products across all of the major steel product segments that are used in structural steel fabrication, including Hot Rolled Structural Steel, Plate, Welded Beam, Merchant Bar and Hollow Sections. United Steel also provides value-added processing services designed to improve efficiency and streamline fabrication including drilling, coping and profiling. It therefore has a broad firsthand experience of current trends in the Australian market for fabricated structural steel (FSS).

## 2. United Steel supports the Australian Steel Institute Application for Safeguard Measures

It is United Steel's position that it fully supports the application by the Australian Steel Institute (ASI) for the imposition of a safeguard measure against imports of fabricated structural steel. It concurs with the ASI that, in the period since calendar year 2022, there has been a significant surge in the volume of imports of FSS (principally from China and Vietnam) that have caused (and continue to cause) serious injury to the Australian steel industry.<sup>2</sup> United Steel is strongly of the view that the legal test for the imposition of safeguard measures has been met. In this regard, it notes:

- a) **High rate of increase in FSS import volumes** – There has been a significant demonstrable increase in the volume of imports of FSS into Australia, both in absolute terms and relative to the Australian domestic supply of FSS. On current trends, based upon the CY2024 data, over 80 percent of the Australian FSS market is now supplied by imported products.<sup>3</sup>
- b) **Unforeseen developments** – The surge in FSS imports has largely manifested as a result of the recent and accelerating oversupply of steel products globally.<sup>4</sup> This oversupply has been by caused by current foreign country policies (including high-levels of subsidisation of steel production) and declining Chinese domestic demand for structural steel. The situation has been exacerbated by the recent expansion of trade measures by the United States<sup>5</sup> and proposed steel import quotas of the European Union, which is likely to have resulted in a diversion of structural steel volumes away from those markets to other markets such as Australia.<sup>6</sup>
- c) **Causation** – United Steel submits that the surge in FSS imports has directly caused serious injury to the Australian steel industry and that there are no other prevailing economic explanations for this recent trend.

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<sup>2</sup> Source: ASI Application – paragraphs 38, 44 and 45.

<sup>3</sup> Source: ASI application – paragraph 38.

<sup>4</sup> Refer OECD Steel Outlook 2025 dated 27 May 2025 referenced at paragraph 90 and Attachment 7 of the ASI Application.

<sup>5</sup> Refer ASI Application – paragraph 111.

<sup>6</sup> It is noted that the European Union Council and Parliament as of 13 April 2026 have agreed to such new measures which are due to be introduced from 1 July 2026. This measure will involve the imposition of a 50 percent out of quota tariff rate on 30 categories of steel products imported into the EU. See: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_26\\_803](https://ec.europa.eu/commission/presscorner/detail/en/ip_26_803)

- d) **Serious injury** - At present, serious injury is being suffered throughout the Australian steel industry supply chain, including by Australian steel producers, distributors and fabricators. The serious injury being suffered by the Australian steel industry is in the form of the customary economic indicators relied upon by investigating authorities<sup>7</sup> including:
- i. price depression and suppression, principally due to severe price undercutting practices by foreign exporters and importers of FSS;
  - ii. declining sales volumes and revenues;
  - iii. reduced profits and profitability;
  - iv. loss of market share relative to the increased imports;
  - v. underutilization of FSS production capacity<sup>8</sup>; and
  - vi. other indicators such as a reduced scope for capital expenditure and investment as well as reduced employment levels and lower retention of industry skills.

### 3. United Steel's experience of current Australian FSS market conditions

It is United Steel's strong view, based upon its own recent experience of the Australian FSS market conditions, that the primary cause of serious injury being suffered by the Australian Steel Industry is the *high levels of price undercutting by foreign exports and importers of FSS*.

United Steel concurs with the ASI's statement in its application that steel overcapacity in foreign markets has lowered pricing that has, in turn, incentivised exporters to 'push surplus FSS into export markets'.<sup>9</sup>

This has led to a major change in market behaviour, whereby customers of FSS (such as construction industry customers) are now increasingly purchasing FSS from overseas suppliers (principally Chinese and Vietnamese suppliers and fabricators). This change of practice by Australian customers of FSS means that they are fully by-passing the Australian structural steel supply chain to the detriment of Australian businesses that produce, distribute and fabricate structural steel. The downstream economic effects on fabricators are particularly severe given that the value-adding undertaken by fabricators in the production of FSS is being fully replaced by fabrication occurring within the export countries.

The price undercutting practices as described above and increasingly high levels of import penetration are also directly affecting United Steel's business at the distributor level of the market.

The severe economic effects being experienced by FSS fabricators (whereby builders and end-users are not purchasing FSS from Australian fabricators), means that United Steel is

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<sup>7</sup> Refer Article 4.2(a) WTO Agreement on Safeguards

<sup>8</sup> Refer for instance to Prince Engineering Submission (pg 1) that its annual steel throughput is approximately 96 percent below capacity.

<sup>9</sup> Refer ASI Application – paragraph 99.

experiencing upstream effects on pricing, profitability and revenues in respect of its structural steel sales across all of its major product categories.

In this regard, economic indicators of the serious injury it is currently suffering with respect to the period from Financial Year 2023 to Financial Year 2025 include:

- a) **Negative price effects** – United Steel has experienced significant and ongoing price depression and price suppression at the distributor level of the market resulting from the aggressive price undercutting practices of foreign exporters and importers of FSS. In this regard, United Steel is being subjected to significant and sustained downward pricing pressure on its average sales prices of structural steel sold in Australia to fabricators.<sup>10</sup> These effects are corroborated by submissions made by Australian steel fabrication businesses, which cite very severe negative price effects in the fabrication level of the market.<sup>11</sup>
- b) **Negative profit and profitability effects** – United Steel has experienced significant and ongoing negative effects on its profits and profitability in respect of its sales of structural steel across all structural steel product categories in the period from FY2023-FY2025.<sup>12</sup>

#### 4. The likely consequences of NOT imposing safeguard measures on imports of FSS

In the event that safeguard measures are not imposed urgently by the Australian Government, United Steel is strongly of the view that the serious injury being suffered by the Australian structural steel industry will continue at an accelerating rate.

There is a significant likelihood that the failure to implement safeguard measures in Australia will result in a reduction in employment in the Australian steel sector and closure of businesses throughout all levels of the steel supply chain in Australia (including manufacturers, distributors and fabricators).

This would also have a significant negative impact on Australia's sovereign capability in the steel industry and reduce the reliability of the supply of steel products within Australia for critical sectors of the Australian economy such as the defence, manufacturing, construction and agricultural industries.

#### 5. Safeguard measures would be in Australia's national interest

United Steel also submits that the imposition of safeguard measures would be in the Australian national interest given that, in the absence of this urgent trade remedy, there would be an accelerating erosion of Australia's sovereign capability (including with respect to

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<sup>10</sup> See Confidential Attachment to this Submission (paragraph 1).

<sup>11</sup> Refer, for example, to the submission of Prince Engineering (pg 9) which references 'persistent price differentials of 30-40% between imported and locally fabricated products'.

<sup>12</sup> See Confidential Attachment to this Submission (paragraph 2).

workplace skills) in this crucial sector of the economy. Sovereign capability in the current unpredictable international environment is especially important to ensure the viability of major Australian infrastructure projects such as the rollout of renewable energy generation and storage assets.

For the above reasons, United Steel supports the Productivity Commission's inquiry and advocates for the imposition of safeguard measures in the form of a 50 percent out of quota Tariff Rate sought by the ASI on behalf of the Australian Steel Industry. Such an emergency measure would enable the Australian Steel Industry to take steps to respond to the current market conditions to ensure its long-term viability.

I would be available to provide any further information or assistance as may be requested by the Productivity Commission as part of this Inquiry.

Yours faithfully

**Executive General Manager**

**United Steel Pty Ltd**