AUSTRALIAN STEEL INSTITUTE

Fabricated Structural Steel Safeguard – Supplementary Submission

1st June 2026

Introduction

The ASI welcomes the opportunity to provide supplementary evidence, to support our previous submissions and comments on the need and urgency for trade measures to be introduced in Australia on Fabricated Structural Steel (FSS), in response to global surge.

This submission provides further detail to clarify:

1. Our assessment that there has been a surge in imports of FSS into Australia
2. Further details substantiating our assessment of injury, and that it is expected to get worse.
3. Our view that addressing this surge is in the public interest; and
4. Further details on the form of the measure.

We note and echo the comments made in the European Union on 19 May 2026, which introduced a reinforced tariff rate quota (TRQ) on steel, citing this measure as "*an important step towards addressing the growing pressures facing the sector from record imports, global overcapacity and rising international protectionism.*"[1]

We welcome the opportunity to further support the PC with its work on a Safeguard measure for our industry.

[1] Cited from Eurofer press release, 19 May 2026, following European Parliament decision on EU steel trade measure.

Executive Summary

The ASI welcomes the opportunity to add to our previous submissions, and comments made during the public hearing process.

- On surge, we assert that there is **clear evidence of a sustained surge**, with our reference point being the relevant HS codes and drawing on filtered ABS import data.
  - We refer the Productivity Commission (PC) to the HS codes referenced in our Application for Australian Provisional and Definitive Safeguards document dated November 2025, and note that there may be confusion by some parties who may have included other out-of-scope steel products in their analysis.
  - We note that there is no clean mapping between HS codes (import data) and ANZSIC codes (domestic FSS industry), and provide our assessment of an appropriate concordance.
  - We note that the raw ABS import data, contains a number of errors – for example entries with 0 volume, and needs to be filtered before meaningful conclusions can be drawn.
  - We wish to clarify that FSS is not typically used in residential housing (across multiple typologies), and in Australia, is primarily used in infrastructure, mining, commercial and industrial uses.
- On **cause of surge and injury**,
  - We argue that global overproduction, coupled with numerous major international jurisdictions establishing, and strengthening their trade measures on FSS, has led to trade diversion into Australia, which has in turn led to injury. This confluence of factors is unforeseen in the meaning of the GATT 1994 negotiations.
  - We also note that the cause of injury is not due to temporary disruption in semi-finished steel production in Australia (e.g. Whyalla Steelworks), as has been suggested by some parties. The fabricated structural steel sector is supplied by steel distributors, who source semi-finished steel products from both domestic and import channels, which can be flexed according to supply availability.
- On **injury**, we provide additional detail on the nature and extent of surge, the degree of injury experienced by industry, and further details on industry's limited ability to adjust, within the current challenging trading environment.
- The ASI asserts that **addressing the injury is in the public interest**. We invite the PC to consider the following:
  - **Sovereign capacity**, which we have modelled as an ability of domestic production to meet domestic demand, in the event of an international supply shock. The value of the "insurance policy", of retaining a viable domestic industry, is estimated to be $3.4b - $7.4b in NPV terms.
  - **Regional transition**, where sudden and concentrated industry shocks can generate significant and persistent regional impacts. We summarise observations from three case studies.

- **Quality assurance** remains a critical consideration when specifying FSS. The ASI is a strong advocate for robust quality assurance systems that help to ensure full compliance with all relevant Australian Standards, and building codes. However, in the context of this investigation, we respectfully suggest that quality assurance is not included in the PC terms of reference, and therefore we have not provided information on this topic. In the event that the PC would like to further inquire into this topic, we would be pleased to provide additional detailed information for consideration.

- On the form of the measure, we suggest a **Tariff Rate Quota (TRQ)** provides a balance between preserving historical trade flows (imports), while mitigating the impact of trade diversion to Australia. We also note:
  - A TRQ, appropriately designed, would only affect a proportion of the total cost of fabricated structural steel, and is expected to have a limited impact on the end cost to key users in infrastructure and mining.
  - The TRQ, if imposed as specified, is expected to mitigate around half of the expected injury to the sector. This is significant enough to provide some relief to the sector, supporting deferred investment/adjustment decisions that will improve the sector's ability to compete, but more may need to be done to create an even playing field for domestic producers.
  - The TRQ, if/when introduced, should be regularly reviewed, particularly in context of global trade measures on FSS, to limit any incentives for trade diversion into the Australian market.

- We also provide additional commentary in response to comments on procedural deficiencies made in a number of submissions. These are set out in the table at the end of this submission.

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Contents

1. Has there been a surge in FSS imports?

In our previous submission, we noted that there was a 16% increase in import volumes across relevant tariff lines between CY2022 and CY2024. This increase was concentrated in the largest product category (HTISC 7308.90.00.65 – Structures and parts of structures) In this supplementary submission, we wish to clarify three additional points substantiating our views by providing:

1. Information on the reconciliation of HS codes to ANZSIC codes
2. Notes on the raw ABS import data and the requirement for filtering
3. How FSS is used in downstream sectors

There is no clean correspondence between HS codes, and the FSS sector as defined in ANZSIC codes in Australia.

There is no direct one-to-one correspondence between ANZSIC codes and tariff classifications or statistical codes. ANZSIC codes classify businesses and economic activity by industry, whereas tariff and statistical codes classify goods crossing the border.

Therefore, ANZSIC codes may assist in describing the broader industry context, but they do not define the imported goods. For import volume analysis, the relevant tariff classifications and statistical codes are the appropriate basis for identifying, defining and measuring imports of the goods.

Table 1 provides an approximate mapping between the tariff line items and statistical codes to the most likely ANZSIC codes.

Table 1- Mapping of tariff codes to ANZSIC codes

Tariff / statistical code	Goods	Most likely ANZSIC code(s)
7308100001	Bridges and bridge-sections of iron or steel	C2221 Structural Steel Fabricating; possibly E3101 Road and Bridge Construction
7308900052	Hot rolled columns, beams, girders, bracing, gantries, brackets, struts, ties and similar structural units	C2221 Structural Steel Fabricating
7308900053	Roll formed, zinc/aluminium-zinc coated, <1.2mm structural units	C2221 Structural Steel Fabricating; possibly C2224 Metal Roof and Guttering Manufacturing or C2240 Sheet Metal Product Manufacturing
7308900054	Roll formed, zinc/aluminium-zinc coated, ≥1.2mm structural units	C2221 Structural Steel Fabricating; possibly C2224 / C2240
7308900055	Roll formed structural units, not hot rolled and not zinc/aluminium-zinc coated	C2221 Structural Steel Fabricating; possibly C2240 Sheet Metal Product Manufacturing
7308900056	Other structural units of iron or steel, excluding roll-formed structures and specified HS items	C2221 Structural Steel Fabricating; possibly C2229 Other Structural Metal Product Manufacturing
7308900057	Steel grating, stairways and treads	C2221 Structural Steel Fabricating; possibly C2299 Other Fabricated Metal Product Manufacturing n.e.c.

7308900060	Handrails and stanchions	C2221 Structural Steel Fabricating; possibly C2299 Other Fabricated Metal Product Manufacturing n.e.c.
7308900062	Guard rails and road barriers prepared for bridges and roads	C2221 Structural Steel Fabricating; possibly E3101 Road and Bridge Construction
7308900063	Sectional components for towers and lattice masts	C2221 Structural Steel Fabricating; possibly E3109 Other Heavy and Civil Engineering Construction or E3224 Structural Steel Erection Services
7308900064	Steel lintels for doors and windows	C2221 Structural Steel Fabricating; possibly C2229 Other Structural Metal Product Manufacturing
7308900065	Other structures/parts of structures and plates, rods, angles, shapes, sections, tubes etc prepared for use in structures	C2221 Structural Steel Fabricating; possibly C2229, C2299, E3224

Raw ABS import data is not suitable, and there needs to be significant filtering of the data before meaningful conclusions can be drawn.

The raw ABS data is not suitable because raw ABS 10-digit data for FSS is known to contain significant nuances including data suppressions, unit of measure misclassifications, entry-level errors, and interpretation issues across the range of diverse and custom FSS product types. These require assessment and filtering before conclusions can be drawn.

This is primarily the case for tariff/statistical code 7308900065 (Other structures/parts of structures and plates, rods, angles, shapes, sections, tubes etc prepared for use in structures) which accounted for approximately 98 percent of the in-scope import volume in the ASI's safeguard application.

The ASI filtered the data by:

- excluding irrelevant/non-scope tariff codes, then – under the in-scope codes –
- excluded anything that was air freighted,
- excluded data lines where the export country of original was suppressed (i.e. the 'No Country Details' designation), and
- excluded any data lines with zero volume (under the 'Tonnes' column in the ABS data provided on application).

Fabricated Structural Steel is primarily used in commercial and industrial uses, and not in residential housing

There should be minimal to no impact on either cost or availability of new housing due to any Safeguard action. Buildings represent ~30–40% of fabricated structural steel demand. Commercial and industrial buildings are the largest single end-use. Use of FSS in the residential sector – in all detached dwellings and the multi-residential segments (both low/medium and medium high rise) is negligible.

The proportion of FSS in Australian residential construction is small across every residential building type as shown in Table 2 below.

Table 2- Proportion of FSS used in various residential building types

Residential building type	Indicative FSS share of total building material content	Notes
Detached dwellings (single-storey, double-storey)	~1%	Primarily lintels above masonry openings (typically 30–80 kg per home); and occasional steel beams for open-plan spans. Mostly cut-to-length sections (cut by distributor) with limited further fabrication.
Low- and medium-rise multi-residential (townhouses, walk-up apartments, ~2–4 storeys)	1–3%	Predominantly timber-framed or load-bearing masonry with timber/precast floors. Other than this, steel use is limited to lintels and occasional structural beams.
Medium- and high-rise multi-residential (apartment buildings)	~5%	Predominantly reinforced concrete frame using rebar, not FSS. Where FSS is used, typically lift cores, transfer structures, ground-floor canopies, plant rooms, balcony supports.

Source: ASI information derived from discussion with members specialising in residential building.

Alfredo Penaherrera from Nepean Galintel Pty Ltd (who spoke on 15th May) at the Public Hearings noted that lintels — most commonly small hot rolled sections placed above window and door openings in masonry construction — are used in detached and lower-rise multi-residential dwellings, and that these are hot rolled steel products. The ASI accepts this. We note, however, that:

- Lintels are typically supplied cut to length, with limited or no further fabrication (no significant welding, coping or assembly).
- A typical detached dwelling contains in the order of 30–80 kg of lintel and miscellaneous steel bracketry; some homes additionally include a single steel beam for an open-plan span (a cut-to-length section, usually cut at the distributor, with no actual fabrication required).
- Even taking the broadest interpretation that counts all hot rolled steel components in a residential building as FSS, the share of total building cost and material content remains very small.

The substantive conclusion is unchanged; the proposed Tariff Rate Quota (TRQ) is expected to have negligible flow-through to housing affordability or housing delivery timeframes, including under the National Housing Accord.

This is further substantiated by the Australian Industry Group's submission when it says: "*The impact on residential housing affordability is likely to be limited. Detached residential construction involves minimal fabricated structural steel, and high-rise residential is predominantly a concrete structure market.*"

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

We note that three key events have led to the surge in imports, that are unforeseen in the spirit of the GATT 1994 agreements

These are:

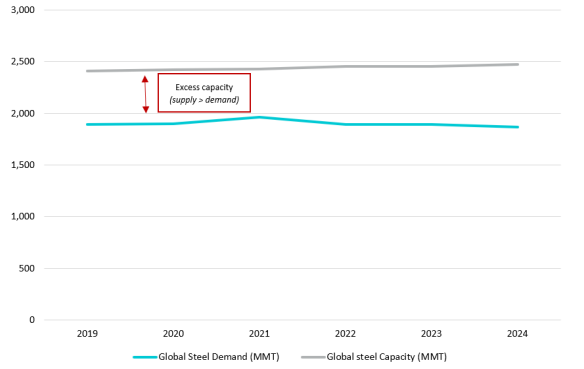
- the growth in global overcapacity,
- the collapse of Chinese domestic demand,
- and the significant number of key international jurisdictions putting up barriers
- collectively, these lead to trade diversion into Australia as surging imports.

Figure 1 to Figure 3, and Table 3 overleaf, summarise the key events in relation to the surge of imported FSS into Australia.

Figure 1: Surge of imported FSS is due to unforeseen circumstances

Imports of FSS have increased substantially, in both absolute and relative terms, meeting the legal threshold of being "recent enough, sudden enough, sharp enough and significant enough" to warrant safeguard action.

There is steel production overcapacity globally, which is persistent and growing. Excess capacity exceeded 602 million tonnes in 2024 and is projected to reach 721 million tonnes by 2027.



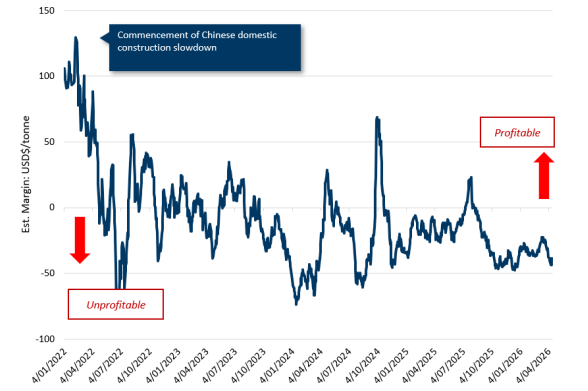
Source: BloombergNEF Note: 2019 USD prices

China accounts for 53% of crude steel production in 2024 but domestic demand for Chinese steel has weakened materially

*Annualized data based on data of Jan-Nov 2025
Source: National Bureau of Statistics

Figure 2: Surge of imported FSS is due to unforeseen circumstances (cont.) Chart data source: S&P Global Energy, ©2026 by S&P Global Inc.

Despite weakened demand Chinese producers continue to supply steel below cost price



Source: S&P Global Advanced Charting Platform

Other countries have imposed measures

Jurisdiction	Current key measures	Direction	Timeframe
United States	50% Section 232 on FSS (mill + fabricated); April 2026 restructure to full-value tariff application	Entrenching; Section 301 expansion likely	Immediate–ongoing
European Union	25% out-of-quota safeguard (current, expires June 30, 2026); replacement at 50% duty, 47% quota reduction	Significant expansion	July 1, 2026
Canada	Reduced quota (100% to 75% of '24 levels for FTA partners excluding CUSMA partners; 50% to 20% for non-FTA); same tariff of 50% 25% tariff on specified steel derivative exports. Enhanced enforcement.	Expanded and entrenched, as at Dec 2025.	Immediate - ongoing

Figure 3: Global trade measures imposed on FSS

Table 3 below summarises these key events and provides additional commentary.

Table 3 - Timeline of key events

Period	Key Event	Relevance
2021 to 2022	Weakening Chinese property and construction activity begins	China's domestic construction sector, a major consumer of steel, began to slow materially following tightening conditions in the property market, for example following the collapse of Evergrande and other major developers. This reduced domestic steel demand while production capacity remained elevated, contributing to growing export pressure.
2022	Rising global steel overcapacity and export diversion	Excess steel production increasingly entered international markets at low prices as producers sought alternative export destinations. Imports of FSS into Australia began increasing materially in both absolute and relative terms.
2022 to 2024	Significant increase in imports of FSS into Australia	Import volumes increased sharply and persistently across the investigation period, meeting the legal threshold of being "recent enough, sudden enough, sharp enough and significant enough" to support safeguard action.
2023	Major economies intensify trade remedy actions	Governments responded to rising import pressure and concerns regarding unfair trade practices, overcapacity, and market distortion. Global safeguard, anti-dumping, and countervailing activity accelerated significantly.
2023	Canada expands tariff rate quota (TRQ) arrangements	Canada broadened its steel import controls through expanded TRQs and additional tariffs on derivative steel products to manage import surges and protect domestic producers.
2023 to 2024	European Union strengthens steel safeguard regime	The EU progressively tightened safeguard measures through reduced quota volumes and higher out-of-quota tariffs, increasing restrictions on steel access into the European market.
2024	Sharp increase in global anti-dumping investigations	Multiple jurisdictions initiated or expanded anti-dumping and safeguard investigations across steel and downstream steel products, reflecting widespread concern regarding overcapacity-driven trade diversion.

2024 to 2025	Trade diversion pressures intensify globally	As major markets imposed stricter barriers, steel exports increasingly sought access to less protected markets, increasing competitive pressure in jurisdictions such as Australia.
2025	United States expands Section 232 tariffs	The United States expanded Section 232 tariffs to additional downstream steel products and increased tariffs to 50 per cent, further restricting access to one of the world's largest steel markets.
Current	Increasing fragmentation of global steel trade	Collectively, safeguard measures, TRQs, anti-dumping duties, and expanded tariffs across major economies have created a complex web of trade restrictions. These measures increase the risk of trade diversion into relatively open markets, including Australia.

We note that the cause of injury is not due to temporary disruption in semi-finished steel production in Australia (e.g. Whyalla Steelworks), as has been suggested.

The fabricated structural steel sector is supplied with a range of semi-finished steel products by steel distributors. The distributors in turn source these semi-finished steel products from both domestic and import channels. Distributors flex their supply chain arrangements according to availability, pricing and other commercial considerations. The distribution sector holds a significant quantity of inventory of all products, such that in event that the supply chain is disrupted for any reason e.g. international shipping, then inventory can be drawn down in order to maintain uninterrupted supply to their customers. The alternative supply sources can also be flexed or ramped up to cover production disruptions.

The combination of distributor inventory draw-down, and sourcing from both domestic and international steel producers, means that fabricators are not impacted by a production disruption at one domestic facility.

3. Has the domestic industry suffered injury?

In our previous submission, we explained that the Australian FSS industry has suffered serious injury across all meaningful indicators of industry health including declining market share from 66% in 2019 to 55% in 2024 and business closures of over 15 Sydney region fabrication businesses since 2024. In this supplementary submission, we have consolidated the evidence of injury from the submissions of various fabricators. We provide further evidence that:

1. The surge in imports is not temporary
2. International responses are taking the form of more permanent policy responses
3. The surge in imports have led to injury in the domestic market

The surge in imports is not temporary

The experience of fabricators is showing that the downturn they are suffering is not due to the cyclic nature of the market. Demand in multiple regions is growing whilst the impact of imported FSS is causing injury to local businesses. See below:

- Stevens Group submission (SA and Victoria): "*The injury identified is directly linked to increased import penetration rather than broader macroeconomic conditions. While general market conditions have remained relatively stable, the key change since December 2024 has been the significant increase in lower-priced imported fabricated structural steel competing in Stevens Group's core market segments*."
- CSF submission (North Queensland): "*The volume of construction activity in North Queensland has remained steady over the last 3-4 years and the only significant change has been the number of projects lost to companies importing steel from Asia. This reduction in work has increased local competition and in turn significantly reduce project margins.*"
- Anonymous, Submission 007 (Queensland): "*Unlike broader macroeconomic conditions, demand for projects remains present; however, contracts are increasingly being awarded to overseas suppliers based primarily on price.*"

International response is taking the form of a more permanent policy response

While many safeguard and trade remedy measures are formally characterised as temporary under WTO rules, some jurisdictions have maintained these measures over extended periods. This has contributed to a progressively more restrictive global trading environment and increased the risk of trade diversion into relatively open markets such as Australia.

The EU for example first introduced steel safeguard measures in 2018 in response to concerns regarding global overcapacity and trade diversion following the United States' Section 232 tariffs.[2] Since then, the measures have been repeatedly extended and modified. More recently, the EU has tightened its safeguard framework through reduced quota

[2] https://ec.europa.eu/commission/presscorner/detail/en/ip_18_4563

volumes and higher out-of-quota tariffs, indicating that concerns regarding import pressure remain ongoing rather than temporary.[3]

The surge in imports have causally led to injury in the domestic market

During 2025, the ASI surveyed fabricators that had some exposure to the portal frame market, which has since been heavily impacted by imports. Based on the questionnaire replies (which are representative of the situation of the whole Australian FSS industry) aggregated key injury metrics are presented in the table below. Due to the lag caused by major projects taking 12 or more months to execute, the impact of lower pricing is not seen in the full year results until one to two years later. In this case, the relatively good profitability reported in FY2023 and FY2024 is actually the result of pricing determined in FY2021 and FY2022 respectively. Similarly, the profitability and related metrics reported in FY2025 are associated with pricing from FY2023 and into FY2024.

Totals	FY2022	FY2023	FY2024	FY2025
Production Volume (tonnes)	22,350	22,026	22,011	12,662
Sales Volume (tonnes)	22,850	23,026	23,011	12,662
Sales Value ($AU)	$134,893,625	$136,241,030	$144,024,774	$75,165,713
Profit ($AU)	$4,969,904	$9,475,799	$10,887,361	$1,766,379
Profitability (%)	3.68%	6.96%	7.56%	2.35%
Capacity Utilisation (%)	79.54%	69.79%	68.61%	41.65%
Employment (number)	250	275	256	229

Source: Industry data from ASI fabricator members

From a snapshot of submissions there is clear evidence of how the surge has caused injury amongst fabricators and the distribution channel

Sales and profitability decline

- Stevens Group submission: *"In our commercial sector, margins have halved in 2025, highlighting the severity of the current pricing environment."*
- Casa Engineering submission: Financial impacts. "*Turnover 2022-$40million, 2023-$25million, 2024-$28million, 2025-$22million."*
- United Steel submission: "*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.*" In addition, "*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*

[3] https://www.europarl.europa.eu/news/en/press-room/20260413IPR40607/new-measures-to-protect-eu-steel-market-from-global-overcapacity

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

- Anonymous submission 044: "*We estimate that at least 90% of our historical revenue base is currently being replaced or is at risk of being replaced by these overseas fabricators*".
- Sencova submission: Sencova has experienced a loss of market share through an "*approximately 70% reduction in warehouse-related structural steel work. Warehouse construction was previously a core market segment".*

Production changes

- NEACH submission: *"The implementation of a second production shift has been deferred; if implemented in 2025, it would have conservatively resulted in a forecast 30% increase in turnover".*
- Sencova submission: "*Production decline from approximately 4,500 tonnes per annum to 1,900 tonnes per annum".*
- CSF Industries submission: "*The increase in imported fabricated steel has significantly impacted the volume of work, reducing capacity utilisation and our ability to cover the cost of overheads. This combined with the reduction in project margins impacts our ability to actively invest in productivity improving technology and processes".*

Loss of Employment and lack of training and apprenticeships

- Westys Steel Fabrication submission: Prior to 2025, "*direct and indirect employees has fluctuated between 22-28"*, but since January 2025 it is down to 15.
- Casa Engineering submission: "*Loss of full-time positions due to closures in regional Queensland – 70".*
- NEACH submission: "*The implementation of a second production shift has been deferred; if it had been implemented in 2025, it would have added an additional 20 employees*". "*Growth in apprenticeships and junior roles has been moderated to avoid overexposure to an uncertain pipeline*".
- Sencova submission: "*Workforce reduced from 78 employees to 26. Apprentices reduced from 11 to 2."*
- NEACH submission: "*workforce includes structural steel fabricators, welders, boilermakers, engineers with certifications in Tekla BIM detailing and compliance management, International Welding Engineers and Inspectors, and experienced project managers. This capability has been developed over decades". "Once skilled personnel are lost, this capability cannot be rapidly reconstituted*".
- Casa Engineering submission: "*The decline in apprenticeships and skilled employment has broader public-interest implications, including reduced local employment, and long-term loss of technical skills".*
- CSF submission: "*It takes 8 to 10 years to replace a skilled fabricator. 4 years for the apprenticeship and 4-6 years' experience within the workforce*".

Impact across the value chain

- United Steel submission: *"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"*.
- NEACH submission: "*Loss of work to imports reduces activity across this network"* (steel suppliers and distributors, surface treatment suppliers' transport and logistics providers, installation contractors and crane services, engineering and project delivery firms), "*not just within NEACH".*

Australian procurement of FSS increasingly favours imports, with domestic producers excluded from procurement processes.

As can be seen from the quotes below, the local market is being frozen out of many segments due to clients favouring imported FSS due to price differences.

- CSF via submission: "*Some customers are not sourcing pricing from local fabricators and sole sourcing directly from importers. Importers are now offering additional services such as engineering design scope as part of their submission*."
- Hugh Edmunds, Edcon Steel via submission "*We are told builders, contractors and/or clients will not consider the Australian fabricators unless required to under Local Procurement Requirements (State or Federal), lead time constraints or the nature of the project does not allow seaborne freighting of the project*."
- NEACH via submission: "*NEACH has observed at least one instance of a client enquiring whether NEACH fabricates in Australia or overseas, suggesting that some procurement decision-makers are actively considering import-sourced options or reassessing their suppliers' sourcing models.*"
- Sencova via submission: "*Sencova has observed a significant increase in import penetration, characterised by Tier 1 builders establishing dedicated offshore procurement teams; imports being used for projects as small as approximately 30 tonnes; domestic tender processes being bypassed. This reflects a structural shift rather than a temporary or cyclical trend*."
- CASA Engineering submission: "*CASA has noted a trend appearing where projects are being awarded to a local fabricator, however when we investigate further, these companies are merely a shop front for an overseas operation. The local content is treated as a box ticking exercise and not about maintaining work for local fabricators. The practice costs local fabricators through tendering for projects where there is no intention to award locally and undermines the intent of local content within project approval requirements*."
- Stevens Group submission: "*We have observed a shift in customer procurement behaviour, with builders and project managers increasingly sourcing fabricated structural steel from overseas suppliers in order to reduce project costs and improve margins."*

The FSS Sector, while adaptable, is limited in its scope to service alternative markets in response to the import surge.

- The ASI notes that a large number of its members are small-medium enterprises, and do not have the resources to pivot to production of alternative products. For example, they may be geographically constrained (e.g. cannot service clients beyond a certain distance), or might be limited by the capital / labour / expertise which they currently hold.
- We also note that while a number of (larger, better resourced) fabricators have moved into other products in response to import competition, that this is leading to an increasingly congested market domestically, which is also still exposed to an expansion of imports to other products, beyond portal frame.
- Some fabricators are moving into other sectors to reduce their reliance on their main source of business and cover overheads. Whilst this may have some temporary positive impact on the individual fabricator, what is seen from the quotes below is a consequential loss of productivity and inefficiency, plus it places pressure on other businesses that were not directly exposed to the surge. Ultimately, this is a temporary solution, quite often at someone else's expense. As can be seen by Casa Engineering as an example, downsizing results in capital not being utilised, and job losses.
- Hugh Edmunds, Edcon Steel via submission: "*Our fabrication division has adapted to smaller markets, smaller projects and smaller scale. This has led to inefficiencies and the need to recover fixed overheads over a smaller revenue base. Due to ever rising costs the model is now becoming unsustainable, and we are reviewing the business to determine methods to exit the market completely.*"
- Anonymous Submission 044: "*Jobs as small as 50 tonnes have also become much more difficult to win due to the replacement of local fabricators with these overseas options. This has resulted in jobs even smaller in size becoming much more competitive due to the radically changed landscape of the industry, as fabricators are competing for significantly fewer available projects, driving down their profitability and viability.*"
- CFS have had to move into other categories and move to broader geographies:

  "To maintain profitability CSF has had to diversify away from only supplying fabricated structural steel. We have moved into roofing and cladding and also providing full design and construction services. These additional divisions assist with covering overheads and offsets some of the financial impact caused by imported fabricated steel."

  "*CSF is a large fabricator and due to the decreased work in Mackay, Townsville and Cairns we have had to move into regions further afield to achieve the appropriate volume of work required to cover overheads and maintain profitability.*"
- Westys Steel Fabrication submission points to large fabricators drifting into smaller sections of the market: "*as these larger fabricators try to maintain work due to import pressure, they are now looking at smaller size projects which in turns filters down to smaller businesses.*"
- Stevens Group submission: "*the same number of local companies are competing for a significantly smaller pool of remaining work. It is now common for up to 10 domestic*

fabricators to be tendering on the same project, intensifying competition and further driving down pricing to unsustainable levels."

- Cassa Engineering summarised from their submission: "*CASA was forced to reduce the size of our facilities to align with the reduced availability of work*" with Townsville, Rockhampton facilities closed, premises leased, equipment mothballed and staff terminated. The Bundamba facility was downsized, and overall, there is massive capital sitting idle and 70 staff out of work.
- Westys Steel Fabrication submission: "*Business strategies like diversification will not significantly increase business viability.*"

4. Is a Safeguard measure in the public interest

In our previous submission we explained that the balance of public interests clearly favours the imposition of safeguard measures. This submission expands on our position.

We invite the PC to consider sovereign capacity and regional impacts as part of its public interest assessment

Sovereign capacity

The Australian fabricated structural steel industry is a foundational manufacturing capability supporting construction, infrastructure, mining, energy, transport, agriculture and defence projects across the economy.

Our members manufacture products that are essential to national infrastructure, economic development and industrial resilience. Once lost, domestic capacity to produce will be hard to rebuild.

An overreliance on imported supply of this critical product, exposes Australia to the risk of economic coercion. Others have commented on the importance of this – the McKell Institute on Whyalla for example.[4]

The value of supporting a viable domestic FSS industry, is to preserve the domestic industry's capacity to respond to international supply shocks. The current Fuel crisis is a good illustration of this – a loss of domestic refining capacity, has exposed Australia's downstream users of fuel, when international markets are disrupted. We have also seen this during COVID – where countries prioritised domestic needs, and with temporary controls over exports of medical and other critical supplies.

The ASI has undertaken economic modelling of the value of preserving sovereign FSS production capacity. We model this as a decline of sovereign capacity, resulting from international price pressure followed by a withdrawal of low-cost foreign product from Australian markets.

Our modelling suggests that, following a collapse of the domestic FSS industry, interventions by foreign government to halt exports, will dramatically affect the construction, and broader sector in Australia.

In developing this modelling, we have had regard to the following:

- Assumed continued decline in the domestic FSS sector, reflecting significant injury already experienced by the industry. Section 3 of our 20 April submission (confidential), and Section 3 of this submission, provides further detail on the ongoing risk of injury to the domestic FSS sector, reflecting, for example, that a growing number of customers are bypassing Australian FSS suppliers in favour of imports.

[4] https://mckellinstitute.org.au/research/reports/a-future-made-in-whyalla/

- Industry reliance on specialist capital and labour, which is generally not fungible with other industries, and in some cases, within the FSS sector across different products. A decline in the domestic industry is expected to manifest as retirement of this specialist capital and labour, and even if industry conditions improve, there will be a lag in the industry's ability to respond with production increases.
- For modelling purposes, we have represented the ongoing decline in returns to labour and capital and operation of facilities at a sub-scale level as an endogenous primary factor productivity decline, swapped for observed (in history) and projected (over the short term) industry output decline.
- Once the domestic industry has contracted, the value of sovereign capability is observed through the combination of:
  - an increase in the price of the foreign product through external mechanisms – not through import taxes or similar in Australia.
  - a continued exogenous shock to the capital and labour inputs into the industry at the levels observed at the peak of low price import to properly represent the frictions of retraining, recapitalisation (particularly the difficulties for small business obtaining finance), and the challenge of returning business confidence.
- No account has been taken of reported quality differentials between imported product and domestic product and subsequent in situ remediation required in our modelling exercise, however with additional data this could be considered.
- Taking the above into consideration, our estimates suggest that the net impact to GDP will be between a **negative $3.4b to $7.4b in NPV terms.** In other words, the modelled value of retaining a viable domestic FSS sector, is estimated at between $3.4b - $7.4b in NPV terms, in the event of global disruptions.

Regional impacts

Around 20,000 Australians are employed in skilled manufacturing and fabrication occupations across the sector. These are high-value jobs that support apprenticeships, technical capability and regional communities.

Workers are distributed across Australia, but in particular across regional Australia, and peri-urban metropolitan areas.[5] In some jurisdictions (e.g. Glenelg LGA), FSS employment accounts for a significant share of total employment, noting that the skillsets and profiles of individuals employed in FSS tends to be specialised, with limited alternative options for employment in other industries.

In understanding the potential impacts of an expected rapid surge in steel imports to Australia, we summarize what has happened in regional communities where a major manufacturing or resource-based industry declined rapidly with a focus on the economic and social costs of unmanaged transitions and the lessons learned from regions exposed to future industrial disruption.

[5] Analysis of Census of Population and Housing 2021.

We present three case studies where a major manufacturing or resource-based industry experienced rapid decline. They highlight the nature of the shock, the transmission channels through which impacts were felt, and the resulting economic and social outcomes, as well as the role and effectiveness of policy responses.

These case studies illustrate how sudden and concentrated industry shocks can generate significant and persistent regional impacts, particularly in areas with high industrial concentration and limited capacity for short-term adjustment. They provide relevant insights for assessing the potential implications of a rapid import surge in import-exposed sectors that mainly employ people in regional areas like Fabricated Steel.

Table 4 below presents a summary.

Table 4- Summary of key insights from regional industrial transitions

Dimension	Illawarra (Steel)[6]	Latrobe Valley (Coal power)[7]	Orbost (Timber)[8]	Cross-case insight
Nature of shock	Externally driven demand shock from global steel price collapse	Policy and structural transition (decarbonisation, plant closures)	Policy-driven closure (accelerated end of native logging)	Shocks can be market-driven or policy-driven, but both can be rapid and externally imposed on regions
Speed of adjustment	Rapid (large job losses within ~2 years)	Relatively abrupt (Hazelwood)	Accelerated timeline reduced adjustment period	Faster transitions increase adjustment costs, particularly where notice is limited
Economic structure pre-shock	Partially diversified but still manufacturing-heavy	Highly concentrated in coal and power generation	Highly concentrated in forestry	Degree of industrial concentration is a key determinant of impact severity
Direct impacts	Large-scale job losses in steel production	Job losses in power generation and mining	Job losses in logging and timber operations	Core industry contraction leads to immediate and concentrated employment losses
Indirect impacts (supply chain)	Closure of coal mines linked to steel contraction	Impacts on contractors and energy supply chains	Impacts on haulage, processing and local businesses	Strong supply chain linkages amplify shocks beyond the core industry

[6] Burrows, S., Masouman, A. and Harvie, C. (2015) 'Regional Economic Impacts of a Closure of BlueScope Steel Operations in Port Kembla', report prepared for the Australian Workers Union, Port Kembla, University of Wollongong.

[7] Wiseman, J., Workman, A., Fastenrath S. and Jotzo, F. (2020), After the Hazelwood coal fired power station closure: Latrobe Valley regional transition policies and outcomes 2017-2020, CCEP Working Paper 2010, Nov 2020. Crawford School of Public Policy, Australian National University

[8] Florence, E. and Tonkin, A. 2023. Victoria's timber industry in a time of transition, Parliament of Victoria, October

Induced impacts (local economy)	Rising unemployment and reduced economic activity	Reduced household spending and regional demand	Reduced spending in small local economy	Household income effects drive broader local economic contraction
Labour market outcomes	33% increase in unemployment; limited absorption capacity	Mixed re-employment outcomes; skills mismatch issues	Limited alternative employment opportunities	Labour market adjustment is slow where skills are industry-specific and alternatives are limited
Social and community impacts	Increased reliance on income support; pressure on households	Community stress, identity loss, uncertainty	Community stress, division, risk of population decline	Social impacts are significant and often persistent, especially in smaller or highly specialised regions
Policy response	Limited and reactive; primarily income support	Structured and proactive; transition authorities and funding	Targeted support packages and transition assistance	Policy responses are varied in this case study set
Effectiveness of intervention	Limited short-term effectiveness in mitigating impacts	Partial mitigation; mixed long-term outcomes	Uncertain; concerns over adequacy and job replacement	Even well-designed interventions do not eliminate adjustment costs
Fiscal cost	Primarily implicit via welfare support	Significant public investment in transition programs	Targeted funding packages for workers and regions	Both responses are costly and proactive responses require high upfront fiscal investment
Long-term adjustment	Gradual diversification but prolonged disruption	Ongoing transition with future risks	High risk of prolonged adjustment due to limited diversification	Adjustment is over a few decades, especially in highly specialised regions

Quality assurance

Several submissions have suggested that the one key cause of fabricators being undercut by imports is that the cost of certification is too high. We note the following:

- Firstly, many of the fabricators that focus on the portal frame market (where import penetration has been greatest) don't have any type of quality assurance certification because their clients don't value it. There are several Sydney examples (names can be provided to the PC in confidence), who are both large fabricators with have zero certification costs, and good efficiencies of scale. Despite this they still are being undercut.
- The cost of certification is not material compared to the extent that they are being undercut. In the event that the PC would like to inquire further into this topic, the ASI would be pleased to provide detailed information on the typical cost of certification.

5. If a Safeguard measure is justified, what sort of measure should be put in place?

The ASI proposes that a TRQ strikes an appropriate balance between reducing disruption, while providing necessary relief to the domestic FSS industry

The ASI proposes a TRQ, with:

1. **Quota** calibrated to the average historical imports over FY2022 - FY2024 for the requested HS codes, reflecting an average of around 0.5 million metric tonnes per annum. The quota aims to preserve "traditional" trade flows, and/or key contracts that are already underway. We note that this is consistent with the EU approach, which were calibrated to a 2015-2017 baseline.
2. **Tariff** of 50% ad valorum for any imports above this quota. We note that the 50% is calibrated to, and must be no less than the tariff imposed by key international jurisdictions such as the US, EU and Canada. A tariff lower than 50% would risk inviting ongoing trade diversion into Australia, from exports that would've gone to these jurisdictions, if not for their imposed trade measures.
3. **Duration** of a minimum of four years.

We note that the TRQ provides a balance between reducing the likelihood of trade diversion, while providing some much-needed relief to the domestic FSS sector over a meaningful period of time. This would provide additional confidence to the industry to undertake adjustments / investments, over the safeguard period, to better position domestic FSS to compete with imports.

Imposing a temporary measure is necessary and beneficial for the industry

Multiple fabricators in their submissions alluded to how they could / or have planned to improve their businesses to be more productive if they had the breathing space. Others mentioned that they have deferred improvements because of the current situation.

- CSF have highlighted in their submission: "*Robotic fabrication, welding, handling and processing technology is developing quickly and over the last 5 years it has been made commercially viable to the steel fabrication sector. This technology is expensive and companies need to be able to forecast sufficient workload and profitability to justify this type of investment. If a safeguard measure was imposed, then this would provide fabrication companies with the confidence to invest in productivity improving technology that over time would make our industry competitive against cheap imported steel*".
- Anonymous Submission 044: have experienced an inability to reinvest in the business. "*There are several areas of potential investment we have discussed in recent years that we would like to use to improve their operations and be more appealing to potential clients".*
- CASA has suspended capital investment in our operations by cancelling of an order for a beamline and paint line. *"These two machines would significantly improve productivity, However, without access to warehouse and industrial markets, investment in a beamline and paint line cannot be justified".*

- Ron Barrington of Cullen Steel said in an interview with the ABC he noticed overseas suppliers undercutting his quotes 18 months ago. "*We have initiated a lot of cost-saving measures," he said. "We invested very heavily into robotic welding, and we have brought our costs down by a similar amount*."
- Stevens Group: "*Several planned projects, including upgrades to fabrication technology and operational efficiency improvements, have been placed on hold. This delay is expected to set the business back in adopting advanced technologies and reduce future competitiveness relative to international suppliers".*

Adjustment plan

Implementation of a TRQ as a temporary measure will provide the breathing space, for industry to make adjustments, as described above. We welcome the opportunity to continue working with the PC and broader government on the nature of these adjustments.

The ASI is intending to hold workshops in each state, in coming months, to bring together all participants in the FSS supply chain, in order to identify opportunities to improve efficiency and competitiveness over the medium term. The types of opportunities that have already been discussed at a high level include:

- Increased adoption of robotic automation and digital technologies in order to improve labour efficiency.
- Further streamlining of the supply chain to increase the efficiency of business-to-business information flow e.g. documentation and administrative processes.
- Reviewing the potential to simplify engineering designs and specifications in order to reduce labour intensity per tonne of fabricated steelwork.

- If/when implemented, we also note the need to continue monitoring the TRQ on an ongoing basis, in particular with consideration to ongoing trade measures implemented by international jurisdictions on FSS. Specifically, the ASI argues that measures should be retained to prevent trade diversion of FSS into Australia, where relevant.

Imposition of a TRQ, as specified, is expected to mitigate some, but not all of the injury to domestic FSS.

- We have modelled the impact of this TRQ, if imposed as specified above, on the domestic FSS industry, using Computable General Equilibrium (CGE) modelling.
- Modelling the impact of a TRQ in a CGE model is achieved through a combination of an appropriately calibrated import tax shock and (in the same manner as the value of sovereign capability) proper representation of the domestic industry. In particular:
  - Calibration of an import tax shock is a straightforward exercise based on the specification of the instrument proposed, with the specifics depending on the functional form of CGE model in use.
  - Allowing the sector to restore the full level of primary factor productivity (or an alternate mechanism that another exercise might choose) to historical levels would overrepresent the domestic benefit of the TRQ.

- Instead, we have chosen to fix primary factor productivity at the level observed in the year before when the TRQ is imposed, allowing for some degree of forward looking behaviour from industry participants.

- Our estimates suggest that the imposition TRQ as proposed, would result in a reduction in domestic FSS sector output of -$2.5b (NPV), compared to a -$5.25b NPV reduction in the absence of a TRQ, reflecting a continued decline of domestic industry.
- Put another way, the TRQ would be expected to **mitigate around 52% of the loss of domestic output**.

Cost impacts from imposing a TRQ are expected to be limited, on end users.

Fabricated structural steel typically represents around 15% of total project costs for commercial construction and infrastructure projects, of which, around half of these costs (e.g. purlins, bolts etc) would not be subjected to the TRQ. As noted previously, FSS is not typically used in housing construction in Australia.

An ASI member consulted for this submission provided the following worked example, for a 2,000 tonne project:

	Australian FSS supplier	Imported FSS
Fabricated Structural Steel (FSS), comprising	$16,000,000	$12,000,000
• *Supply, painting, fabrication of FSS (subject to TRQ)*	*$8,000,000*	*$4,000,000*
• *Purlins, bolts, management, installation, other costs (not subject to TRQ)*	*$8,000,000*	*$8,000,000*
Other costs *(not subject to TRQ)*	$84,000,000	$84,000,000
Total project cost	**$100,000,000**	**$96,000,000**

Source: Provided by an ASI member, indicative, based on current projects.

The proposed TRQ was carefully considered to minimise disruption to downstream users. Imports within the quota would continue to enter at prevailing rates, ensuring continued supply availability. For imports exceeding the quota, a proposed 50% tariff would apply only to the supply, painting and fabrication of FSS. In the worked example above, this would translate to a $2,000,000 change in FSS costs for the imported scenario, or around 2% increase in costs to $98 million, from $96 million.

Downstream buyers also retain the ability to source product domestically. The domestic industry has significant spare capacity to meet demand – and a TRQ would support ongoing domestic competitiveness, and therefore competition.

The counterfactual — a domestic industry unable to supply at competitive scale, creating a structurally uncompetitive procurement market dominated by a small number of offshore

suppliers. Over time, this may result in worse price outcomes for downstream users if international producers adjust their behaviours / pricing, once a domestic sector is no longer viable.

Our response to comments from various parties

The ASI has also reviewed a number of submissions made by other parties, into the 20th April 2026 public submission process. We provide further observations in response to arguments made by those submissions, summarised in the table below.

#	Party	Argument	Rebuttal
1.	EU Commission	Procedural deficiencies	• The call for submissions was made 1 month after initiation (on 24 February 2026). The deadline for making submissions was 20 April 2026, which allowed for a plenty of time (at least 3 weeks) for interested parties to provide comments on the application. • Three weeks' time = "reasonable public notice". Indeed, that was the total time the EC gave for submissions in its 2018 steel SFG. In that case, the EC opened its Safeguard ("SFG") investigation (here) *ex officio*, and did not make any complaint public. • The Productivity Commission ("PC") also published a document (on 24 February 2026) to assist interested parties with their submissions – hardly a sign of lack of transparency and procedural fairness.
		Failure to define the period of investigation	• As the EU Commission itself points out, the WTO SFG Agreement does not prescribe a specific or fixed [investigation] time period in SFG investigations. • The application was filed in November 2025, which required preparatory work months in advance. This meant that no full-year 2025 import data was available at the time. That's perfectly normal. • There is nothing stopping the PC from looking at 2025 import data. It can post a notice saying that it of course intends to do so. • There is no requirement that the applicant (Austrian Steel Institute ("ASI")) needs to look at both import data and serious injury during FY 2025. There is no reason why injury cannot be described in 2025, especially since earlier surges in imports could have led to these effects.
		Failure to demonstrate increased imports	• ASI demonstrated that there was a "sudden, recent, significant and sharp surge" in imports into Australia of FSS, with import volumes achieving historically high levels in recent years. • There is no strict legal threshold prescribing what this surge should entail. An increase of 38.7% -- from 389,169 tonnes in 2020 to 539,649 tonnes in 2024 clearly satisfies the legal standard. • If we look at how the EC looks at increase in imports in its own cases, it applies a very similar approach to the application. Look at the 2018 Provisional SFG on Steel (paras 20 and following). The EC's argues for higher standards than what it applied in its own steel SFG. • The fact that the Australian industry has a majority of the market is not relevant – the EC imposed its SFG despite EU steelmakers having the majority of the EU market. • There is nothing to stop the PC using import trends for 2025 in its conclusions.
		Failure to demonstrate serious injury	• There is no requirement to look at prices/undercutting in the context of SFG investigation (which is based on a surge in volume of imports). • The application provided an analysis of prices/undercutting (paragraph 173, and figures 10 and 11) showing prices of imports significantly below prices of local producers. • According to the application (paragraph 131 and following), most injury indicators (production, sales, profit, capacity utilization, employment) declined considerably over the period considered = serious injury. • The PC's investigation will look across the whole industry. It should be able to conclude that this is not a case of redistribution of market performance. It is the PC's findings that count, not the application. • Threat of injury can be sufficient for an SFG. Imports must be "causing", or "threatening to cause" serious injury to the industry". The EU steel industry was very profitable in 2018 when the EU SFG was imposed based on threat.
		Failure to demonstrate causal link	• The applicant demonstrated in its application (Section D.3) that it was surging imports and no other factors (e.g. dropping demand, rising costs, regulatory changes or technological developments) that were responsible for FSS producers' situation.

			• We followed the same approach as was used in the EU SFG cases.
2.	Department of Foreign Trade ("DFT") (Thailand)	Imports have not increased	• An increase of nearly 40% over a period of several years counts as significant. There is no clear definition of "significant" in the law. • Looking at import trends based on the full HS codes, i.e., going beyond the product scope, is incorrect and misleading. (Same point applies for CCCMC). • Imports from Thailand itself are not relevant except for potential de minimis exemption (as a developing country).
		Absence of unforeseen developments	• There is still a debate whether "unforeseen developments", which is not mentioned in the SFG Agreement, is part of the legal test. • In any case, contrary to what DFT asserts, global overcapacity and TDI measures in other jurisdictions qualify as "unforeseen developments". The EU and UK SFGs rely heavily on them, for example.
		Lack of serious injury	• See above – most injury indicators show significant (and consistent) deterioration in the period 2022-2025.
		Absence of causal link	• Energy costs, reduced migration and the downturn in construction sector are not to blame for the industry's situation. While they may be a factor, applicants would have been able to adjust (and deal with these issues) had it not been for pressure from imports. • Also, as explained in paragraph 166 "[t]he growth that should naturally occur in a healthy domestic market – driven by infrastructure development and construction demand – has instead been captured entirely by imports, denying Australian FSS manufacturers the revenue streams necessary to invest in productivity improvements, workforce development, and technological advancement"
		Public interest	• The applicants demonstrated that there will be no impact downstream as there is plenty of local supply, imports will continue and any impact downstream will be modest as FSS accounts for a small % of downstream costs.
3.	Government of China ("GOC")	Insufficient disclosure	• The application contains sufficient disclosure, which has allowed other interested parties to make substantive comments on import trends, etc. (as demonstrated by their respective submissions). • Any removal of (confidential) information has been made to protect business secrets, or avoid disclosing/deducting information, the disclosure of which has the potential of harming FSS producers' competitive position.
		Overly broad product scope	• There is no rule limiting product scope in the WTO Safeguards Agreement (as MOFCOM itself notes). • It is possible to include various product types, serving different markets but belonging to the same product family (FSS) in SFGs. • By way of an example, the EU SFG investigation targeted imports of a wide range of steel products (26 product groups). Other jurisdictions also have had SFGs of broad scope.
		Increase in imports does not satisfy legal requirements	• See above.
		SFGs are not in Australia's public interest	• See above – possible measures do not seek to block imports but to enable the Australian steel industry to survive. They would have a minor impact on the broader economy compared to the loss of the steel sector. • The PC and Australian Government should assess what is in Australia's best interest, with regard to broader metrics such as the value of sovereign capacity and the impact on regional/peri-urban communities.
4.	Government of Indonesia ("GOI")	Australia's import trends analysis and Indonesian exports to Australia	• The import data provided by GOI differs from what was provided in ASI's application (likely different scope) and does not disclose the source. Value is not particularly relevant in a SFG. • The fact that Indonesia only exported some HS codes is irrelevant. • GOI's data show FSS exports from Indonesia to Australia increase – that said, the SFG should look at all imports not just Indonesia.
		Unforeseen developments	• These are not made to measure products. If they were how are there so many imports? • See above on "unforeseen developments" more generally.

			• In IV(B), the applicants provided detailed explanation and evidence showing that the surge in imports was the result of "unforeseen developments".
		Other factors	• Slump in Australian's construction market – see above – makes SFG measures all the more necessary as it limits demand, hence imports could have a more devastating impact on local producers. • The argument about the supposed shortage of welders in Australia is not credible. We do not think that insufficient labour has ever been a reason not to impose SFG measures.
5.	Ministry of Trade (Turkey)	Turkish imports' share (value) is <3%	• Turkey is arguing that its imports are below the de minimis threshold that applies for developing countries. • Analysis should be done based on volume of imports, not on value. • There is no explanation of the maths employed. We cannot judge if it is correct – they fail to provide any detailed data.
		Collective import share (value) <9% deserve special attention	• Again, should be based on volume not value. No explanation of methodology.
6.	China Chamber of Commerce of Metals ("CCCMC")	FSS is not a product	• There are no limits on how the product scope subject to SFG investigation should be defined. • CCCMC fails to provide convincing arguments that that the product definition in the investigation is flawed. • As noted above, there have been SFG investigations with a very broad scope (e.g. EU steel SFG). • The strident tone gives a hint as to the real strength of CCCMC's arguments
		Unclear domestic producers	• We have said that ASI represents 70% of fabricators. The representative companies obviously do make subject product. We have said they are representative of the broader sector, so their size is not relevant.
		Alleged "unforeseen developments" do not apply to FSS	• See above – ASI covered this issue in its application. • The move to cover downstream sectors both in the US (section 232 now covers hundreds of additional products) and in the EU (the new steel trade tool provides for extension downstream in Article 9(1)) reinforces the argument that trade protection is relevant to FSS.
		Unsubstantiated and unreliable allegation of increased imports	• In its application, ASI showed imports increase. • The data/graphs provided in Section D of CCCMC's submission do not match the application. • The test is for all imports, not just Chinese imports.
		No clear definition of serious injury	• The injury picture in the application is clear and representative – see above. • No requirement to establish injury for each specific product in the application – it is for the investigating authority to address this. • The "injury" sample included in the application are representative for the industry as a whole.
		Causation - factors unrelated to imports influenced domestic production	• Injury was not self-inflicted due to market correction. The industry would be fine had it not been for pressure by surging imports. • Upstream supply was also not to blame for the FSS industry's situation, but rather competition by imports. The arguments about oligopoly shouldn't be relevant. • Local Australian producers (which currently operate at 52% of their capacity) can very well handle any increases in demand.
		SFG measures are not warranted	• Contrary to what CCCMC asserts, local producers are also more than capable of supplying products featuring "highly technical design and fabrication capability, large fabrication capacity, and strict delivery timeframes." • The assertions that there are already existing domestic measures or policies protecting domestic FSS producers, through "local content" mandates is irrelevant as they seek to tackle different issues. SFG's purpose is to deal with issues arising from surging imports that cause/threaten to cause serious injury to local producers. • A SFG would address the issues faced by the Australian FSS sector.