

# SAFEGUARDS INQUIRY INTO THE IMPORT OF FABRICATED STRUCTURAL STEEL

## Terms of Reference

I, the Hon Jim Chalmers MP, Treasurer, pursuant to Parts 2 and 3 of the *Productivity Commission Act 1998*, hereby request that the Productivity Commission (PC) undertake an inquiry into whether safeguard action is warranted against imports of fabricated structural steel products of the Australian Customs Tariff.

### Background

The Australian Steel Institute, on behalf of the industry, has lodged an application requesting that the Australian Government apply safeguard measures for fabricated structural steel products.

The PC is Australia's competent authority to investigate whether safeguard measures are justified under World Trade Organisation (WTO) rules, on the basis of there being a surge of imports that causes, or threatens to cause, serious injury to a domestic industry.

### Scope

The PC is to undertake an inquiry into whether safeguard action is warranted against imports of the following fabricated structural steel products of the Australian Customs Tariff:

- 7308100001 – Bridges and bridge-sections of iron or steel.
- 7308900052 – Columns, pillars, posts, beams, girders, bracing, gantries, brackets, struts, ties and similar structural units, hot rolled, of iron or steel (excl. those of HTISCs 7308100001, 7308200002, 7308300003 and 7308400004).
- 7308900053 – Same as above, roll formed, plated or coated with zinc or aluminium-zinc alloys, less than 1.2mm thick, of iron or steel (excl. hot rolled and HS 730810 to 730840).
- 7308900054 – Same as above, roll formed, plated or coated with zinc or aluminium-zinc alloys, greater than or equal to 1.2mm thick, of iron or steel (excl. hot rolled and HS 730810 to 730840).
- 7308900055 – Same as above, roll formed, of iron or steel (excluding hot rolled; plated or coated with zinc or aluminium-zinc alloys; and HS 730810 to 730840).
- 7308900056 – Same as above, of iron or steel (excluding roll-formed structures and those of HTISCs 7308100001, 7308200002, 7308300003 and 7308400004).
- 7308900057 – Steel grating, stairways and treads (excluding those of HTISCs 7308100001, 7308200002, 7308300003 and 7308400004).

- 7308900060 – Handrails and stanchions, of iron or steel (excluding those of HTISCs 7308100001, 7308200002, 7308300003 and 7308400004).
- 7308900062 – Guard rails and road barriers, of iron or steel, prepared for use on bridges and roads.
- 7308900063 – Sectional components, of iron or steel, prepared for use in towers and lattice masts.
- 7308900064 – Lintels, of iron or steel, prepared for use with doors and windows.
- 7308900065 – Structures and parts of structures and plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel (excluding those of HTISC 7308100001).

The inquiry is to be undertaken in accordance with the WTO safeguard investigation procedures published in the Gazette of S297 of 25 June 1998, as amended by GN39 of 5 October 2005, and consistent with Australia's relevant free trade agreement obligations.

The PC is to report at an industry level, and where feasible, for each tariff line on –

- Whether conditions are such that safeguard measures would be justified under the WTO Agreements, including the General Agreement on Tariffs and Trade 1994 (GATT) and the WTO Agreement on Safeguards.
- If these conditions are met, what measures would be necessary to prevent or remedy serious injury, and the threat thereof, and to facilitate adjustment.
- Whether those measures should be implemented, having regard to the public interest.

The PC is to provide an interim report on whether critical circumstances exist where delay in applying measures would cause damage which it would be difficult to repair. If such circumstances exist, and pursuant to a preliminary determination that there is clear evidence that increased imports have caused or are threatening to cause serious injury, the PC is to recommend what provisional safeguard measures (to apply for no more than 200 days) would be appropriate.

## **Process**

The PC is to provide an interim report to the Government no later than 8 months and a final report within 10 months of receipt of this reference. The reports will be published as soon as practicable.

The PC is to consult widely, hold hearings and invite submissions for the purpose of the inquiry.

Jim Chalmers

Treasurer