June 6, 2025

Steel Market Summary - Australia

Local Fabricators Rally Against Imported Steel

An existing problem for Australian steel fabricators has been made worse by Donald Trump's decision to double tariffs to 50% on steel and aluminium being imported into the United States. By raising the barrier to entry from June 4 onwards, Trump has made it more likely that global steel manufacturers will increase their exports to countries such as Australia. Tariffs and a slowdown in China's domestic economy have seen that country's steel exports more than double since 2020, surging to 117 million metric tonnes in 2024. The surge of low-priced steel onto the market has raised concerns about illegal dumping, which has prompted a sharp rise in trade actions. In a previous issue of *Australian Steel News* (ASN), we reported that a rapid rise in cheap, imported, fabricated steel had significantly reduced the amount of work available to Australian steel fabricators. It now seems the effect is greater than first thought. Several of the affected businesses have expressed their deep concerns to ASN. For example, Paul Comin, general manager of Combell Steelfab, said: Our business with over 55 years of continuous operation has been devastated by the influx of cheap, imported, fabricated steel. Relationships we've built up with builders over 20–30 years have evaporated almost overnight. Sydney's construction sector has shifted almost entirely to offshore suppliers, leaving long-standing Australian fabricators like Combell with little to no work." Mr Comin said he recently attended the Sydney Build Expo and was stunned – even angered – to see multiple Vietnamese steel fabricators exhibiting and marketing aggressively. "One exhibitor cited a 61% increase in steel exports from Vietnam to our market," said Mr Comin. "This is not a slow shift – it's a wholesale takeover."

Simon Preston, GM of Precision Oxycut, has called for a united front to tackle the issue. "Some of us are competitors and some of us are friends and, in some cases, we are both. But foremost we are all Australians operating in businesses that support families and parts of our communities. Between us we probably have over 1,000 customers that are being affected by this situation," said Mr Preston. He noted that the communist party governments of Vietnam and China furnish their fabricators with export tax rebates as high as 17% for every dollar of product they ship to Australia. "This isn't about inefficient fat (Australian) guys sitting around saying they should get paid to do nothing. No, it is experienced, lean manufacturing facilities using the latest technology that are finding themselves uncompetitive because foreign governments (China and Vietnam) have decided to target our market and rebate their workers to ensure market penetration," said Mr Preston.

Chris Velovski is managing director of EDC Consultants which, among other things, specialises in construction design modelling. He told ASN that EDC Consultants is more than willing to offer its help and support whenever needed. "It is crucial that the Australian Government steps in to support our industry and safeguard the future of local steel fabrication and the supply chain that is also suffering due to this disparity," he said. "How are we to maintain and train the future in this great industry when we cannot get the support of our government to help our steel construction industries, considering how much our industry contributes to the government economy. Not to mention how much we are governed so much with our sectors," Mr Velovski added.

With respect to government support more broadly, Paul Comin pointed out that the Whyalla Steelworks is in the process of receiving $2.4 billion dollars from the government to stabilise its current operations and to invest in the long-term future of the facility. “Who will they produce steel for and sell steel to, when 90% of the market is being serviced by steel fabricated overseas?” Mr Comin asked. The delicate political situation is acknowledged by Simon Preston. “It does not escape me that whoever leads this cause (against the cheap imports) risks repercussions from the building companies who are buying the imports. I think the advocacy needs to come from some of the bigger names that sit further up the ladder,” he told ASN.

The Australian Steel Institute (ASI), the peak industry body for Australian steel, has told ASN that it’s continuing to work with the Australian Government on trade measures designed to protect local fabricators from the surge in low-priced, imported fabricated steel. The ASI also notes that Donald Trump’s decision to increase US tariffs on imported steel to 50% from June 4 could add to the problem (in the manner described earlier in this summary). The ASI has mounted a campaign aimed at preventing that from happening. Details can be found in this link: ASI Campaign

“It is notable that the Organisation for Economic Co-operation and Development (OECD) recently published a report showing that China’s steel subsidies are 10 times higher than those in OECD countries, encouraging overcapacity and unviable investments,” said ASI chief executive, Mark Cain. An ASI survey in 2024 revealed a rapid increase in fabricated steelwork imports into Australia over the past three years, with the 2024 volume representing an increase of nearly 50% on the 2016 to 2021 period.

In other news, in mid-May InfraBuild finally announced its audited accounts for the 2024 financial year (FY24). The company said it remains Australia’s largest steel long product manufacturer, selling 2.1 million metric tonnes of steel in FY24. Its FY24 revenue was $4,933.5 million, however, it still made a net loss after tax of $121.2 million. InfraBuild reported a balance sheet at the end of FY24 with $957.9 million in cash and cash equivalents. The statement said the financial year 2024 had a challenging market environment for steel companies globally, with contraction in demand and surplus supply of steel, impacting prices and margins. “These difficult trading conditions affected InfraBuild as well as other entities in the GFG Alliance where InfraBuild has exposure, including businesses in Poland, USA, and OneSteel Manufacturing (in administration), which has resulted in InfraBuild taking a provision of $156.7million in the FY24 accounts in relation to amounts owing from these businesses,” the statement said.

The company said that in recent weeks it had “fortified the ringfence around InfraBuild from the rest of GFG”. Francisco Irazusta, InfraBuild’s CEO said: “The strengthened ringfencing of our operations and governance, along with the recent upgrade in our outlook by Moody’s, reinforce InfraBuild’s independence and its robust market position”.

Article from: https://australiansteel.com/