



AUSTRALIAN STEEL INSTITUTE

MEDIA RELEASE

Government urged to protect under-siege steel fabricators from cheap imports

Sydney, Australia (August 1, 2024) – Australia's peak steel body the Australian Steel Institute (ASI) is enlisting state and federal government support for local steel fabricators and manufacturers, after research revealed the local industry is being seriously undercut by a glut of cheap imports.

An ASI [survey](#) of steel fabricators and manufacturers in July 2024 revealed 86% had reduced profit margins because of cheap imported fabricated steel, which is being priced between 15 and 50% lower than the local offer.

The extent of the price undercutting being reported is indicative of subsidies from the country of origin, and/or dumping being a major contributor to the problem. The use of subsidies and dumping of goods as a means to gain market share is unfair and breaches international trade rules. This is because local businesses are not able to viably compete with overseas exporters that benefit from a range of subsidies or marginally price their surplus production to flood export markets.

This issue is particularly impacting east coast fabrication businesses that are reliant on the portal frame market for structural steel, but it is also having a detrimental effect on a wide range of other steel product manufacturers.

ASI chief executive Mark Cain says the impacted businesses are reporting loss of viability due to decreased profit margin, loss of revenue due to lower volumes and capacity utilisation, and increased costs.

Nearly half of those surveyed are undertaking some form of restructuring in an attempt to remain viable. The brunt of the impact is being born by small and medium sized businesses, each typically employing between 20 and 200 Australians, and providing skilled employment in their local region.

Approximately 80% of those surveyed reported that they are now operating at less than 80% capacity utilisation, which is typically a benchmark for breakeven profitability in manufacturing. At the extremely distressed end of the response, one fifth of businesses responded that they are operating at below 50% of production capacity.



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The survey adds considerable additional information to the reports provided to the ASI by individual member businesses over the past 12 months. Members have described a grim picture of needing to lay off long-term, skilled staff members in order to remain viable due to greatly diminished orders.

“The ASI is engaging with state and federal governments in order to bring this problem to their attention, explain the damage that is being done to strategically important local industries, and to identify what courses of action are available to provide relief to members,” Mr Cain said.

A general manager of a long-established NSW steel fabrication business who contacted the ASI as part of the survey said the Australian steel market is experiencing significant disruption due to the influx of steel imports at unsustainable prices. “We estimate that over the past 18 months there has been almost \$300m worth of steel being imported from overseas into Sydney alone,” he said. “This is money going offshore and directly affecting the Australian market and local jobs. The downturn in local work not only affects our business but the steel industry as a whole, and it is disheartening to see the repercussions, especially for our dedicated workshop team.”

Another Sydney steel product manufacturer who didn’t wish to be named said a far more proactive approach was needed by government to investigate whether the product was being dumped in Australia at greatly reduced prices, by countries struggling to find outlets in their own country due to a downturn in demand.

The ASI is aware of several complaints being investigated by the Anti-Dumping Commission involving various types of imported steel products. The outcome of these investigations will be made public over the coming months.

ASI is the peak industry body for the Australian steel industry, representing 500 companies and 5000 members. Locally produced steel generates more than 100,000 jobs and \$30b in annual revenue in Australia.

For more information on this press release, please contact ASI marketing and communications manager Steven Andrew on 0473 480 964 or stevena@steel.org.au. He can organise interviews with ASI chief executive Mark Cain and impacted fabricators.