



ANTI- DUMPING NOTICE NO. 2014/20

Certain deep drawn stainless steel sinks

Exported from the People's Republic of China

Initiation of an Investigation into Alleged Dumping and Subsidisation

Customs Act 1901 – Part XVB

I, Dale Seymour, the Commissioner of the Anti-Dumping Commission (the Commission) have initiated an investigation following an application lodged by Tasman Sinkware Pty Ltd, a manufacturer of deep drawn stainless steel sinks in Australia. The application seeks the publication of a dumping and countervailing duty notice in respect of deep drawn stainless steel sinks exported to Australia from the People's Republic of China.

The application alleges that the goods have been exported to Australia at prices less than their normal value and were in receipt of countervailable subsidies and that the dumping and subsidisation has caused material injury to the Australian industry through:

- lost sales volumes;
- reduced market share;
- price depression;
- price suppression;
- loss of profits and profitability;
- reduced return on investments;
- reduced capacity utilisation; and
- reduced employment numbers.

The non-confidential version of the application, which contains the basis of the alleged dumping and subsidisation, is available on the public record.

A notice under subsection 269TC(4) of the *Customs Act 1901* (the Act) advising initiation of this investigation was published in *The Australian* newspaper on 18 March 2014.

The Goods

The goods subject of the application (“the goods”) are deep drawn stainless steel sinks with a single deep drawn bowl having a volume of between 7 and 70 litres (inclusive), or multiple drawn bowls having a combined volume of between 12 and 70 litres (inclusive), with or without integrated drain boards, whether finished or unfinished, regardless of type of finish, gauge, or grade of stainless steel and whether or not including accessories.

The applicant provided further details as follows:

For the purposes of the definition of the goods, the term “deep drawn” refers to a manufacturing process using metal forming technology to produce a smooth basin with seamless, smooth, and rounded corners. Deep drawn stainless steel sinks are available in various shapes and configurations and may be described in a number of ways including flush mount, top mount, or undermount (to indicate the attachment relative to the countertop). Stainless steel sinks with multiple deep drawn bowls that are joined through a welding operation to form one unit are covered by the scope of the investigations. “Finished or unfinished” refers to whether or not the imported goods have been surface treated to their intended final “finish” for sale. Typically, finishes include brushed or polished.

Deep drawn stainless steel sinks are covered by the scope of the investigation whether or not they are sold in conjunction with accessories such as mounting clips, fasteners, seals, sound-deadening pads, faucets (whether attached or unattached), strainers, strainer sets, rinsing baskets, bottom grids, or other accessories.

Excluded from the definition of the goods the subject of this application are stainless steel sinks with fabricated bowls. Fabricated bowls do not have seamless corners, but rather are made by notching and bending the stainless steel, and then welding and finishing the vertical corners to form the bowls. Stainless steel sinks with fabricated bowls may sometimes be referred to as “fabricated sinks”.

Deep drawn stainless steel sinks are commonly used in residential and non-residential installations including in kitchens, bathrooms, utility and laundry rooms. When used in the context of bathrooms, deep drawn stainless steel sinks may there be referred to, for marketing purposes, as “wash basins”. As noted above, deep drawn stainless steel sinks may, or may not, have a single (or multiple) integrated drain board that forms part of the sink structure, designed to direct water into the sink bowl.

The goods are currently classified to the tariff subheading 7324.10.00 (statistical code 52) of Schedule 3 to the *Customs Tariff Act 1995*. These goods are subject to 5% Customs duty.

Investigation Process

The investigation period is 1 January 2013 to 31 December 2013. The Commission will examine exports to Australia of the goods during that period to determine whether dumping has occurred. The Commission will examine details of the Australian market from 1 January 2009 for injury analysis purposes.

Where the Parliamentary Secretary to the Minister for Industry (the Parliamentary Secretary) is satisfied, as to goods of any kind, that:

- (a) the amount of the export price of the goods that have already been exported to Australia is less than the normal value of those goods, and the amount of the export price of like goods that may be exported to Australia in the future may be less than the normal value of the goods; and

- (b) because of that, material injury to an Australian industry producing like goods has been or is being caused or is threatened, or the establishment of an Australian industry producing like goods has been or may be materially hindered;

the Parliamentary Secretary may, by public notice, impose interim dumping duties.

Where the Parliamentary Secretary is satisfied, as to goods of any kind, that:

- (a) a countervailable subsidy has been received in respect of the goods; and
- (b) because of that, material injury to an Australian industry producing like goods has been or is being caused or is threatened, or the establishment of an Australian industry producing like goods has been or may be materially hindered;

the Parliamentary Secretary may, by public notice, impose interim countervailing duties.

Where there are grounds for the Parliamentary Secretary to publish a dumping and/or countervailing duty notice in respect of the goods, the Commission will examine whether the trade in the dumped or subsidised goods gives rise to retrospective notices being published pursuant to section 269TN of the Act, and make recommendations to the Parliamentary Secretary accordingly.

As the application alleges matters relevant to the Parliamentary Secretary's consideration of the lesser duty rule, namely:

- there is a "particular market situation" pursuant to subparagraph 269TAC(2)(a)(ii) of the Act; and
- a countervailable subsidy has been received in respect of the goods the subject of the application (raising matters of compliance with Article 25 of the World Trade Organisation Agreement on Subsidies and Countervailable Measures);

the Commission will examine these matters and make recommendations to the Parliamentary Secretary as to the proposed level of duty to be applied in any dumping and/or countervailing duty notice.

Public Record

I must maintain a public record of each investigation. Documents included in the public record may be examined at the Commission office by contacting the Case Manager on the details provided below. Alternatively the public record is available at www.adcommission.gov.au

The public record will contain, among other things, a copy of the application, *Anti-Dumping Commission Consideration Report No. 238*, and a copy of all submissions from interested parties.

Lodgement of Submissions

Interested parties, as defined by subsection 269T(1) of the Act, are invited to lodge submissions concerning the publication of the dumping duty notice and the countervailing duty notice sought in the application, no later than the close of business on 28 April 2014, addressed to:

The Director
Operations 2
Anti-Dumping Commission
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

or by email operations2@adcommission.gov.au, or by fax to 1300 882 506 or +61 2 6275 6888 (outside Australia).

Interested parties wishing to participate in the investigation must ensure that submissions are lodged by the due date. Interested parties should note that I am not obliged to have regard to a submission received by the Commission after the date above if to do so would, in my opinion, prevent the timely placement of the statement of essential facts on the public record.

Interested parties may reply to matters raised by other parties during the course of the investigation and in response to the statement of essential facts.

The public record must contain, among other things, a copy of all submissions from interested parties. Letters and electronic mail are generally regarded as submissions if they contain information relevant to the inquiry.

Interested parties claiming that information contained in their submission is confidential, or that the publication of the information would adversely affect their business or commercial interests, must:

- (i) provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests, or
- (ii) satisfy me that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked "FOR OFFICIAL USE ONLY".

Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked "PUBLIC RECORD").

Provisional Measures

A preliminary affirmative determination may be made not earlier than 60 days after the date of initiation provided that there appears to be sufficient grounds for the publication of a dumping and/or countervailing duty notice. In accordance with section 269TD of the Act, provisional measures, in the form of securities in respect of interim dumping and/or countervailing duty that may become payable on the goods, may be imposed where a preliminary affirmative determination has been made.

Statement of Essential Facts

The dates specified in this notice for lodging submissions must be observed to enable the Commissioner to report to the Parliamentary Secretary within the legislative timeframe. A statement of essential facts will be placed on the public record by 7 July 2014, or by such later date as the Parliamentary Secretary may allow in accordance with section 269ZHI of the Act. The statement will set out the essential facts on which I propose to base a recommendation to the Parliamentary Secretary. That statement will invite interested parties to respond to the issues raised within 20 days of the statement being placed on the public record.

Submissions received in response to the statement of essential facts will be taken into account in completing the report and recommendation to the Parliamentary Secretary.

Report to the Parliamentary Secretary

A recommendation to the Parliamentary Secretary will be made in a report on or before 20 August 2014 (or such later date as the Parliamentary Secretary may allow), unless I terminate the investigation.

The Parliamentary Secretary must make a declaration within 30 days after receiving the report, or due to special circumstances, such longer period as the Parliamentary Secretary considers appropriate.

Anti-Dumping Review Panel

Certain parties will have the right to seek review with the Anti-Dumping Review Panel in accordance with Division 9 of Part XVB of the Act of either a decision by the Commissioner to terminate the investigation, or a decision of the Parliamentary Secretary after considering the Commissioner's report.

Anti-Dumping Commission Contact

Enquiries about this notice may be directed to the case manager on telephone number +61 2 6275 6173, fax number 1300 882 506 or +61 2 6275 6888 (outside Australia) or operations2@adcommission.gov.au

Dale Seymour
Commissioner
Anti-Dumping Commission

18 March 2014