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31/01/12

Mr Justin Wickes  
A/g National Manager  
International Trade Remedies Branch  
Australian Customs and Border Protection Service  
Customs House  
5 Constitution Avenue  
CANBERRA ACT 2601

Dear Mr Wickes,

I am writing to you in regards to the calculating of the Normal Value and NIFOB Value for PVC Resin from the USA and Japan.

I am the Business Unit Manager – Plastics for Chemiplas Australia Pty Ltd and we are an importer of PVC Resin from Shintech in the USA and Shinetsu from Japan.

As you would be aware there is Anti-Dumping currently in place for PVC resin from these two countries. The way in which the Normal Value and NIFOB Value is calculated makes no allowance for any change in either the supply/demand balance, VCM cost or exchange rate applicable.

We would like to see if these Values can be calculated by a formulation that moves with the PVC market and is not fixed as it currently is.

The following are possible ideas to look at.

Yours Sincerely,

David Murton  
Business Unit Manager - Plastics  
Chemiplas Australia Pty Ltd

Chemiplas Australia Pty. Ltd  
ABN 29 003 056 808  
Incorporated in NSW

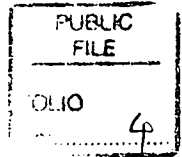


Melbourne Head Office  
Level 3, 112 Wellington Parade  
East Melbourne VIC 3002  
Australia  
P.O. Box 23 East Melbourne  
VIC 8002 Australia  
T +61 3 9419 7300  
F +61 3 9419 7676  
E [info@chemiplas.com.au](mailto:info@chemiplas.com.au)

Sydney  
Level 1, 55 Parramatta Road  
Lidcombe NSW 2141  
Australia  
P.O. Box 361 Sydney Markets  
NSW 2129 Australia  
T +61 2 9748 3676  
F +61 2 9748 3698  
E [info@chemiplas.com.au](mailto:info@chemiplas.com.au)

Brisbane  
Level 2, 143 Coronation Drive  
Milton QLD 4064  
Australia  
P.O. Box 1843 Milton  
QLD 4064 Australia  
T +61 7 3020 3436  
F +61 7 3020 3550  
E [info@chemiplas.com.au](mailto:info@chemiplas.com.au)


Perth  
P.O. Box 952 Canning  
Bridge, Applecross WA 6153  
Australia  
T +61 8 9258 3733  
F +61 8 9258 3755  
E [info@chemiplas.com.au](mailto:info@chemiplas.com.au)






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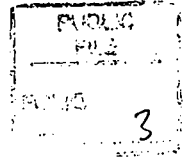
**APPLICATION FOR REVIEW OF ANTI-DUMPING MEASURES  
for both USA and Japan**

**Required Information**

- 1/ Chemiplas Australia Pty Ltd  
Level 3, 112 Wellington Parade, East Melbourne, Victoria 3002  
P.O. Box 23, East Melbourne, Vic., 8002
  
- 2/ David Murton  
Business Unit Manager – Plastics  
Wk. 07 3020 3436, Mo. 0419 376 903, Fax. 07 3020 3550  
e-mail. [dmurton@chemiplas.com.au](mailto:dmurton@chemiplas.com.au)
  
- 3/ **Exporters**  
Shintech (USA) contact Mr Taizo Sakamoto (International Sales) – 3  
Greenway Plaza, Suite 1150, Houston, Texas, 77046  
  
  
Shinetsu ( Japan) contact Mr. Akimoto Mamoru (International Div)  
6-1 Ohtemachi 2-chome, Chiyoda-ku, Tokyo, Japan 100-0004  


**Customers**

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- 4/ Importer of Polyvinyl Chloride Homopolymer Resin from the USA and Japan.
  
- 5/ a) Polvvinyl Chloride Homopolvmer Resin. 3904.10.00 Statistical Code 18



- 6/ A major factor in determining the PVC price is the VCM cost. We have seen since 2005 some wide variations in the VCM price from lows of USD430 in November 2008 to a high of USD1123 in May 2011. (attached Harriman VCM CFR Asia)

The last measures we have are dated 22/11/05 when the AUD Vs USD average per mth was Aug 05 0.7652, Sept 05 0.7690, Oct 05 0.7587, Nov 05 0.7406 and Dec 05 0.7467. (source ATO)

Compared to 2011 we have Aug 1.081, Sept 1.055 and Oct 1.044, Nov 1.043 and Dec 1.042. (source ATO)

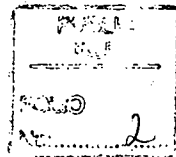
We believe that the difference in the exchange rate between 2005 and 2011 reflects a totally different scenario to possibly what Australian Customs had set out to achieve in protecting the local manufacturer. With the AUD being so strong in the past 3 years the gap between the USA Normal Value compared to 2005 is enormous and gives very little opportunity for PVC to be imported from the USA or Japan as the Import Statistics will show.

This makes both the exchange rate and VCM ( see graph pg 5) major factors in determining the PVC price and also demonstrates the PVC price fluctuations that occur in the market.

We believe that Australian Customs should look at different ways in setting the Normal Value that protects the local manufacturer from dumping while giving equal opportunity to sell to the local PVC industry. It is recognized and acknowledged by the local manufacturer that they do not have the capacity to supply the whole market.

The local manufacturer in their submissions to Australian Customs refers to such publications as ICIS and Harriman Chemsult in regards to pricing and what is happening in the USA, Asia and NZ markets. Many Australian companies are very familiar with ICIS which is used to benchmark for the Asian/Oceania market. (due to ICIS copyright rules I am unable to attached an actual report but an example of their reports is available at [www.icis.com](http://www.icis.com) and follow the links).

We would like Australian Customs to look at this form of pricing as a base for setting the Normal Value in conjunction with the current exchange rate applicable at the time. This formula pricing also takes in account any movement in the VCM price and other market pressures.



A possible starting point could be as below.

For example.

NIFOB price USD

= ICIS FOB N.E. ASIA for previous 4 weeks average (mid month to mid month)

+ freight rate from N.E.ASIA – freight rate from USA or Japan.

Date	ICIS NEA low	ICIS NEA high
21.10.11	860	870
28.10.11	850	860
4.11.11	830	850
11.11.11	840	880

Ave monthly price for mid month October to mid month November FOB  
N.E.ASIA = USD855

+ freight + insurance + possibly a small margin ( to protect local manufacturer)

Such a formula moves with what is happening in the market and exchange rates where the current formula used is fixed and we believe is unfair and in particular with Shintec resin from the USA where Australia has a FTA with the USA.

We believe that VCM is currently being imported from the USA.

As the local PVC manufacturer is an importer of Polyvinyl Chloride PVC from N.E. Asia we feel ICIS N.E. ASIA pricing would be a fair and honest formula to use.

