



26 November 2015

The Commissioner
Anti-Dumping Commission
Level 35
55 Collins Street
Melbourne Victoria 3000

Email: operations3@adcommission.gov.au

Dear Sir

Investigation No. 317 – Revocation of anti-dumping measures on polyvinyl chloride (PVC) resin exported from the Republic of Korea, Japan and the United States

Introduction

Australian Vinyls Corporation (“AVC”) is the Australian producer of polyvinyl chloride (“PVC”) resin the subject of anti-dumping measures on exports to Australia from the Republic of Korea (“Korea”), Japan and the United States of America (“USA”). AVC manufactures PVC resin at its 140,000 tonnes per annum Laverton, Victoria facility.

AVC is a wholly-owned subsidiary of CSBP Limited (“CSBP”). CSBP has recently announced that production will cease at AVC’s PVC Laverton facility.

Inquiry No. 317

The Anti-Dumping Commission (“ADC”) has received an application from Chemiplas Australia Pty Ltd (“Chemiplas”) dated 14 October 2015 for the revocation of anti-dumping measures applicable on exports of PVC to Australia from Korea, Japan and the USA. Following the application, the ADC has commenced a revocation inquiry (i.e. Investigation No. 317) and has published Consideration Report No. 315 and Australian Dumping Notice (“ADN”) No. 2015/128. The ADC’s revocation review is to examine whether the measures are no longer warranted.

AVC has produced PVC at Laverton, Victoria since 1979. The company has relied upon purchased vinyl chloride monomer (“VCM”) as its feedstock for PVC manufacture. The company is the largest southern hemisphere purchaser of contracted VCM. AVC, therefore, operates on the ‘margin’ between feedstock VCM and prevailing PVC selling prices. Over the last decade the margin between the feedstock and finished good PVC has diminished and, in the absence of a competitive long-term VCM supply contract, AVC’s conversion operation is marginal.

AVC has been unable to secure a competitive VCM supply contract for 2016. CSBP therefore has acknowledged the constraints on AVC and has elected to cease manufacture of PVC production at Laverton in February 2016.

With this timeframe in mind, AVC will continue to accept orders for locally produced PVC until the end of 2015 (i.e. until 31 December 2015). The relatively short turnaround (from acceptance of order to local delivery of approximately one week) will see AVC sell-down its locally-produced stock holdings throughout early 2016.

AVC submits to the Commission that the current anti-dumping measures are required until AVC ceases to accept orders for locally manufactured PVC. The final order date is 31 December 2015. The current anti-dumping measures are warranted until this date, and continue to ensure that unfairly priced imports do not injure AVC's local manufacturing operation.

Recommendation

AVC welcomes the ADC's revocation review inquiry. AVC confirms that its parent company CSBP has recently announced the cessation of PVC manufacturing at Laverton in February 2016. AVC will continue to accept orders for locally produced PVC until 31 December 2015.

For the purposes of the current anti-dumping measures, AVC anticipates that the measures are required until 31 December 2015 as AVC continues to accept orders for the production of PVC for local customers. AVC would anticipate that the ADC will assess the need for anti-dumping measures post 2015, with a view to identifying a date in early 2016 for the revocation of the applicable measures. AVC welcomes any further discussion with the ADC on the identification of an appropriate date for the revocation of measures.

If you have any questions concerning this letter, please do not hesitate to contact me on (03) 9368 4898 or AVC's representative Mr John O'Connor on (07) 3342 1921.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'David Cooper', with a long horizontal stroke extending to the right.

David Cooper
General Manager