

22 September 2016



Submission in respect of Anti-Dumping Commission Statement of Essential Facts No. 352

Review of Anti-Dumping Measures Applying to Deep Drawn Stainless Steel Sinks Exported to Australia from The People's Republic of China by Shengzhou Chunyi Electrical Appliances Co. Ltd.

Dear Sir or Madam

We hereby request that you please consider the attached facts/considerations and incorporate them into your findings.

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Yours sincerely,

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1. LIKE GOODS (SEF - 3 THE GOODS)

A. Tasman ONLY has 3 laundry tubs.

1. 70L Inset
 - a) We don't import these at all.
2. 45L Inset
 - a) We import these and are happy to pay Duties (if due).
 - b) In Period 1,2 & 3 (18 months) we only brought in [REDACTED] – that's less than 0.33%.
 - c) There are plenty of ridiculously cheap ones available in the market as almost every plumbing group imports them directly.
 - d) We only get the limited sales we do because we offer a Lid (which we make here) free with ours – so is it still "like" goods.
3. 45L Undermount
 - a) We don't import these at all.

B. We sell 32L and 35L Inset models but Tasman has chosen not to manufacture in this market segment and as such these sizes should not be classified as "like".

C. Lipped Tub are NOT like product and somehow we have to communicate this.

1. One CANNOT use a Lipped Tub in place of an Inset or Undermount Tub (the only options Tasman make).
2. The fact that the fully imported Lipped Tubs when brought in with a Chinese made cabinet are exempt must surely "prove" this fact.
3. How on earth we got to the stage where the product on the left below pays NOTHING while our locally made cabinets on the right have to pay beggars belief.



2. HISTORIC BASIS FOR DUMPING DUTY NO LONGER RELEVANT (SEF - 5.3 NORMAL VALUE)

- A. The data originally used to prove dumping was the MEPS data.
 - 1. Unfortunately we are not allowed to show current data as MEPS refuses to allow any of their data to be used in any matter relating to the Australian Government (apparently has something to do with a bad experience they have had).
 - 2. However there is nothing stopping anyone from checking the historic data for themselves on the MEPS website.
 - a) <http://www.meps.co.uk/Stainless%20Price-eu.htm>
 - b) <http://www.meps.co.uk/Stainless%20Price-N.Amer.htm>
 - c) <http://www.meps.co.uk/Stainless%20price-asia.htm>
- B. The data proves that the Asian price WAS roughly 15% cheaper at the start of 2015 BUT by the latter part of 2015 the US price was cheaper and by early 2016 even the EU price was cheaper.

3. NORMAL VALUE & COMPARATIVE PRICING (SEF - 5.3 NORMAL VALUE)

- A. We believe that the attached quote and historic pricing (Confidential Annexure 1) from a well known and reputable local Australian supplier clearly demonstrates that the price SCEA has paid for Stainless Steel is indeed fair and normal value.
 - 1. This is the price being paid by Australian companies using Stainless Steel and is thus more representative than any data set which is based on EU and US values.
 - 2. Based on this pricing plus with a reasonable allowance for CIF and Markup it is clear that the claimed variance does not exist.

4. COUNTERVAILING (SEF - 6)

- A. The main issue seems to be that SCEA as a small profit company gets to pay less tax.
 - 1. In Australia a small company only has to pay 28.5% tax while a bigger company has to pay roughly 35% tax (30% + Payroll tax).
 - 2. Also the fact that we found a business which has a competitive advantage is kudos to us and what competition (capitalism) is supposed to encourage.

5. PROTECTION OF STAINLESS STEEL HAS NO BASIS

- A. There are sadly NO Stainless Steel mills in Australia – so the price should not be protected unless the availability to Australian goods manufacturers is restricted.
- B. These so called “subsidized” Chinese Stainless Steel products are available on the open market and there is and was nothing stopping Tasman buying the same stock at the same “subsidized” prices.
- C. Tasman should be asked to explain why they aren’t simply buying the same “subsidized” Stainless Steel stock from the Chinese suppliers?
- D. If they aren’t because they believe their suppliers offer a “higher quality” or something similar that is a commercial CHOICE and should not be protected by onerous laws.

6. NATIONAL INTEREST

- A. Surely it is not in the Interests of Australia that this Dumping Legislation encourages and in fact forces us as a manufacturer to move production of our cabinets to China?
 - 1. If we stop bringing one component here and rather move ALL manufacturing to China and bring back the units fully-assembled or in a kit we will liable for NO Duty.
- B. It should be highlighted that the minerals used by the Chinese to manufacture the “subsidized” Stainless Steel have been sourced from Australian mines so the Chinese government is in fact helping and not hindering Australia??

7. EXEMPTION

- A. It seems our only hope may be an Exemption application but here we note that in the ACT it says:
 - 1. *(8A) An instrument of exemption under subsection (7) takes effect on the day specified in the instrument. That day may be earlier or later than the day the instrument is made but, if the exemption is given because of an application for exemption, must not be earlier than the day the application is made.*
- B. So it appears if we APPLY for an Exemption then the payments to date won't be able to be corrected BUT if we don't apply and the Minister “realizes” the issues and chooses to fix it then it could be backdated to the start.