



**COCKBURN CEMENT**

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8 September 2016

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Anti-Dumping Commission  
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### **Public File Copy**

Dear Mr Jeyarajah

**Investigation No. 348 – Quicklime exported from Malaysia, Thailand and Vietnam \_Proposed unsuppressed selling price/non-injurious price**

#### Introduction

Cockburn Cement Limited ("Cockburn Cement") has been requested by the Anti-Dumping Commission ("the Commission") to provide a proposed unsuppressed selling price ("USP") for the purposes of calculating a non-injurious Free-On-Board Price (NIP) in the investigation into quicklime exported from Malaysia, Thailand and Vietnam.

#### Policy

The Dumping and Subsidy manual indicates<sup>1</sup> that a USP "is a selling price that the Australian industry could reasonably achieve in the market in the absence of dumped or subsidised imports". The manual further details that a USP will normally be determined on market selling prices at a time unaffected by dumping. The market selling prices for an earlier period may be adjusted to reflect changes in the consumer price index ("CPI"). Where it is not appropriate to base a USP on market selling prices, the Australian industry's cost-to-make-and-sell ("CTM&S") of the goods under consideration, plus an appropriate amount of profit may be used.

Where the selling price and CTM&S methodologies cannot be used, consideration of the selling prices for non-dumped goods may be used.

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<sup>1</sup> Section 23, Dumping and Subsidy Manual, P.129.

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Cockburn Cement indicated in its application for measures that injury from the dumped exports commenced in 2010/11. Import volumes from Malaysia, Thailand and Vietnam have increased in aggregate almost five-fold since 2010/11 and have impacted Cockburn Cement's selling prices in the Australian market – particularly in 2014 and 2015.

The Commission has examined the performance of the Australian industry since January 2012 and has verified a decline in the Australian industry's selling prices to non-alumina customers year-on-year since 2013.

Cockburn Cement submits that the decline in selling prices for quicklime sold to non-alumina customers has been due to the price undercutting by increasing import volumes of quicklime from Malaysia, Thailand and Vietnam (from 2010/11). Cockburn Cement contends that it is therefore inappropriate to determine a USP on recent market selling prices immediately preceding the 2015 investigation period as import volumes from the nominated countries have continued to increase in successive years, and that the 2014 market selling prices have been influenced by the dumped exports from Malaysia, Thailand and Vietnam.

Cockburn Cement considers that a 2012 market selling price for non-alumina sales adjusted for CPI would reflect a reasonable basis upon which to calculate a USP for the 2015 investigation period.

The weighted-average selling price for Munster and Dongara in 2012 is reflected in the following Table 1.

	<b>Munster</b>	<b>Dongara</b>	<b>Total</b>
Revenue	xxxx	xxxx	xxxx
Tonnes	xxxx	xxxx	xxxx
Av Selling Price 2012	xxxx	xxxx	xxxx

Note: Data sourced from Appendix A6.1 for Munster and Dongara verified by ADC at verification visit.

The weighted-average selling price for non-alumina quicklime in 2012 manufactured by Cockburn Cement was \$xxxxx per tonne. It should be noted that this figure is lower than the non-alumina weighted-average selling price in 2009, the period preceding the original investigation period of 2010/11.

To account for changes in the CPI since 2012, the 2012 selling price requires an uplift of 7.56 per cent<sup>2</sup>. The resulting USP for non-alumina quicklime sold by Cockburn Cement at the ex-factory level for the 2015 investigation period is A\$xxxxx per tonne. The Commission's attention is highlighted with the cost increases incurred at Munster and Dongara that [*comparison*] the increase in the CPI over the enduring period 2012 to 2015.

Cockburn Cement highlights with the Commission that selling prices for quicklime sold to the [*statement that quicklime prices to alumina customers not a reasonable basis for USP*].

Cockburn Cement further considers that a USP cannot be determined upon non-dumped selling prices in the Australian market as the volumes from countries not the subject of the Investigation No. 341 are in insufficient volumes to influence market pricing.

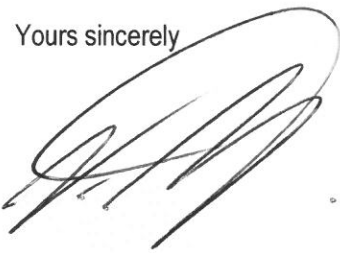
<sup>2</sup> CPI adjustment of 7.56 sourced from ABS CPI Index Inflation Calculator for June Qtr 2012 to Sept Qtr 2015. See [abs.gov.au](http://abs.gov.au).

Cockburn Cement therefore recommends to the Commission that the most suitable basis for a USP that reflects contemporary pricing for the 2015 investigation period is a weighted-average selling price for non-alumina sales for Munster and Dongara production, adjusted for CPI to account for the inflationary effects from 2012 to 2015.

Cockburn Cement would also draw to the attention of the Commission that over the injury analysis period the Australian dollar has declined – by approximately 25 per cent. The depreciation of the Australian dollar against the US dollar (which imported quicklime sales are based on) should have seen import prices for quicklime from the exporting countries increase as the dollar declined. This has not been the case, as market selling prices for quicklime have also declined since 2012. A USP based upon 2012 selling prices adjusted for CPI changes is considered the most appropriate methodology for the determination of a NIP for quicklime manufactured and sold into the non-alumina industry in 2015.

If you have any questions concerning this submission, please do not hesitate to contact Mr Drew Elsbury on (08) 9411 1116 or Cockburn's representative Mr John O'Connor on (07) 3342 1921.

Yours sincerely

A handwritten signature in black ink, appearing to read 'V. Valastro', written over a light blue circular stamp.

Vince Valastro

General Manager - Sales and Marketing