

FOR PUBLIC RECORD

Nexans Olex

4th June, 2015

Mr Geoff Gleeson
Director, Operations 1
Anti-Dumping Commission
5 Constitution Avenue
Canberra ACT 2600

Dear Mr Gleeson

Matter: Dumping Investigation No. 271 - Certain Polyvinyl Chloride (PVC) Flat Electric Cable Exported from The People's Republic of China
Re. Submission with regards to the timing of the publication of the *Exporter Visit Report* for Guilin International Wire & Cable Group Co. Ltd and Related Companies

I confirm that I act for the Australian industry applicant, Olex Australia Pty Ltd ("Nexans Olex"), in this matter and refer to the Anti-dumping Commission's ("the Commission") *Visit Report* for the exporter, Guilin International Wire & Cable Group Co. Ltd. ("Guilin Group"), placed on the public record on 25th May 2015.

We have very serious concerns with regards to both the timing and the content of the *Exporter Visit Report*, which was released on the public record on Friday 25th of May 2015, the same day of the release of the *Statement of Essential Facts* (SEF).

We wish to raise several very significant issues regarding how the timing of release of the Guilin Group *Exporter Visit Report* has prejudiced the content of the *Statement of Essential Facts*, and has consequently greatly impacted upon the procedural fairness of this case, and therefore jeopardised a fair and reasonable outcome for Nexans Olex.

These serious issues and concerns are outlined below:

1. Nexans Olex has made requests to the Commission on a number of occasions (29/04/15; 08/05/15) that we be provided with fair and reasonable opportunity to review both the importer and exporter visit reports prior to the release of the *Statement of Essential facts*, which is a significant milestone in any anti-dumping application.
2. In our very firm view the *Exporter Visit Report* contains a large number of validation errors and unsubstantiated verification judgements, which we will be providing a further submission on in the near future. It is obvious to Nexans Olex that the *Exporter Visit Report* has been heavily relied upon to shape the recommendations contained in the SEF.
3. The *Exporter Visit Report* was published on the Commission's website the same day of the release of the *Statement of Essential Facts*. Therefore Nexans Olex has had no fair and reasonable opportunity to both review the report and provide a submission outlining our feedback to the Commission, which would provide the Commission with a balanced view prior to the release of the *Statement of Essential Facts*.
4. We note that any interested party has had ample time and opportunity to review the Nexans Olex Application and visit reports with regards to this matter, and therefore provide any related submissions to the Commission prior to the release of the SEF. Nexans Olex has not been afforded the same opportunity.
5. The *Exporter Visit Report* has been so heavily redacted so as to preclude the Australian industry from gaining a reasonable understanding of the substance of the information. This is in breach of the requirements of subsection 269ZJ(2) of the *Customs Act*. Specifically, the Australian industry objects to the following redactions:
 - a. 4.1.5 Currency; "All export sales are invoiced in [CONFIDENTIAL TEXT DELETED – currency]. The Guilin Group converted its sales value (which is invoiced in [CONFIDENTIAL TEXT DELETED – currency]) to RMB in the export sales listing using [CONFIDENTIAL TEXT DELETED – accounting policy." (p17)
 - b. 4.1.6 Terms of Trade; "Price is negotiated on [CONFIDENTIAL TEXT DELETED – shipping terms] terms." (p17)
 - c. 4.8.2 Deduction for [CONFIDENTIAL TEXT DELETED – deduction to export price based on sales arrangement]. In determining an export price for exports [CONFIDENTIAL TEXT

DELETED – sales arrangement], we have deducted an amount to reflect the [CONFIDENTIAL TEXT DELETED – sales arrangement.]. (p25)

- d. 5.1 General; “Noting that the above methodology is the same for all companies in the Guilin Group and there were [CONFIDENTIAL TEXT DELETED – observation regarding costs of production of the Guilin Group], we chose to focus the majority of the verification on goods manufactured by Guilin International. We selected March 2014 for verification noting this was the month with the lowest unit CTMS during the investigation period.” (p26)
- e. 5.2.2 Copper Scrap; “We asked Guilin International to explain its accounting treatment of copper scrap. Guilin International advised that copper scrap is [CONFIDENTIAL TEXT DELETED – valuation policy].” (p28)
- f. 8.3.5 [CONFIDENTIAL TEXT DELETED – deduction to export price based on sales arrangement] As discussed at section 4.8.2 we adjusted the export price downwards to account for [CONFIDENTIAL TEXT DELETED – sales arrangement]. As [CONFIDENTIAL TEXT DELETED – sales arrangement has been taken into account for export price... (p39)

- 6. Our objections to the above redactions are of critical importance to this case in particular, as we have serious concerns as to the relevance and completeness of the information found in the *Exporter Visit Report*. We are particularly concerned with the under-allocation of costs. As the normal value in this case was determined under subsection 269TAC(2)(c) of the *Customs Act*, this issue is of pivotal importance to the outcome.

In order to respond substantively to the Visit Report and the SEF, we require the above redactions be reversed where not adverse to the commercial interests of the Guilin Group, or a detailed summary of the approach applied by the Commission at verification be supplied urgently.

Until such time as the above issue is resolved, we require that the time to respond to the SEF be extended beyond the 20 days specified, and the final report, or any interim recommendations be held in abeyance until our concerns are addressed, and we are given a sufficient, and procedurally fair opportunity to respond to the *Exporter Visit Report* and the SEF.

Yours Sincerely

Michael Dawson

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