

PUBLIC RECORD

SUBMISSION RE: PVC FLAT ELECTRIC CABLES (#271)

The below text was provided via e-mail at 1:18am on Wednesday, 10 June 2015:

Dear Rhys

Thank you for bring this to our attention and for seeking our client's views regarding the Applicant's claims contained in its submission dated 4 June 2015 ("the Olex submission").

We note that the only "objections" regarding the substance of the Commission's visit report for Guilin Group relate to the redaction of certain text that the Guilin Group considers to be confidential.

We note that the Olex submission falls short of providing any justification for its objections to the confidential text that has been redacted, apart from stating that "*objections...are of critical importance...*".

Nonetheless, we provide the following comments in response to each of the areas raised by the Olex submission in turn:

- 1** ***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)***

Guilin Group considers that the currency nominated for its export sales is commercially confidential in nature. Guilin Group has clearly provided a summary of the substance of the information, being "currency" and the "accounting policy" relating to currency affairs. This is clearly commercially confidential information.

- 2** ***b. 4.1.6 Terms of Trade; "Price is negotiated on [CONFIDENTIAL TEXT DELETED – shipping terms] terms." (p17)***

Guilin Group notes that it has provided a clear summary of the redacted information – being shipping terms used for its export sales, which is clearly commercially confidential information.

- 3** ***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)***

Guilin Group notes that it has provided a summary of the redacted information as best it could – being the commercial sales arrangement for its export sales. Further Guilin also provided a clear summary of the impact of that arrangement, being a deduction to the export price. Because of the commercial confidentiality of this information, this is the best that can be done in order to give the Applicant a reasonable understanding of the substance of the information. Further, we note that this does not relate to a matter that is relevant to the Applicant's "under-allocation of costs" concern, given that it is a *deduction* factor to the *export price*.

- 4** ***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)***

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Guilin Group notes that it has provided a clear summary of the redacted information – being an observation regarding the production costs comparisons between each of the Guilin Group companies, which is clearly commercially confidential information. Guilin Group considers that the summary, as well as the not-redacted texts that follows the redaction, enable the interested parties to gain a reasonable understanding of the substance of the information.

- 5 ***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)***

Guilin Group notes that it has provided a clear summary of the redacted information – being its valuation policy for copper scrap, which is clearly commercially confidential information. We also note that the sentence that follows the redacted text shows that the Commission further verified the valuation policy by checking relevant accounting vouchers and calculations.

- 6 ***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)***

We note that this relates to the same issue as discussed at 3 above, and that Guilin Group has provided a clear summary of the substance of information redacted.

It is Guilin Group’s view that the Olex submission has not substantiated the basis for its “serious concerns”, and that the requests made in the Olex submission are without merit and must be rejected. We see no factual or legal justifications for extending the 20 day period already provided for Olex to respond to the SEF. Indeed, the Guilin Group sees this as yet another example of the disregard that members of the Australian industry have for the legal rights of the Guilin Group to conduct its business freely, in accordance with applicable laws, and without unfair interference from its competitors. This includes the Guilin Group’s rights to legitimately maintain the confidentiality of its sensitive commercial information.

Regards

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