

**SUMMIT
SELECT**

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24th August 2016

The Director – Operations 4
Anti-Dumping Commission
Level 35, 55 Collins Street
GPO Box 1632
Melbourne VIC 3001

INVESTIGATION 355: STEEL SHELVING UNITS FROM THE PEOPLE'S REPUBLIC OF CHINA

**Submission by the Australian industry – Summit Select Pty Ltd (Summit)
Lesser Duty Rule**

Dear Director,

I write to ask that the Anti-Dumping Commission (the Commission) consider the following with regard to the lesser duty rule.

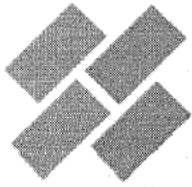
Application of lesser duty rule - general

- As per s.269TG(5A) and 269TJ(3BA) of the Customs Act 1901, if the Commission finds:
 - a) that a particular market situation exists in the Chinese steel shelving units market; and/or
 - b) China has not complied with Article 25 of the Agreement on Subsidies and Countervailing measures;then the Minister does not have to have regard to the desirability of fixing a lesser rate of duty than the full dumping and/or countervailing margins determined for the goods.
- If the Commissioner finds that the above apply, Summit requests that application of the lesser duty rule not be recommended by the Commissioner to the Minister, and that the Minister not regard that rule.

Unsuppressed selling price if lesser duty rule is applied

If the lesser duty rule is applied by the Minister, Summit submits the following in relation to determining an unsuppressed selling price (USP).

- Although there may be a period where Summit considers prices were not impacted by dumping (2006 when the previous anti-dumping measures were still in place), it is not reasonable to use these prices as they are unreasonably dated (noting the Commission's *Dumping and Subsidy Manual* advises that prices no older than 5 years are generally used for a USP based on Australian industry's prices)
- Instead, it is more reasonable to determine a USP using:
 - Summit's verified weighted average cost to make and sell (CTMS) for the investigation period; plus
 - A reasonable amount for profit.
- In relation to profit, a reasonable profit is the profit achieved by the business in relation to the goods in 2006. This is because:



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- the market was not affected by dumping at that time (protected through anti-dumping measures); and
 - it is a reasonable profit that Summit's parent company, Ramico Pty Ltd, expected to earn on the goods, as this was the profit level around the time that Summit was purchased.
- This rate of net profit before tax is [REDACTED] Confidential Attachment A (Summit Storage Products Pty Ltd's (Summit Storage) Income Statement at 30.6.06) provides evidence for this profit rate.
 - This profit rate accounts for a period when the main activity of Summit (then Summit Storage) was the manufacture and sale of shelves (with other business being the manufacture and sale of flat pack cupboards). Confidential Attachment B (also provided to the Commission during its August 2016 verification visit to Summit) supports this by demonstrating that in 2006, [REDACTED] of Summit Storage's sales were self-manufactured steel shelving units.

Please do not hesitate to contact me should you require further information.

Kind regards,

Janice Riley
Executive Director