



**Australian Government**  
**Anti-Dumping Commission**

**PUBLIC RECORD**

## **INVESTIGATION 238**

# **ALLEGED DUMPING AND SUBSIDISATION OF DEEP DRAWN STAINLESS STEEL SINKS**

**EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA**

## **SAMPLING REPORT**

**26 May 2014**

**Deep drawn stainless steel sinks – Sampling Report May 2014**

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## **1 Background**

On 18 March 2014 the Anti-Dumping Commission (the Commission) initiated an investigation into the alleged dumping and subsidisation of deep drawn stainless steel sinks exported from the People's Republic of China (China).

Pursuant to s.269TACAA of the *Customs Act 1901* (the Act), this report outlines the Commission's consideration and assessment of the need to limit the examination of exporters in the investigation to a selected number of exporters.

## **2 Invitation to cooperate**

Prior to initiation of the investigation into deep drawn stainless steel sinks, a preliminary search of the Australian Customs and Border Protection Service's (ACBPS) commercial database identified approximately 234 suppliers as possible exporters to Australia of deep drawn stainless steel sinks from China during the period 1 January 2013 to 31 December 2013 (the investigation period).

On or shortly after the date of initiation, the Commission contacted each identified supplier of the goods and invited them to complete an Exporter Questionnaire, which requested necessary information to determine whether goods were exported at dumped and/or subsidised prices.

The Questionnaire sought information regarding the exporters' commercial operations and the goods exported to Australia, as well as information regarding the exporters' foreign and domestic sales, relevant costing information, receipt of subsidies and information relevant to the assessment of whether a market situation exists.

## **3 Responses**

After notifying suppliers of the opportunity to cooperate with the investigation through completion of the Exporter Questionnaire, the Commission received responses from 17 parties.

## **4 Sampling**

### **4.1 Legislative provisions**

Australia's legislation (s.269TACB) and the *Anti Dumping Agreement* (Art 6.10) set out a basic rule that an individual margin of dumping will be determined for each exporter involved in an investigation (where the necessary cooperation is received from those exporters). The Commission has met this requirement by inviting every exporter to take part in the investigation by completing the Exporter Questionnaire.

An exception to determining an individual dumping margin for each exporter arises when there is a large number of them – as provided for in s.269TACAA of the Act. It states that, where the number of exporters from a particular country of export in relation to the investigation, review or inquiry is so large that it is not practicable to examine the exports

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of all of those exporters, then the investigation, review or inquiry may be carried out, and findings may be made, on the basis of information obtained from an examination of a selected number of those exporters:

- who constitute a statistically valid sample of those exporters; or
- who are responsible for the largest volume of exports to Australia that can reasonably be examined.

### **4.2 Commission's approach**

In considering whether this investigation should be limited to a smaller number of exporters, the Commission has taken into account:

- the large number of suppliers/exporters from China;
- the large number of exporters that have submitted completed Exporter Questionnaires;
- the volume of total exports to Australia represented by those exporters that have provided responses to the Exporter Questionnaires that the Commission considers it can reasonably limit the investigation to; and
- the current and foreseeable investigative workload of the Commission in other investigations, and the resources available to examine exporters of deep drawn stainless steel sinks.

As a result, the Commission considers that it is appropriate to limit the number of exporters to a sample of exporters to ensure the investigation is manageable and completed within a reasonable timeframe.

In identifying the sample of exporters to be investigated, the Commission has taken into account:

- the number of exporters that the Commission can practically investigate/verify;
- the number of exporters that would sufficiently cover the various brands and types of exports to Australian customers; and
- the individual volume of each identified exporter and the cumulative volume of a manageable number of the largest volume exporters.

### **4.3 Selected exporters**

Having regard to relevant import data and preliminary information submitted by importers and exporters, the Commission has decided to investigate the exportations of three selected exporters of deep drawn stainless steel sinks from China. These exporters represent approximately 41% of the total import volume of deep drawn stainless steel sinks from China.

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The selected exporters are:

<b>SELECTED EXPORTERS</b>
Primy Corporation Limited
Zhongshan Jiabaolu Kitchen & Bathroom Products Co., Ltd
Zhuhai Grand Kitchenware Co., Ltd

The Commission notes that Flowtech Co., Ltd (Flowtech), a trading company that has advised that it supplies deep drawn stainless steel sinks manufactured by Zhongshan Jiabaolu Kitchen & Bathroom Products Co., Ltd, has also provided a response to the Exporter Questionnaire (as requested by the Commission). The Commission's investigations into deep drawn stainless steel sinks will therefore also include the investigation of Flowtech's supply of the goods to Australia, in so far as the Commission deems this is necessary.

As a consequence of limiting the examination of exportations to the three selected exporters listed above, all remaining exporters will fall within the definitions of either 'residual exporters' or 'uncooperative exporters'.

S.269T defines residual exporters as an exporter whose exportations were not examined as part of the investigation and the exporter was not an uncooperative exporter.

An uncooperative exporter is defined as an exporter that did not provide information considered to be relevant to the investigation, or an exporter that significantly impeded the investigation.

However, under s.269TACAA(2), where an exporter not originally selected by the Commission when limiting its investigation into selected exporters provides a completed response to the Exporter Questionnaire, the Commission must extend its investigation, review or inquiry to that exporter unless doing so would prevent the timely completion of that investigation, review or inquiry .

At this stage the Commission considers that, to extend the investigation into further exporters in line with s.269TACAA(2) would prevent the timely completion of the investigation, though this may be re-assessed at a later date.

#### **4.4 Residual exporters**

At the time of publishing this report, the Commission considers that exporters that completed the Exporter Questionnaire that have not been classified as selected exporters above are not considered to be uncooperative exporters and are therefore considered to be 'residual exporters'.

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These residual exporters are:

<b>RESIDUAL EXPORTERS</b>
CM Engineering Solutions Pty Ltd
Jiangmen New Star Hi-Tech Enterprise Ltd.
Elkay (China) Kitchen Solutions Co., Ltd.
Franke (China) Kitchen System Co., Ltd
Franke Asia Sourcing Ltd
Xinhe Stainless Steel Products Co., Ltd
Xiaohui Trading Development Co., Ltd
Komodo Hong Kong Ltd
Zhongshan Xintian Hardware Co., Ltd.
Rhine Sinkwares Manufacturing Ltd. Huizhou
Yuyao Afa Kitchenware Co., Ltd
Jiangmen City HeTangHengWeiDa Kitchen & Sanitary Factory
Anhui Feidong Import and Export Co., Ltd.

The Commission is, however, continuing to assess the responses to the Exporter Questionnaire provided by the above entities for reasonable completeness and compliance with the requirements of the Exporter Questionnaire. If the Commission deems that an exporter has not completed a Questionnaire completely or in compliance with the Commission's requirements, the Commission will consider that exporter to be an uncooperative exporter.

The Commission is also continuing to examine whether some of the identified residual exporters meet the definition of an exporter, or are simply trading/distributing intermediaries. The Commission considers that only 'exporters' of the goods, as determined in line with the policy and practice set out in the Commission's *Dumping and Subsidy Manual*, are able to be considered 'residual exporters' for the purpose of identifying exports that are eligible for receipt of a 'residual' rate of anti-dumping measures (as opposed to an 'uncooperative' rate), should the investigation result in such measures.

The Commission will provide further advice relating to the results of the above assessments at a later date.

#### **4.5 Uncooperative exporters**

All exporters not identified as a selected exporter or residual exporter in this sampling report will be considered to be uncooperative exporters.

## **5 Determination of dumping margins**

For each selected exporter, the Commission will endeavour to determine individual export prices, normal values, dumping and subsidy margins using relevant information supplied

in the Exporter Questionnaire. Where a selected exporter refuses to provide requested information required by the Exporter Questionnaire, fails to cooperate with the Commission's verification of provided data, or where the exporter's data is otherwise determined to not be reliable for the purposes of the investigation, the Commission may determine individual export prices, normal values, dumping and subsidy margins for that exporter using all relevant information.

For residual exporters, export prices, normal values, and dumping margins will be calculated using the weighted average of export prices and normal values for like goods of cooperative exporters from China. In calculating the weighted average export prices and normal values, the Commission will not include any export price or normal value from a cooperative exporter that was found to not be dumping or where the dumping margin, when expressed as a percentage of the export price or weighted average of export prices used to establish that dumping margin, is less than 2%.

For residual exporters, subsidy margins will be based on the weighted average countervailable subsidisation determined for like goods of cooperative exporters.

For uncooperative exporters, given that these exporters have not provided sufficient information as requested, the Commission will determine export prices, normal values and dumping margins having regard to all relevant information. The Commission will establish export prices and normal values under s.269TAB(3) and s.269TAC(6) respectively, having regard to all relevant information, and will determine countervailable subsidisation under s.269TAACA(1)(b) on the basis of all facts available and making such assumptions considered reasonable.

## **6 What should exporters do now?**

### **6.1 Selected exporters**

For the three identified selected exporters, the Commission intends determining individual dumping and subsidy margins for them. This will involve the Commission seeking to visit the selected exporters and liaising with exporters on an as-needed basis, to verify information provided in the Exporter Questionnaires and collect any additional information required to determine export prices, normal values, dumping and subsidy margins using those exporters' own information.. This requires the full cooperation of those selected exporters.

Where a selected exporter does not fully cooperate with the investigation, the Commission will determine export prices, normal values and dumping margins having regard to all relevant information.

### **6.2 Residual exporters**

The identified residual exporters are not required to provide any more information to the Commission. The Commission may however seek clarification from residual exporters regarding their completed Exporter Questionnaires for the purposes of its investigation.

### **6.3 Uncooperative exporters**

As uncooperative exporters' export prices, normal values and dumping margins will be determined by the Commission, uncooperative exporters are not required to provide any information to the Commission for the remainder of the investigation.

## **7 Anti-Dumping Commission Contact**

Enquiries about this report or any aspect of the investigation may be directed to the case team at the following email – [operations2@adcommission.gov.au](mailto:operations2@adcommission.gov.au)