



**COCKBURN CEMENT**

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23 September 2016

Mr Mayuran Jeyarajah  
Assistant Director  
Anti-Dumping Commission  
Level 35  
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### **Public File**

Dear Mr Jeyarajah

#### **Investigation No. 348 – Quicklime exported from Malaysia, Thailand and Vietnam – Chememan Thailand Verification Report**

I refer to the recently published Exporter Visit Report for Chememan Company Limited of Thailand ("the Report"). Cockburn Cement Limited ("Cockburn Cement") has reviewed the Report and seeks to comment on the like goods produced by Chememan Thailand and the subsequent model matching that followed as undertaken by the Anti-Dumping Commission ("the Commission") to arrive at the stated dumping margins.

It is identified at Section 2.2 of the Report that Chememan Thailand manufactures lump, aggregate and powder quicklime that is sold on the domestic market in Thailand. It is further stated that quicklime in powder form is sold in a variety of calcium oxide content ratios. The powder form of quicklime is most expensive in terms of selling price, followed by aggregate, with lump quicklime as the least expensive.

Chememan Thailand exports powder and aggregate forms of quicklime to Australia. Chememan Thailand argued that its domestic sales of powder quicklime are not the same as the more coarse powder exported to Australia. Similarly, Chememan Thailand argued that its domestic sales of aggregate quicklime include the grade of the goods exported to Australia, along with certain other grades (including a "P" designated grade) which Chememan Thailand claims is the subject of a "different production process to the standard grade aggregate".

The Commission has concluded that Chememan Thailand manufactures identical goods in the form of aggregate quicklime that is exported to Australia, and that powder form quicklime sold domestically, whilst not being identical, is a 'like good' to powder quicklime exported to Australia.

Additionally, the Commission has accepted Chememan Thailand's assertions that the exported powder form quicklime is not identical to powder quicklime sold domestically. As a consequence, Chememan Thailand normal value for powder quicklime has been determined under s.269TAC(2)(c) on the basis of Chememan Thailand's production costs. The Commission has stated:

*"A constructed normal value under s.269TAC(2)(c), which uses the COP of the exported goods, will achieve the most accurate measurement of the normal value (because a specification downwards adjustment would otherwise be required when working out the normal value.)"*

Normal values for aggregate exports to Australia have been determined on the basis of domestic sales of identical goods (i.e. in aggregate form).

Cockburn Cement does not consider that the reasoning of the Commission to not determine normal values for like goods powder quicklime exported to Australia under s.269TAC(1) is correct. The basis for not using selling prices of 'like goods' because a specification adjustment is required is inconsistent with the legislative requirements of s.269TAC(1) which states:

*"Subject to this section, for the purposes of this Part, the normal value of any goods exported to Australia is the price paid or payable for **like goods** sold in the ordinary course of trade for home consumption in the country of export in sales that are arms length transactions by the exporter or, if like goods are not sold by the exporter, by other sellers of like goods" (emphasis added).*

Normal values will only be determined under s.269TAC(2)(c) where there are no sales of like goods on the domestic market in the exporting country or, where there is a low volume of sales of 'like goods' – Sub-section 269TAC(2)(a)(i).

In the current circumstances, Chememan Thailand has sufficient sales of quicklime in powder form (albeit of a coarser form of powder quicklime) upon which to determine normal values under s.269TAC(1) for the like goods exported to Australia.

Notwithstanding, Cockburn Cement has a further concern with the s.269TAC(2)(c) normal value for powder quicklime exported to Australia that involves the level of profit applied to the cost-to-make-and-sell the exported goods. The level of profit applied reflects all of Chememan Thailand's domestic quicklime sales in the ordinary course of trade – i.e. powder, aggregate and the lower-priced value lump quicklime – resulting in a [*level of profit*] to powder quicklime is applied.

It is Cockburn Cement's view that the determination of normal values for powder quicklime under s.269TAC(2)(c) is incorrect and not consistent with the legislative requirements that mandate normal values for like goods to be determined under s.269TAC(1) where there is a sufficient level of sales made in the ordinary course of trade during the investigation period.

Cockburn Cement therefore requests the Commission to review the basis for normal values for Chememan Thailand's quicklime powder sales.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Vince Valastro', with a stylized flourish at the end.

Vince Valastro  
General Manager – Sales and Marketing