



## INVESTIGATION INTO ALLEGED DUMPING AND SUBSIDISATION OF DEEP DRAWN STAINLESS STEEL SINKS FROM CHINA

### NOTE FOR FILE – NOTIFICATION OF EXPORTER SAMPLING

#### Background

On 18 March 2014, the date of initiation of the above investigation, the Anti-Dumping Commission (the Commission) wrote to all known potential Chinese exporters of deep drawn stainless steel sinks. This letter advised each entity of the initiation of the investigation, and invited parties to cooperate with the investigation through the completion of an Exporter Questionnaire. The Commission received responses from 17 parties.

Pursuant to s.269TACAA of the *Customs Act 1901* (the Act), the Commission determined that there was a need to limit the examination of exporters in the investigation to a sample of “selected exporters” to ensure the investigation is manageable and completed within a reasonable timeframe.

Detailed information about the Commission’s decision to undertake exporter sampling for the purposes of this investigation was released publicly via the Anti-Dumping Commission’s website (<http://www.adcommission.gov.au/cases/documents/030-Report-Samplingreport.pdf>).

#### Notification of exporter sampling

On Monday 3 June the Commission emailed the representatives of all the “selected exporters” 2014 to notify them that their clients were included in the sample of exporters and to seek advice on a suitable time to undertake a verification visit. The selected exporters are as follows:

- Primy Corporation Limited;
- Zhongshan Jiabaolu Kitchen & Bathroom Products Co., Ltd; and
- Zhuhai Grand Kitchenware Co., Ltd.

On Monday 3 June the Commission also notified the representative acting on behalf of 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, that the Commission would investigate Flowtech’s supply of the goods to Australia in so far as the Commission deems this is necessary.

On 30 May 2014 the Commission had notified all other entities that had submitted Exporter Questionnaires but had not been included in the sample of selected exporters that they were being considered “residual exporters” at this stage (pending further assessment by the Commission). This notification occurred via email either directly to the entities involved or via their legal representatives, and contained information about how “residual exporters” dumping margins would be calculated. These notified entities are as follows:

- 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

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- 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.

Copies of the email templates used to notify the “selected” and “residual” exporters of the Commission’s decision to undertake exporter sampling are attached to this note.

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### EMAIL TEMPLATE USED TO NOTIFY “SELECTED EXPORTERS”

Dear [name]

Thank you for responding on behalf of [company name] to the Anti-Dumping Commission's (‘the Commission’) request to complete an Exporter Questionnaire as part of Investigation 238 – certain deep drawn stainless steel sinks from China.

I wish to advise that the Commission has included [company name] in a list of selected exporters for the purposes of this investigation. In practical terms, this means the Commission will examine and verify the data provided by [company name] and two other “selected exporters” ([company A], [company B]) to determine whether dumping and/or subsidisation have occurred, and the relevant dumping/subsidisation margins that will be imposed on all other exporters of deep drawn stainless steel sinks from China.

This approach is permissible under section 269TACAA of Australia's *Customs Act 1901* and has been adopted to ensure that this investigation is manageable and completed within a reasonable timeframe.

#### What being a “selected exporter” means for your client

For [company name] and the two other selected exporters, the Commission will endeavour to determine individual export prices, normal values, dumping and subsidy margins using relevant information supplied in the Exporter Questionnaire. This will involve the Commission seeking to conduct in-person verification of the data submitted by the 3 selected exporters in their respective Exporter Questionnaires.

The Commission is looking to conduct these verification visits in July. The visits typically involve between 2-3 Anti-Dumping Commission staff members and can take between 3 to 5 days (usually 4 days) to complete.

Please note that your clients' continuing cooperation with the investigation is entirely voluntary. However, 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 Flowtech Co., Ltd only – Implications for sampling for Flowtech Co., Ltd

The Commission notes that you also provided an Exporter Questionnaire on behalf of Flowtech Co., Ltd, which advised that Flowtech supplies deep drawn stainless steel sinks manufactured by Zhongshan Jiabaolu. The Commission's investigations into deep drawn stainless steel sinks will therefore also include the consideration of Flowtech's supply of the goods to Australia.

The Commission does not see a need to visit Flowtech to verify its Exporter Questionnaire data at this time and it is unlikely that there will be any requirement to visit Flowtech throughout the course of this investigation. However, the Commission may at a later date seek further information from you, or possibly seek to visit Flowtech, to clarify information provided in Flowtech's Exporter Questionnaire if it deems this is necessary.]

#### What we need from you

We require your advice regarding when [company name] is available in July to host a verification visit. **Please notify me and Andrea Stone ([Andrea.Stone@adcommission.gov.au](mailto:Andrea.Stone@adcommission.gov.au)) of preferred visit dates by no later than 12.00pm AEST, Tuesday 10 June 2014.**

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We will contact you shortly after receiving your response to confirm the verification visit dates, and provide further details about what to expect in regards to the verification visit.

### **Where you can find more information**

Further information on the sampling process can be found in the Sampling Report at <http://www.adcommission.gov.au/cases/documents/030-Report-Samplingreport.pdf>.

You are also welcome to contact me or Andrea Stone if you could like to discuss this matter further.

Kind regards

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### EMAIL TEMPLATE USED TO NOTIFY “RESIDUAL EXPORTERS”

Dear **[name]**

Thank you for responding to the Anti-Dumping Commission’s (‘the Commission’) request to complete an Exporter Questionnaire as part of Investigation 238 – certain deep drawn stainless steel sinks from China.

I am writing to advise that the Commission has decided, for this case, to limit the examination of exporters in the investigation to a selected number of exporters. In practical terms, this means the Commission will examine and verify the data provided by a group of three “selected exporters” to determine whether dumping and/or subsidisation have occurred, and the relevant dumping/subsidisation margins that will be imposed on all other exporters of deep drawn stainless steel sinks from China.

This approach is permissible under section 269TACAA of Australia’s Customs Act 1901 and has been adopted to ensure that this investigation is manageable and completed within a reasonable timeframe.

#### “Selected exporters”

Primy Corporation Limited, Zhongshan Jiabaolu Kitchen & Bathroom Products Co., Ltd and Zhuhai Grand Kitchenware Co., Ltd have been deemed the “selected exporters” for this case.

According to Australian Government databases, the 3 “selected exporters” are responsible for exporting from China approximately 41% of the volume of the goods under consideration and thus represent the largest volume of exports to Australia that the Commission considers can reasonably be examined in this investigation.

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.

#### “Residual exporters”

At this stage, the Commission has decided to treat **[company name]**, and all other exporters that have completed the exporter questionnaires and are not listed as selected exporters, as “residual exporters”.

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 selected exporters. Subsidy margins will also be based on the weighted average countervailable subsidisation determined for like goods of selected exporters.

Please note that the Commission is, however, continuing to assess all submitted Exporter Questionnaires for completeness and compliance with the Anti-Dumping Commission’s requirements. If the Commission determines that **[company name]**, or any other exporter currently deemed a residual exporter, have not completed the Questionnaire as required, then that exporter will likely be considered an “uncooperative exporter” (see below).

Further, the Commission is reviewing the questionnaires to determine whether **[company name]** or any other residual exporters meet the definition of an exporter, or are simply trading/distributing intermediaries. This assessment impacts the eligibility of entities to be considered a “residual exporter” and be provided with the above-mentioned weighted average assessment of dumping and/or subsidisation.

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

### **“Uncooperative exporters”**

All exporters not identified as a “selected” or “residual” exporter will be considered to be “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.

### **What being a “residual exporter” means for [you / your client]**

The Commission does not plan to verify any data **[you/company name]** provided in the questionnaire and as such you are not required to provide any additional information to the Commission at this time.

The Commission will determine any dumping and/or subsidisation margin applicable to your exports of deep drawn stainless steel sinks in the manner outlined above.

### **Where you can find more information**

The Commission has released a “sampling report” on the electronic public record for Investigation 238 (accessible at <http://www.adcommission.gov.au/cases/documents/030-Report-Samplingreport.pdf>), which provides more information about this sampling process.

You are also welcome to contact me or Andrea Stone ([Andrea.Stone@adcommission.gov.au](mailto:Andrea.Stone@adcommission.gov.au)) if you would like to discuss this matter further.

Regards

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