



INVESTIGATION 348

**ALLEGED DUMPING OF QUICKLIME
EXPORTED FROM MALAYSIA, THE KINGDOM OF THAILAND
(THAILAND) AND THE SOCIALIST REPUBLIC OF VIETNAM
(VIETNAM)**

VERIFICATION VISIT REPORT - IMPORTER

SIBELCO AUSTRALIA LIMITED

**THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN
WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT
THE FINAL POSITION OF THE ANTI-DUMPING COMMISSION**

October 2016

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1 BACKGROUND

On 18 April 2016 the Anti-Dumping Commissioner (the Commissioner) initiated an investigation into the alleged dumping of quicklime exported to Australia from Malaysia, Thailand and Vietnam. Public notification of the initiation of the investigation was published on the Commission's website.

The background relating to the initiation of this investigation is contained in Consideration Report 348.¹

Following the initiation, the Commission wrote to Sibelco Australia Limited (Sibelco Australia) and other importers of quicklime inviting them to cooperate with the investigation. Sibelco Australia cooperated with the investigation and completed an importer questionnaire response (IQR) and relevant attachments.

¹ Accessible at www.adcommission.gov.au.

2 AUSTRALIAN SALES

2.1 Verification of sales to audited financial statements

The verification team verified the completeness and relevance of Sibelco Australia's sales listing by reconciling it to audited financial statements in accordance with ADN. No 2016/30.

As Sibelco Australia are part of a consolidated group, they provided management reports to which the verification team could conduct upwards verification. Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

The verification team did not find any issues with the verification of the sales listing to audited financial statements.

2.2 Verification of sales to source documents

The verification team verified the accuracy of Sibelco Australia's sales listing by reconciling it to source documents in accordance with ADN. No 2016/30.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

The verification team did not find any issues with the verification of the sales listing to source documents.

2.3 Related party customers

The verification team did not find evidence that Sibelco Australia is related to any of its customers during the investigation period. Sibelco Australia entered into a six-month trial with one customer and this was their main customer during the investigation period.

3 IMPORTS

3.1 The goods

Sibelco Australia confirmed that it imported quicklime from Malaysia during the investigation period, which matches the description of the goods that are the subject of this application. There were two quicklime products that Sibelco Australia imported during the investigation period, with the key difference being the particle size. In addition, Sibelco Australia also manufacture their own quicklime across a number of sites in New South Wales, Victoria, Queensland and Tasmania.

Sibelco Australia stated that, in relation to both the imported quicklime and their own locally manufactured quicklime, the quality, end use and the customers are similar. They did note their belief however, that there is a clear difference in the chemical composition and final quality of the imported quicklime and the quicklime manufactured by the applicant. Sibelco Australia noted that although the end use and customers are similar, the imported quicklime has a significantly higher percentage of available lime compared to what the applicant is able to produce.

3.2 Verification of importation and selling costs

The visit team verified the accuracy of the importation and selling costs by reconciling selected imports to the source documents in accordance with ADN 2016/30.

Details of the verification are contained within the verification work program at **confidential attachment 1**.

The verification team did not find any issues with the verification of importation and selling costs to source documents.

3.3 Import listing

Sibelco Australia confirmed that the import listing extracted from the ABF import database is a complete list of imports of the goods over the investigation period. Sibelco Australia provided the verification team with their own importation listing which matches the information obtained by the Commission via Australian Border Force.

The verification team calculated the weighted average FOB export price by supplier at **Confidential Appendix 1**.

3.4 Forward orders

The verification team verified Sibelco Australia's forward orders by reconciling the listing provided in the importer questionnaire response to the company's records. The verification team requested documents to verify the details listed for the forward orders.

3.5 The importer

The visit team considers Sibelco Australia to be the beneficial owner of the goods at the time of importation and therefore the importer.

3.6 The exporter

Subject to further inquiries, the verification team considers Unichamp Mineral Sdn Bhd (Unichamp) to be the exporter of the goods.²

3.7 Profitability of imports

The verification team calculated profit for the ten selected shipments. Of the ten shipments, six resulted in a profit, two had minor losses and two had greater losses due to additional post-exportation costs that were not anticipated. The verification team calculated profit based on a weighted average of the ten shipments and the result was that Sibelco Australia made a profit of **(Confidential Information)** of their sales revenue. The Commission considered the overall profit from the imported quicklime over the investigation period and Sibelco were found to have made minor losses, representing less than **(Confidential Information)** of their total sales revenue for quicklime. Based on this, the verification team considers sales to be at arms-length. Further explanations regarding the findings of the verification team are contained within the verification work program at **confidential attachment 1**.

3.8 Related party suppliers

Sibelco Australia outlined that they are wholly owned by their Belgian parent company – SCR Sibelco NV. In March 2015 the parent company acquired 100% ownership of Unichamp, the exporter in Malaysia. Thus there is a clear relationship between Sibelco Australia and the supplier in Malaysia as a result of their shared relationship. The verification team considered the impact of this relationship and the analysis is contained within the verification work program at **confidential attachment 1**.

3.9 Arms length

In respect of imports of quicklime to Australia by Sibelco Australia during the investigation period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price.

² The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

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The verification team did closely consider the issue of arms-length transactions given the shared ownership between the exporter and the importer. Details of this consideration are contained within the verification work program at **confidential attachment 1**.

Subject to further inquiries, the verification team are satisfied that import transactions between Sibelco Australia and its supplier are arms-length transactions.

4 RECOMMENDATIONS

The verification team are of the opinion that for the goods imported by Sibelco Australia from the exporter:

- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporter; and
- the purchases of the goods by the importer were arms length transactions.

Subject to further inquiries with these exporters, the verification team recommends that the export price for quicklime imported by Sibelco Australia from the exporter can be established under s.269TAB(1)(a) of the *Customs Act 1901*, using the invoiced price, less transport and other costs arising after exportation.

5 GENERAL COMMENTS

Sibelco Australia made the following general comments at the visit:

- They do not believe the goods have been dumped into Australia, but rather the cheaper prices reflect cheaper costs in the country of export; and
- They do not believe the Australian industry have been injured, but rather are now having to face competition in the market.

The verification team confirmed with Sibelco that they are also a member of the Australian industry for quicklime and manufacture quicklime at several plants located in the eastern states of Australia. Sibelco provided information to the Commission regarding these sites, and confirmed that they do not sell this manufactured quicklime to Western Australia due to the cost of transport. Sibelco provided some data with regards to this manufactured quicklime and the Commission will include this data and analysis for the purposes of the Statement of Essential facts.

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6 ATTACHMENTS

Confidential Appendix 1	Weighted average FOB export price
Confidential Attachment 1	Verification Work Program