PUBLIC RECORD

MFCB
RESOURCES DIVISION
(GST 000604110848)

25 October 2016

Mr Mayuran Jeyarajah
Assistant Director
Anti-Dumping Commission
Australian Government
Level 35, 55 Collins Street
Melbourne VIC 3000
(Via email: operations2@adcommission.giv.au)

Dear Mr Jeyarajah

STATEMENT OF ESSENTIAL FACTS NO. 348

We refer to the Statement Of Essential Facts No. 348 ("SEF") dated and published on 10 October 2016.

We note the following preliminary finding by the Commission:

- Quicklime exported to Australia by RCI Lime during the investigation period was dumped.
- The preliminary dumping margin is 7.6% for RCI Lime.
- The Commissioner has considered all the matters raised in RCI Lime's submission dated 20 September 2016 and is of the view that an adjustment to costs incurred in kiln 5 for the 100% replacement of firebricks may be warranted. The Commission has therefore adjusted the kiln relining costs for kiln 5 to sit evenly across the period, since the bricks were last replaced in full. Notwithstanding this view, it is noted that a redistribution of the relevant relining costs does not influence the preliminary dumping margin calculated in this case.

We appreciate that the Commission has made adjustment for the kiln relining costs for kiln 5 following our submission.

We however wish to appeal to the Commission to reassess some of the other matters raised in RCI Lime's submission as outlined below:

1. Relining costs of kiln 4. As explained in RCI Lime's submission, kiln 4 relining costs in 2015 was incurred due to an abrupt overheating of the furnace caused by a problematic batch of petcoke. This has never happened before in the history of RCI Lime. Measures have also been taken to test the quality of the petcoke before use to prevent a similar occurrence in the future. We therefore opined that the relevant costs for the relining of kiln 4 is one-off in nature and should therefore be removed from the CTMS calculation under sub-section 43(5) of the Regulation.

2. Credit cost calculation for Domestic and Australian sales. As explained in our submission, we reiterate that the methodology used by the Commission in calculating credit cost is most unfair to RCI Lime. On one hand, the Commission has used the largest credit period from the samples

selected to calculate credit cost for all Australian sales. And on the other hand, the Commission has used the credit period (and not the actual payment period) for the Domestic sales. In the interest of fairness, we request that the Commission uses the actual payment period for all transactions for both Australian and Domestic sales. Details of the actual payment period for all Australian and Domestic sales have been given to the Commission together with the submission.

3. Unit cost of selling. While we argue in our submission that the more appropriate allocation basis for all costs/expenses other than COGS (cost of goods sold) is by sales volume, we will accept the Commission's basis of allocation based on sales revenue as long as the methodology is consistently applied across all companies for the purpose of this investigation.

We thank the Commission for your patience and understanding.

Yours sincerely,

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JOHN CHU
Executive Director

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