**INVESTIGATION INTO ALLEGED DUMPING AND SUBSIDISATION OF**

**DEEP DRAWN STAINLESS STEEL SINKS FROM CHINA**

**NOTE FOR FILE - RECORD OF MEETING WITH REECE PTY LTD**

**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 from China.

On 16 July 2014 the Commission met with Reece Pty Ltd (Reece), a company involved in both the importation of the goods under consideration (GUC) and the distribution of the sinks produced by Australian industry (Tasman Sinkware Pty Ltd or Tasman), to discuss matters related to the investigation.

**Date:** 16 July 2014

**Attendees:** Andrew Williamson, Category Manager – Tapware, Sinks and Appliances, Reece Australia Limited

 Andrea Stone, Manager, Operations 2, Anti-Dumping Commission

Danielle Rudolph, Senior Investigator, Operations 2, Anti-Dumping Commission.

**Matters discussed**

* We discussed investigation key dates, including the potential imposition of a preliminary affirmative determination (any time after 19 May 2014), the release of a Statement of Essential Facts (5 October 2014), the submission of a final report and recommendations to the Parliamentary Secretary (19 November 2014), and the conduct of verification visits to importers (April and June 2014) and exporters (July and August 2014).
* Reece discussed its role in the sinks market, stating branches in all states and territories enable it to sell the GUC and like goods supplied by Tasman and other plumbing products to projects, retail, plumbing and building customers.
* Reece discussed recent market trends, including the upturn in the sinks market over the last 18 months (which followed on from a downturn after the 2009 Global Financial Crisis), and a growing preference towards fabricated sinks in the mid-to-upper sink tiers over the last decade.
* Reece discussed quality and model tiers. Reece categorised its sink tiers as ‘good’, ‘better’ or ‘best’, and advised that it considers the Tasman deep drawn sink ranges stocked by Reece would fall in the ‘better’ tier. Reece suggested that design influences the upper ‘better’ and ‘best’ tiers and emphasised the need for manufacturers to invest in design to retain market share in these categories.
* Reece noted that there was little difference in quality in the Chinese and Australian sinks sold on the Australian market, and noted consumers would likely focus more on design and quality than country of origin when purchasing a sink.
* Reece discussed the difference between Chinese products for domestic and export sale, stating that Chinese sinks for domestic sale are often cheaper and smaller than those sold in Australia. As a result Reece suggested the Commission should not compare Chinese sinks made for domestic sale and export, for the purposes of this investigation.
* Reece also submitted views on factors that may have caused injury to Tasman across the injury analysis period, including failure to present fabricated sinks quickly to the market, failure to take advantage of exclusive supply arrangements proposed by Reece, lesser focus on client engagement and product development in comparison to Chinese suppliers, and increased shipping times resulting from warehouse consolidation.