

**SUMMIT
SELECT**

Public Record Version

Summit Select Pty Ltd
ACN 003 928 354 ABN 21 003 928 354
Suite 54, 26-32 Pirrama Road
Pyrmont, NSW 2009
T: 03 9552 5500 F: 03 9552 5549
E: summit@summit.com.au

30th September 2016

The Director – Operations 4
Anti-Dumping Commission
Level 35, 55 Collins Street
GPO Box 1632
Melbourne VIC 3001

INVESTIGATION 355: STEEL SHELVING UNITS FROM THE PEOPLE'S REPUBLIC OF CHINA

**Submission by the Australian industry – Summit Select Pty Ltd (Summit)
Further information on excluded goods (industrial shelving)**

Dear Director,

As Summit understands it, there is ongoing confusion amongst interested parties to the above investigation relating to the definition of 'industrial shelving'.¹ Consequently, I write to further clarify the meaning of the term 'industrial shelving', which are specifically excluded from Summit's application and the current investigation.

To be clear, by providing this clarification Summit is not seeking to further define the goods description, which it understands is set and cannot be changed. Instead, Summit seeks to provide supplementary information to further define certain excluded goods. This is a practice which the Commission indicated is possible during its industry verification visit to Summit and for which there is significant precedent (such as the original investigation into aluminium extrusions which developed an explanatory table for defining excluded and included goods). Summit has previously provided further explanation of the product 'industrial shelving' in our previous submission to the Anti-Dumping Commission (the Commission) on 22 July 2016 titled:

**Submission by the Australian industry – Summit Select Pty Ltd (Summit)
Further information on excluded goods**

This submission includes images of industrial shelving, and explains that the term 'industrial shelving' relates to:

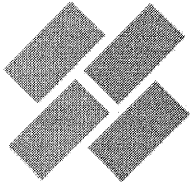
- 'pallet racking'; or
- 'heavy duty commercial shelving'.

Pallet racking

'Pallet racking' is an accepted industry term and represents a specific type of shelving system designed to be compatible for storage of pallets. Pallet racking is sold by that name (by companies such as Dexion). Pallet racking is subject to strict Australian standards in terms of weight loading limits, composition of steel, etc.

Summit considers there should be no further confusion in relation to pallet racking as a result.

¹ Evident from the Commission's Day 60 Status Report and recent submissions from Geelong Holdings Limited (dated 18 August 2016) and Romak Hardware Distributors (dated 26 August 2016).



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Heavy duty commercial shelving

As pallet racking is easily identified and is a known industry term, Summit considers that any ongoing confusion as to 'industrial shelving' must instead relate instead to 'heavy duty commercial shelving'.

Summit submits that, using the logical and ordinary meaning of that term would lead a reasonable person to identify this type of industrial shelving without any issue - being shelving of significant strength (heavy duty).

Despite this, it seems that certain parties are still unclear as to whether their goods are industrial shelving (noting that the Commission hasn't issued an acceptance of Summit's further clarification). To provide further clarification, Summit submits that heavy duty commercial shelving should be regarded as a weight capacity (weight loading) of over 200kg per shelf. This weight loading is for each shelf level that makes up the shelving unit.

Summit considers over 200kg weight loading per shelf to be a reasonable and accurate identifier of shelving units that are heavy duty commercial shelves, and is a limit that would be generally accepted by market players.

This limit is reasonable as, firstly, Summit's own-manufactured range of shelving units generally have a weight loading of less than 200kg per shelf, though some models ([REDACTED]) [specific model information] have a weight loading of up to approximately 200kg per shelf. Summit is able to provide evidence of weight load testing for such units if required.

Secondly, to support Summit's claim re weight loading per shelf, Summit's related company Stomor Shelving Australia is a supplier of heavy duty commercial shelving, one range being 'Longspan' shelving. Of this range, Summit's lowest maximum weight loading is 210kg per shelf level. This is supported by the table at Confidential Attachment A.

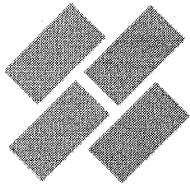
To be clear, Summit has avoided nominating a weight loading for this type of shelving to date because of circumvention concerns. This could include activities such as:

- basic misuse of the 'goods' exemption upon importation (claiming a higher weight loading on importation though commercial and product documentation doesn't claim this);
- generating documents with false weight loading figures (such as invoices or product documents);
- falsely mislabelling the packaging of imports with a higher than realistic weight loading (though this carries product liability risk).

Further, a circumvention activity through the slight modification of goods is considered to be a higher risk where such parameters are set.

Summit notes that the circumvention risk is heightened because it is **not a requirement** in the Australian market to undertake independent testing (such as through a third party laboratory) of products of their weight loading (though it is best practice and may be required by some retailers before they will purchase the units for on-sale).

If the Commission feels it necessary to include a weight loading minimum to clarify the exempted industrial shelving, Summit requests that the Commission remain highly alert to these possibilities, and undertake monitoring of future imports (should anti-dumping measures be imposed) and take corrective action where necessary. This may need to include testing of imported units that claim a 200kg plus weight loading.



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'Industrial' use

Summit notes that various interested parties (such as Geelong and Romak) have framed arguments around the fact that any type of shelving that could reasonably be used in an industrial setting or has an industrial appearance (such as galvanised) should be considered 'industrial shelving' and hence excluded from the goods.

Summit submits that these are self-serving and illogical interpretations of the term 'industrial shelving', which have been used by these parties to claim the vast majority of their goods should be exempt, though clearly intended to be captured by the goods description and directly competing with Summit's own manufactured shelving units.

These submissions have pointed to examples of where Summit's Hammer Lok shelving has been used in, or described as being suitable for, commercial or industrial (e.g. trade or warehouse) applications or where Stormor shelving (manufactured by Summit's related company) has been used in 'non-industrial' applications as support for their claims that this type of shelving is 'industrial shelving' and should be excluded.

However, it is clear that the terms 'industrial shelving' does not relate to all shelves that could be used in any industrial setting, but rather particularly heavy duty units with characteristics that make them suitable for heavy duty industrial end use but does not limit it to this application. The goods targeted by the application, though able to be used in certain lighter industrial settings, are not capable of heavy duty industrial use like the excluded 'industrial shelving'.

As importers and sellers of various shelving types, these parties would undeniably understand that Summit's reference to 'industrial shelving' refers to pallet racking or heavy duty commercial shelving, which they would easily identify amongst their imports and own product offerings and would recommend if requested for an application that requires heavy duty industrial use.

I trust the above information is of use to the Commission and other interested parties to the investigation. Please do not hesitate to contact me should you require further information.

Kind regards,

Janice Riley
Executive Director