

**FOR PUBLIC USE**

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21 October 2016

Our ref: RXW  
Your ref: ADC 355

The Director  
Operations 4  
Anti-Dumping Commission  
GPO Box 1632  
MELBOURNE VIC 3001

By email: [operations4@adcommission.gov.au](mailto:operations4@adcommission.gov.au)

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**Attention Mr Jukka Mantynen**

Dear Mr Mantynen

**Submission – Response to Australian Industry Request for a PAD**

We act for Geelong Holdings Limited (**Geelong**) and its related parties.

We refer to the letter dated 19 October 2016 from Summit Select Pty Ltd (**Summit**) to the Anti-Dumping Commission (**ADC**) requesting the making of a preliminary affirmative determination (**PAD**) in relation to ADC investigation 355.

Geelong strongly opposes the making of a PAD for the reasons set out in our submission dated 18 August 2016 and for the issues set out below.

**1. Claims of substantial price decreases**

**1.1 No evidence of a decrease in the export price of goods**

Summit has claimed that there has been substantial price decreases since the beginning of the investigation.

[REDACTED]

[DESCRIBES THE PRICING OF GEELONG'S EXPORTS AND COMMUNICATIONS WITH ITS CUSTOMERS]

[REDACTED]

[SETS OUT GEELONG'S VIEW AS TO PRICING TRENDS OF THE GOODS UNDER CONSIDERATION]

## 1.2 Evidence put forward by Summit

The only evidence put forth by Summit as evidence of a price reduction is the pricing of a galvanised steel shelve sold by Bunnings. Our understanding is that Bunnings purchases the relevant product from an Australian supplier who is the importer of the good.

The evidence put forward by Summit is merely the Australian retail price of one product. There is no evidence that the reduction in price (if it occurred) is not due to:

- (a) Bunnings selling its goods at a price where Bunnings makes a lower profit;
- (b) the Australian distributor selling to Bunnings at a price where it makes a lower profit;
- (c) the exporter selling at lower pricing due to reductions in the cost of manufacture (but otherwise maintaining the same profit margin); or
- (d) a combination of the above factors.

## 1.3 Excluded goods

The product claimed to have been reduced in price is presumably the Romak 1830 x 190 x 410mm 5 shelf storage unit which is made from galvanised steel and is advertised at \$34.98 as at 20 October 2016 (**Relevant Product**).

The Relevant Product is advertised as having a shelf capacity of 200kg per shelf.

The description of the goods under consideration contains the exclusion "industrial shelving". In its submission dated 30 September 2016 Summit submitted that a weight load of 200kg per shelf was an appropriate distinction between "industrial shelving" and the goods the subject of the investigation. At one point in that submission Summit referred to goods with shelve loading "up to 200kg" as being included, and at another point, implied that goods with a "200kg plus" weight load were excluded. It is unclear whether Summit considers goods with a weight load of precisely 200kg per shelf as industrial shelving.

In any event, in its 30 September submission, Summit stated that its goods generally have weight loads of less than 200kg per shelf.

Even if the Relevant Product was being exported at a price below its normal value, it is contended that the Relevant Product falls either falls within the goods Summit claims should be excluded from the investigation or are not similar to any good produced in Australia by Summit.

## 1.4 Other factors

As mentioned above, the lower pricing of the Relevant Product may be due to decreases in the Australian profit margin on the product. In this respect it is important to note that the main competitor of Bunnings, Masters, is currently engaged in a closing down sale. This will result in price reductions by Masters that are unrelated to the export price of the goods. It is not unreasonable to expect that Bunnings may be promoting certain sale items to attract customers to its stores to compete against a closing down sale. These price reductions by Bunnings may be completely unrelated to lower export prices.

[REDACTED]

[DISCUSSION OF PRICING OF GEELONG PRODUCTS]

## **2. Criteria for a PAD**

As the ADC would be aware, a PAD can only be made where there is sufficient grounds for the publication of a notice (dumping or countervailing).

For the reasons set out in our previous submission, we consider that there are no such reasonable grounds. We further submit that a PAD is inappropriate at this stage as:

- a) there is significant doubt as to meaning of the goods under consideration;
- b) all of the preliminary analysis by the ADC on loss suffered by Summit, the Australian market and potential dumping margins will need to be revisited and recalculated if Summit's definition of "industrial" shelving is accepted; and
- c) Summit's submitted information as to material injury was inconsistent and does not provide the ADC with credible evidence of injury.

Further, we note that it is the ADC's practice to consider the relevant information it has currently on hand at the time it is considering the making of a PAD. In this respect, we note that the ADC has a large number of exporter questionnaires and will be able to base its views on its assessment of this exporter information and not unsubstantiated claims by Summit.

Additionally, it is our view that nothing in the Ministerial Direction on PADs warrants the making of a PAD where there is insufficient evidence to justify the making of the dumping or countervailing notice. The direction specifically maintains in paragraph 7 that there must be an "injured Australian industry" and that the making of the "relief" provided by the PAD, must be "warranted".

In the current investigation, there remain significant concerns regarding the loss claimed to have been suffered and what has been the cause of any such loss. This is in addition to any proof that there has been dumping of the goods under consideration.

Please contact us if you have any questions.

Yours faithfully  
**Hunt & Hunt**



**Russell Wiese**  
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