3rd September 2014

Ms Andrea Stone
Manager, Operations 2
Anti-Dumping Commission
Customs House
5 Constitution Ave, Canberra ACT 2601

Dear Ms Stone

Deep Drawn Stainless Steel Sinks exported to Australia from the People’s Republic of China

We refer to the ADC’s ongoing investigation 238 and the ADC’s Preliminary Affirmative Determination (PAD) issued on 13th August, 2014.

GWA notes that during the course of the investigation a number of interested parties have made submissions to the ADC regarding the goods under consideration (GUC) as defined by the ADC for the purposes of this investigation.

GWA wishes to provide the following submission regarding the GUC and ‘like goods’ issues

The GUC was defined in CON 238 (without subsequent amendment) as follows:

Deep drawn stainless steel sinks with a single deep drawn bowl having a volume of between 7 and 70 litres (inclusive), or multiple drawn bowls having a combined volume of between 12 and 70 litres (inclusive), with or without integrated drain boards, whether finished or unfinished, regardless of type of finish, gauge, or grade of stainless steel and whether or not including accessories.

GWA understands that the only category of goods specifically exempt from the above definition are stainless steel sinks with fabricated bowls.

GWA understands, from the material that has been published on the EPR to date, that certain parties have suggested that certain types of goods that are currently deemed to fall within the definition of GUC should be exempted from the scope of the investigation on the grounds that:

a) they do not fit within the defined parameters of the GUC and, consequently, are not ‘the goods’ subject to this investigation (and any measures that may result); or

b) they do fall within the defined GUC, but should be exempt from measures in accordance with the relevant provisions of the Customs Tariff (Anti-Dumping) Act 1975.
These issues were summarized in the ADC’s letter to the applicant dated 21 August 2014. From this letter GWA understands that the ADC is considering two categories of goods that may be considered to be either outside the GUC (scenario (a) above) or eligible for exemption (scenario (b) above). These goods are, in summary:

- Laundry unit kits (claimed to not be within the GUC); and
- Lipped laundry tubs (claimed to be eligible for an exemption)

**Lipped laundry tubs - claims for exemption**

From discussions with the ADC during the verification process, GWA understands that certain provisions under the *Customs Tariff (Anti-Dumping) Act 1975* allow for goods to be exempted from anti-dumping measures in certain circumstances,

GWA understands, in general terms, that such circumstances include where like or directly competitive goods are not offered for sale by the Australian industry.

GWA notes that certain parties have claimed that ‘Lipped laundry tubs’ are eligible for exemption from any measures that may be applied following the completion of investigation 238 on the above grounds.

**GWA’s response**

GWA has considered the submissions made by other parties, and the requirements that must be satisfied to justify an exemption being granted in relation to certain goods by the Minister.

GWA would like to confirm that it does not support the claim that lipped laundry tubs should be exempt from measures that may result from investigation 238.

GWA considers that the applicant does produce like, and/or directly competitive goods. There is both significant commercial and functional likeness between the two products as per the ADC’s guidance for interpreting the term ‘Like Goods’ for the purposes of anti-dumping investigations set out in the Dumping and Subsidy Manual (December 2013).

*Commercial likeness* - the products do compete directly in the market. Builders and consumers in particular may be swayed by a significant shift in the price differential between the "drop in" tub and tub and cabinet (T&C).

*Functional likeness* - the two products perform exactly the same function in the laundry and the tubs themselves are made of the same material. While a "drop in" tub can provide an overall better "look" in the laundry than a T&C, with the laundry being primarily a functional space, a change in price differential between the two products will fundamentally change the market dynamic of the selection process made by customers. The commercial and functional likeness between the two categories of tub means that there is a relatively high degree of cross substitutability.

GWA is of the view that if lipped tubs are exempt from measures there is a high likelihood of a fundamental change in the laundry tub market in Australia. “Drop in” tubs that would be subject to measures will be priced at premium (as downstream prices absorb the impact of increased FOB prices) to lipped tub and cabinets (T&C’s) exempt from measures.
There is a real risk that, if lipped tubs are exempt from measures, there will be a significant transfer of sales volumes from "drop in" to "lipped" tubs. This result would effectively promote the circumvention of anti-dumping measures and would render the duties imposed on dumped GUC largely ineffective.

The PAD has confirmed that the tub in a T&C is being sold at dumping rates in the Australian market, by various Chinese exporters. Consequently the exemption of a category of goods within the GUC that is directly competitive with other categories within this class will likely lead to a continuation of such behavior.

If you require a more detailed analysis of the laundry tub market in Australia GWA will be happy to provide this.

Yours Sincerely,

[Signature]

Trevor Smith
Category Marketing Manager