



13 October 2014

The Director
Operations 2
Anti-Dumping Commission
5 Constitution Avenue
Canberra ACT 2601

Investigation 238: Application for exemption from duties

This application is made on behalf of Abey Australia Pty Ltd (Abey) seeking exemption from any dumping and/or countervailing duties that may result from the Anti-Dumping Commission's current investigation into the alleged dumping and subsidisation of deep drawn stainless steel sinks exported to Australia from the People's Republic of China (China). We note advice on the Commission's website that an exemption application can be made during an investigation, before any measures have been implemented, and request that the Commission conduct its exemption inquiries concurrently with Investigation 238.

As detailed below, we are seeking exemption for 'tight corner radius' deep drawn stainless steel sinks under s.8(7)(a) and s.10(8)(a) on the basis that directly competitive goods are not manufactured in Australia.

Applicant

Abey Australia Pty Ltd
57-81 Abey Rd
Melton VIC 3337

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Wickes & Associates Pty Ltd
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Abey is an importer of goods subject to Investigation 238. Abey imports deep drawn stainless steel sinks from Komodo Hong Kong Limited (Komodo) and is currently subject to dumping securities of 35% (residual rate) following the preliminary affirmative determination made on 13 August 2014.

Interested parties

Since we first raised this issue in our submission of 30 April 2014,¹ three other parties have supported the claim for tight corner radius sinks to be exempted from the measures:

- International Research & Marketing Corp Pty Ltd – importer
- Seima Pty Ltd – importer, and
- Komodo – Abey's supplier.²

Goods to be exempted

Deep drawn stainless steel sinks with a corner radius of 25 mm or less, referred to as tight corner radius sinks. These sinks typically are produced with a corner radius of 25 mm (R25), 15 mm (R15) or 10 mm (R10).

Traditional deep drawn stainless steel sinks, such as those produced by the Australian industry, feature a corner radius of 70 to 100 mm. A typical corner radius for such sinks is 80 mm (R80).

Grounds for exemption

Tight corner radius sinks should be exempted from any dumping and/or countervailing duty notices because such sinks:

1. are not and can not currently be manufactured in Australia, and
2. do not compete with the sinks manufactured by the Australian industry.

Manufacturing differences

Deep drawn sink bowls are made by cold-drawing stainless steel sheet in a press. Traditional sinks bowls are produced from a single draw through the press. Tight corner radius sink bowls require an additional annealing process and second draw. The process is as follows:

- first (cold) draw to around 85% to 90% of the final volume of the bowl
- annealing (bowl heated to 1,300°C and control cooled to soften the steel), and
- second (soft) draw to complete the bowl.

¹ Document number 009 on EPR 238

² Documents number 047, 048 and 055 on EPR 238.

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The costs of production are significantly higher for tight corner radius sinks than for traditional sinks, due to the additional cost of annealing and higher:

- Raw material costs—smaller radius bowls require thicker stainless steel, typically
 - R80 = 0.6-0.7 mm
 - R25 = 0.9 mm
 - R15 = 1.0 mm
- Tooling investment—smaller radius bowls require additional tooling for the second draw, with the relative investment costs being
 - R80 = 100
 - R25 = 140
 - R15 = 180
- Breakage rates—smaller radius bowls have a higher breakage rate during pressing, typically
 - R80 = 2-3%
 - R15 = 6-8%
- Polishing costs—smaller radii bowls are more difficult to polish, requiring additional labour and specialised machinery
- Total production costs—relative overall production costs are typically
 - R80 = 100
 - R15 = [REDACTED]

The Australian industry currently does not have the capacity to produce tight corner radius sinks and cannot do so without significant investment in the capital equipment required to undertake the annealing process.

Competition differences

Tight corner radius sinks do not compete with traditional sinks as evidenced by the significant difference in price between the two types of sinks. Analysis of Abey's top five selling models of tight corner radius sinks shows that they are on average [REDACTED]% higher in price than comparable traditional sinks (over financial year 2013-14). Our model-by-model analysis is contained in the Confidential Appendix and the sinks analysed are shown in the attached Abey catalogue.

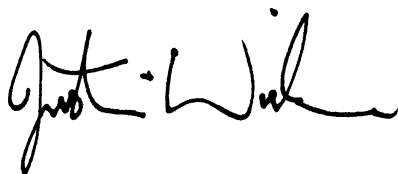
Further evidence of the lack of direct competition is provided by the fact that the Australian industry imports a range of tight corner radius sinks. Through this action the industry acknowledges that its own production does not compete with tight corner radius sinks.

Inquiry process

Abey understands that the Commission will conduct its inquiry into this exemption application concurrently with its ongoing dumping and subsidy investigation, which is now scheduled to conclude on 19 February 2015.

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We look forward to meeting with the Commission to discuss our application and facilitate verification of the information we have provided in support of the application.

A handwritten signature in black ink, appearing to read "Justin Wickes". The signature is fluid and cursive, with the first name "Justin" and last name "Wickes" clearly distinguishable.

Justin Wickes
Director

VICTORIA

Abey Head Office
57-81 Abey Rd
Melton
Ph: 03 9747 7777
Selection Gallery
208 York St
South Melbourne
Ph: 03 8696 4000

NEW SOUTH WALES

Abey Office & Selection Gallery
1E Danks St
Waterloo
Office
Ph: 02 8572 8572
Selection Gallery
Ph: 02 8572 8500

QUEENSLAND

Office
33-35 Blue Eagle Dr
Meadowbrook
Ph: 07 3805 7000
Selection Gallery
94 Petrie Tce
Brisbane
Ph: 07 3369 4777

WESTERN AUSTRALIA

Ph: 08 9446 8255

NORTHERN TERRITORY

Ph: 1800 809 143

SOUTH AUSTRALIA

Ph: 1800 809 143

TASMANIA

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ENTRY



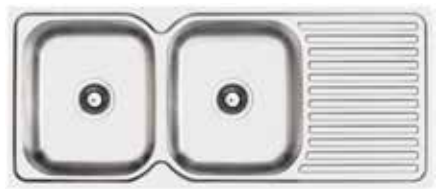
EN100
SINGLE BOWL W/TAP HOLE
_ Overall – L840 x W480mm
_ Bowl – L355 x W405 x D180mm



EN175
1 & $\frac{3}{4}$ BOWL W/TAP HOLE
_ Overall – L1080 x W480mm
_ Bowls – L355 x W405 x D165mm/L280 x W310 x D165mm



EN180
1 & $\frac{3}{4}$ BOWL W/TAP HOLE
_ Overall – L1080 x W480mm
_ Bowls – L355 x W405 x D165mm/L266 x W405 x D165mm



EN200
DOUBLE BOWL W/TAP HOLE
_ Overall – L1140 x W480mm
_ Bowls – L355 x W405 x D180mm/L266 x W405 x D180mm

The EN range is available in left or right hand bowl configurations.

PRINCESS INSET & UNDERMOUNT



PRC1/PRC1U
SINGLE BOWL
_ Overall – L406 x W471mm
_ Bowl – L356 x W406 x D180mm



PRC180/PRC180U
1 & $\frac{3}{4}$ BOWL
_ Overall – L696 x W475mm
_ Bowls – L356 x W406 x D180mm/L254 x W406 x D180mm



PRC2/PRC2U
DOUBLE BOWL
_ Overall – L796 x W475mm
_ Bowls – L356 x W406 x D180mm



DBR10S
STAINLESS STEEL
DISH RACK



AQCB
BAMBOO
CUTTING BOARD



ADT1
STAINLESS STEEL
DRAIN TRAY

_ These optional accessories suit the Entry & Princess ranges

LG INSET & UNDERMOUNT



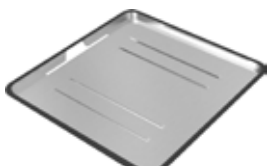
LG100X/LG100UX*
SINGLE BOWL – 25mm RADIUS
_ Overall – L430 x W450mm
_ Bowl – L380 x W400 x D200mm



LG180X/LG180UX*
1 & $\frac{3}{4}$ BOWL – 25mm RADIUS
_ Overall – L660 x W450mm
_ Bowl – L380 x W400 x D200mm/L200 x W400 x D160mm



LG200X/LG200UX*
DOUBLE BOWL – 25mm RADIUS
_ Overall – L840 x W450mm
_ Bowls – L355 x W405 x D180mm



DT-05
STAINLESS STEEL DRAIN TRAY
_ This optional accessory suits the LG and LUA range

LUA UNDERMOUNT



LUA100UX*
SINGLE BOWL – 15mm RADIUS
_ Overall – L440 x W380mm
_ Bowl – L400 x W340 x D200mm



LUA200UX*
DOUBLE BOWL – 15mm RADIUS
_ Overall – L750 x W440mm
_ Bowls – L340 x W400 x D200mm



DR007
DISH RACK
_ This optional accessory suits the LG and LUA range

FS UNDERMOUNT



FS340
SINGLE BOWL UNDERMOUNT – 6mm RADIUS
_ Overall – L390 x W450mm
_ Bowl – L340 x W400 x D190mm



FS200D
1 & $\frac{3}{4}$ BOWL UNDERMOUNT – 6mm RADIUS
_ Overall – L620 x W456mm
_ Bowls – L200 x W400 x D170mm/L340 x W400 x D190mm



FS340D
DOUBLE BOWL UNDERMOUNT – 6mm RADIUS
_ Overall – L760 x W450mm
_ Bowls – L340 x W400 x D190mm



SBPERT
STAINLESS STEEL PERFORATED TRAY
_ This optional accessory suits the FS range

BAR



PR6
SINGLE BOWL
_ Overall – Ø450mm
_ Bowl – L406 x D170mm

LAUNDRY



AL100
30L SINGLE BOWL SINK
_ Overall – L406 x W466mm
_ Bowl – L356 x W406 x D200mm



AL130
45L SINGLE BOWL SINK
_ Overall – L500 x W520mm
_ Bowl – L450 x W470x D225mm



PR45
45L SINGLE BOWL SINK
_ Overall – L600 x W500mm
_ Bowl – L525 x W425 x D250mm

Laundry sinks are available with optional bypass, overflow and tapholes.

TAPWARE



3K1
LUCIA KITCHEN MIXER
_ 6 Star Flow Rate 6.5L/min



MPOSM
MIXMASTER PULL OUT
_ 4 Star Flow Rate 6.5L/min



MK2
MIXMASTER
_ 3 Star Flow Rate 7.5L/min



MK1
MIXMASTER
_ 4 Star Flow Rate 7.5L/min

*Minimum order quantity to the following sinks: LG100X/UX, LG180X/UX, LG200X/LG200UX, LUA100UX and LUA200X

*Minimum order quantity to the following sinks: LG100X/UX, LG180X/UX, LG200X/LG200UX, LUA100UX and LUA200X