


Welcome:

Mr. Vincent
Mr. Halpin
Mr. Moulis
Mr. Miller

We sell over 1000 different types of cables



Electra

Electra is the name of the lightning Goddaess in Greek Myths.

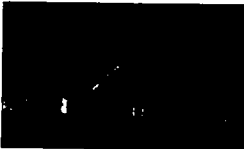
The background figure in the previous slide is Electra.

Electra Cables' mission is to better supply power for lighting and other electrical energy for the industry and society.

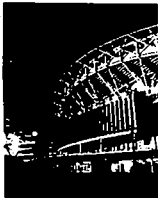
Electra Excellence

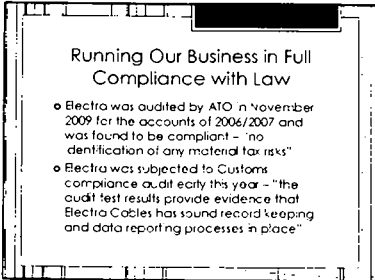
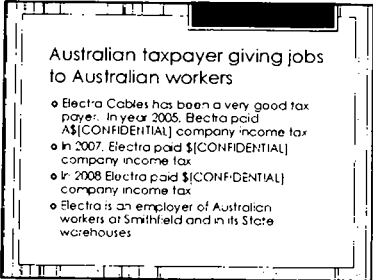
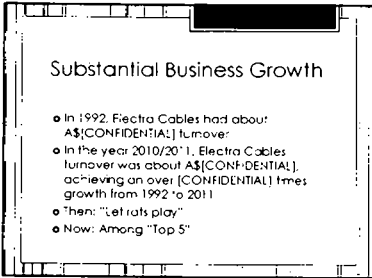
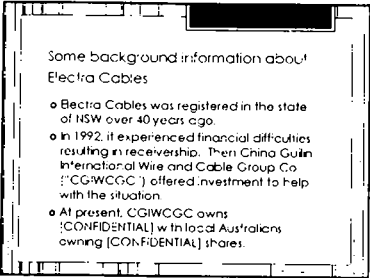
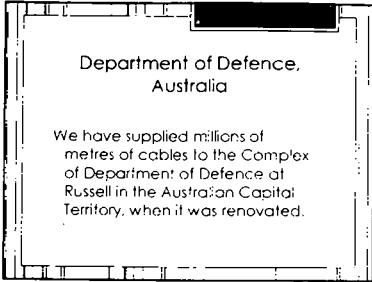
Electra Cables products have been used in many prestigious projects

Parliament House, Canberra
Australian Capital Territory



Sydney Olympic Complex





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Why successful

- (1) ISO 9000 quality assurance and quality products
- (2) Large product range
- (3) Consistency in supporting wholesaler customers
- (4) Excellence in customer service
- (5) Very good stock control and management
- (6) Appropriate pricing for profit

Anti-Dumping Investigation

- o Electro Cables is fully cooperative and supportive towards Customs investigation
- o Electro Cables has always been running its business lawfully
- o Electro Cables conducted "due diligence" to understand dumping and avoid such accusations by its competitors
- o Instead, Electro enters into lawful and fair competition on the merits of product quality, customer services and appropriate pricing

Goods Under Consideration

Identifying goods for which the importer is liable

Product Code	Description	Quantity	Value	Origin
840110	Gas turbines	1	1000000	USA
840210	Turbo-propellers	1	500000	USA
840310	Gas turbines	1	1000000	USA
840410	Turbo-propellers	1	500000	USA
840510	Gas turbines	1	1000000	USA
840610	Turbo-propellers	1	500000	USA
840710	Gas turbines	1	1000000	USA
840810	Turbo-propellers	1	500000	USA
840910	Gas turbines	1	1000000	USA
841010	Turbo-propellers	1	500000	USA
841110	Gas turbines	1	1000000	USA
841210	Turbo-propellers	1	500000	USA
841310	Gas turbines	1	1000000	USA
841410	Turbo-propellers	1	500000	USA
841510	Gas turbines	1	1000000	USA
841610	Turbo-propellers	1	500000	USA
841710	Gas turbines	1	1000000	USA
841810	Turbo-propellers	1	500000	USA
841910	Gas turbines	1	1000000	USA
842010	Turbo-propellers	1	500000	USA
842110	Gas turbines	1	1000000	USA
842210	Turbo-propellers	1	500000	USA
842310	Gas turbines	1	1000000	USA
842410	Turbo-propellers	1	500000	USA
842510	Gas turbines	1	1000000	USA
842610	Turbo-propellers	1	500000	USA
842710	Gas turbines	1	1000000	USA
842810	Turbo-propellers	1	500000	USA
842910	Gas turbines	1	1000000	USA
843010	Turbo-propellers	1	500000	USA
843110	Gas turbines	1	1000000	USA
843210	Turbo-propellers	1	500000	USA
843310	Gas turbines	1	1000000	USA
843410	Turbo-propellers	1	500000	USA
843510	Gas turbines	1	1000000	USA
843610	Turbo-propellers	1	500000	USA
843710	Gas turbines	1	1000000	USA
843810	Turbo-propellers	1	500000	USA
843910	Gas turbines	1	1000000	USA
844010	Turbo-propellers	1	500000	USA
844110	Gas turbines	1	1000000	USA
844210	Turbo-propellers	1	500000	USA
844310	Gas turbines	1	1000000	USA
844410	Turbo-propellers	1	500000	USA
844510	Gas turbines	1	1000000	USA
844610	Turbo-propellers	1	500000	USA
844710	Gas turbines	1	1000000	USA
844810	Turbo-propellers	1	500000	USA
844910	Gas turbines	1	1000000	USA
845010	Turbo-propellers	1	500000	USA
845110	Gas turbines	1	1000000	USA
845210	Turbo-propellers	1	500000	USA
845310	Gas turbines	1	1000000	USA
845410	Turbo-propellers	1	500000	USA
845510	Gas turbines	1	1000000	USA
845610	Turbo-propellers	1	500000	USA
845710	Gas turbines	1	1000000	USA
845810	Turbo-propellers	1	500000	USA
845910	Gas turbines	1	1000000	USA
846010	Turbo-propellers	1	500000	USA
846110	Gas turbines	1	1000000	USA
846210	Turbo-propellers	1	500000	USA
846310	Gas turbines	1	1000000	USA
846410	Turbo-propellers	1	500000	USA
846510	Gas turbines	1	1000000	USA
846610	Turbo-propellers	1	500000	USA
846710	Gas turbines	1	1000000	USA
846810	Turbo-propellers	1	500000	USA
846910	Gas turbines	1	1000000	USA
847010	Turbo-propellers	1	500000	USA
847110	Gas turbines	1	1000000	USA
847210	Turbo-propellers	1	500000	USA
847310	Gas turbines	1	1000000	USA
847410	Turbo-propellers	1	500000	USA
847510	Gas turbines	1	1000000	USA
847610	Turbo-propellers	1	500000	USA
847710	Gas turbines	1	1000000	USA
847810	Turbo-propellers	1	500000	USA
847910	Gas turbines	1	1000000	USA
848010	Turbo-propellers	1	500000	USA
848110	Gas turbines	1	1000000	USA
848210	Turbo-propellers	1	500000	USA
848310	Gas turbines	1	1000000	USA
848410	Turbo-propellers	1	500000	USA
848510	Gas turbines	1	1000000	USA
848610	Turbo-propellers	1	500000	USA
848710	Gas turbines	1	1000000	USA
848810	Turbo-propellers	1	500000	USA
848910	Gas turbines	1	1000000	USA
849010	Turbo-propellers	1	500000	USA
849110	Gas turbines	1	1000000	USA
849210	Turbo-propellers	1	500000	USA
849310	Gas turbines	1	1000000	USA
849410	Turbo-propellers	1	500000	USA
849510	Gas turbines	1	1000000	USA
849610	Turbo-propellers	1	500000	USA
849710	Gas turbines	1	1000000	USA
849810	Turbo-propellers	1	500000	USA
849910	Gas turbines	1	1000000	USA
850010	Turbo-propellers	1	500000	USA

SR1025 vs SR1025V

- o SR1025 is a fast moving building wire
- o SR1025V is a variation from SR1025. Electro Cables [CONFIDENTIAL]
- o While Electro Cables had over [CONFIDENTIAL] sales transactions during POV for SR1025, it had [CONFIDENTIAL] sales transactions for SR1025V.
- o How did the applicant list SR1025V (extremely slow moving, almost obsolete item) as a "dumping" GUC?
- o Demonstrating the lack of awareness of Australian cable market

Definition From Case Initiation

Part B - Importer and Primary Parties

The goods under investigation are those that are imported into Australia, and are not exempt from import duties, and are not otherwise exempt from import duties.

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Identification of Precise Model Types for Customs Investigation

- o Electro Cables is committed to cooperate with Customs to its best ability and in a responsible manner
- o Therefore in identifying GUC, Electro Cables has carefully identified the products that fit into the above definition of GUC

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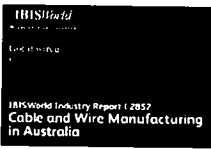
Electra Identified GUC

[CONFIDENTIAL TEXT DELETED - DETAILED ELECTRA PRODUCT MODEL LISTING]

Electra's invoiced sales during POI for GUC is [CONFIDENTIAL]
 Net/Net is: [CONFIDENTIAL]

[CONFIDENTIAL TEXT DELETED - DETAILED ELECTRA PRODUCT MODEL LISTING AND SALES VOLUMES]

IBSWorld Report C2852 gives the estimated total cable revenue of Australia in 2010/2011



IBSWorld Industry Report C 2852
 Cable and Wire Manufacturing in Australia

IBSWorld reports that during 2011, the total cable revenue in Australia is \$1.9 billion (copy of the report attached)

Industry at a Glance

Revenue	\$1.9bn	4.1%	7.0%
Exports	\$187.9m	\$184.5m	33

The alleged GUC of Electra takes only [CONFIDENTIAL]% of the total cable revenue in Australia during POI

[CONFIDENTIAL TEXT DELETED - ELECTRA % OF CABLE MARKET]

The applicants made the following incorrect claims:

Page 5 of the anti-dumping application says:

"The Australian industry has been and continues to be the victim of injury because of dumped imports from China ..."

The industry is suffering material injury in the form of:

- Loss of market share
- Reduced return on investment
- Reduced profitability
- Loss of jobs
- Loss of market share
- Loss of sales as a result of the dumped imports from China

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Very simple and straightforward question:
How can [CONFIDENTIAL] % market share of the alleged GUC cables cause the claimed huge problems?

Electra Cables is profitable in the sales of the alleged GUC Cables
[CONFIDENTIAL TEXT DELETED - ELECTRA PRODUCT MODEL LISTING AND PROFITABILITY DETAILS]

Previous slide shows that

- For all [CONFIDENTIAL] models (products) of GUC, Electra Cables achieved [CONFIDENTIAL] % net profit before company income tax (weighted average) during POI.

It has come to the attention and knowledge of Electra Cables that:
Applicants have had huge problems of their own that are not related to imports, whether dumped or not

We have noticed the following:

- The applicants' problems are very significant
- These problems have nothing to do with imported goods
- The problems, although serious, are not adequately mentioned or considered in the application lodged with Customs

What came to our attention about Advance?

- It has had long term cable supply problem
- Its stock holding and distribution facilities are very limited
- During POI it suffered badly from flooding

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Advance - long term supply problems

- o Advance Cables approached Electra Cables [CONFIDENTIAL], saying that its manufacturing capacity could not meet market demand, asked Electra for assistance in supplying cables
- o Electra Cables agreed to source cables from its overseas suppliers for Advance, on a negotiated commercial basis

Advance - long term supply problems

- o From [CONFIDENTIAL], Electra Cables imported [CONFIDENTIAL] containers of cables (the complete information is available upon request) and re-sold to Advance Cables. This amounts to about US\$[CONFIDENTIAL].
- o Among the [CONFIDENTIAL] containers of cables, approx [CONFIDENTIAL] are thought to have been during the POI and amounted to over US\$[CONFIDENTIAL].

Advance - long term supply problems

- o Advance recently claimed that it upgraded its manufacturing facilities back to 2006.
- o If that is true, why not simply use your own facility to manufacture enough cables to supply to customers?
- o Rather than come to purchase cables from Electra one container after another, year after year?

Advance always tried extremely hard to reduce our prices. They often complained to Electra.

[CONFIDENTIAL TEXT DELETED - PRICES OFFERED TO ADVANCE]

The previous slides shows:

- o Advance called Electra to quote [CONFIDENTIAL]
- o Electra Cables quoted prices for the wire (all on the basis of the copper content of each cable, the global wire price and other factors (e.g., Electra's selling expenses)
- o Advance came back to ask Electra for immediate reduction of price [CONFIDENTIAL]
- o Electra did not want to sell its products below cost and did not want to being the market price down, being left without choice but declining their unreasonable request (based information available upon request)

Another example, flat building wires – GUC products:

[CONFIDENTIAL TEXT DELETED - PRICES OFFERED TO ADVANCE]

Electra told Advance: prices cannot go incorrectly lower (previous slide shows):

- o Upon Advance request, Electra quoted (CONFIDENTIAL), but Advance never bought them from Electra
- o Advance said the quoted prices would need to be reduced substantially
- o But Electro Cables was not prepared to make a loss by selling its products. Electro Cables did not want to get problematic prices into the market - no deal was concluded.

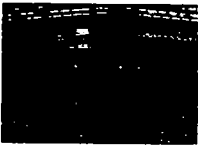
Advance – limited manufacturing capacity

- o To our best knowledge, the cable making equipment and machinery in Advance's factory is old
- o Although it might have upgraded some facilities, some machinery reflects decades-old technology
- o For example, Advance has had limited number of extrusion lines
- o Electro's suppliers have many more extrusion lines


Effects of Natural Disaster - Flooding

- o Electro Cables was told that during POT (February 2011), Advance's factory was flooded
- o The huge disruption of flooding that must have caused to production, sales and customer relationships some of the unexplained
- o Electro Cables were approached by many of Advance Cables' customers for backup
- o When a customer changes to a quality organization like Electro, it is hard (in many cases, impossible) to get them back

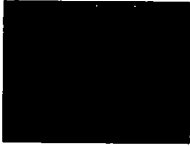
During POT, Advance was hit badly by terrible natural disaster: factory flooded in February 2011



Flooding had terrible impact on operations



Seriousness of Advance Cables' Flooding



Advance did not pay
Electra for Cables
Supplied in Timely Way

- Advance was always late in paying Electra Cables for goods supplied
- [CONFIDENTIAL TEXT DELETED]
- [CONFIDENTIAL TEXT DELETED]
- Because they had their own big problems
- Imports not responsible

Advance Cables -
late payments (1)

[CONFIDENTIAL TEXT DELETED - EVIDENCE OF ADVANCE PAYMENT DEFAULT]

Advance Cables -
late payments (2)

[CONFIDENTIAL TEXT DELETED - FURTHER EVIDENCE OF ADVANCE PAYMENT DEFAULT]

Eventually, Electra had to engage lawyers to ask Advance Cables to pay Electra

[CONFIDENTIAL TEXT DELETED - LEGAL DEMAND FOR ADVANCE TO MAKE PAYMENT FOR GOODS PURCHASED]

Olex has had underlying problems

- Olex's manufacturing facilities did not meet the demand of market by cable manufacturing and supplying
- Olex's Lydale factories were in the middle of the 2010 Black Friday bushfire - a huge impact, financially and psychologically

Olex knows about Chinese export prices, costs and domestic selling prices

- Olex approached Bectra Cables [CONFIDENTIAL], saying that its manufacturing capacity could not meet the market demand and therefore sought help from Bectra Cables to source replacement products
- Bectra Cables entered into a similar arrangement with Olex as for Advance.
- Olex Australia was introduced to Bectra Cables overseas suppliers

Olex has had dealings with Chinese exporters and has imported cable from China

- o At the beginning, Electra Cables imported [CONFIDENTIAL] cables and re-sold to Olex.
- o After that, Olex imported [CONFIDENTIAL] cables directly from Electra Cables' suppliers in China, amounting to about US\$[CONFIDENTIAL].
- o This did not cease until [CONFIDENTIAL].

Olex's related companies (Nexans Group) are themselves Chinese cable manufacturers

There are at least seven Nexans' companies in China listed on Nexans website:

- o Nexans (China) Wires & Cables Co., Ltd
- o Nexans (China) Wires & Cables Co., Ltd
- o Nexans Communication (Shanghai) Cable Co., Ltd
- o Nexans (Shanghai) Communications Co., Ltd
- o Nexans (Shanghai) Electrical Materials Co., Ltd
- o Nexans Hong Kong Limited.

Olex thus had enough information about Chinese costs and prices long before now

- o Since Olex imported cables from Electra's supplier in China - one container after another, year after year - it already knew the costs/prices of these imports.
- o If the prices were not appropriate, they must have known a long time ago. Why did it not raise the issue before?

Black Friday Bushfires

- o This was a terrible event
- o The factory of Olex in Lydale, Victoria, was in the middle of the worst hit areas
- o This negatively affected its cable manufacturing capacity for the duration of the fires and for a long time thereafter
- o It also meant that employees left the town, and the workforce was badly affected
- o Injury caused by this is not due to imports

Olex competes with its own customer wholesalers

- o On one hand, Olex sells cables to electrical wholesalers. On the other hand, Olex sells cables to end users.
- o But end users are wholesalers' customers
- o This behaviour upsets electrical wholesalers badly
- o As a result, Olex continues to lose more and more support from wholesalers.

Prysmian's market behaviour and problems unrelated to dumping

- o Does not produce enough cables to meet the market demand
- o Negotiated with Electra to secure supply at extremely low prices
- o Selling cables to end users by cutting wholesaler customers out
- o During PO: badly affected by industrial dispute
- o Stock holding problems

Prysman's attempts to buy cable at unrealistic prices

- o In February 2010, Prysman sent an email request to Electra to quote [CONFIDENTIAL]
- o Electra Cables indicated that it could source and supply cables on a commercial basis if that could be negotiated and agreed.
- o Electra Cables quoted Prysman prices on the basis of LME copper at US\$[CONFIDENTIAL] per metric ton. (If on the day of ordering the actual LME copper price is higher, the purchase price will be accordingly higher, and vice versa.)

Prysmian's Quotation Request

[CONFIDENTIAL TEXT DELETED - REQUEST FOR QUOTATION FROM PRYSMIAN TO ELECTRA]

Electra Cables' Reply

- o Electra Cables quoted the following prices FOB Huangpu (a port in Guangdong, China) with LME copper price of US\$[CONFIDENTIAL] per ton:
 - > [CONFIDENTIAL] per km
 - > [CONFIDENTIAL] per km
- o The basis for Electra Cables quotation was its buy-in price plus a minimal margin to cover the handling expenses.
- o In terms of buy-in price, the major component is the raw material copper cost (for the conductor).
- o This is professional and transparent. For example, when LME copper price is at US\$[CONFIDENTIAL], the copper alone would cost over US\$[CONFIDENTIAL] for [CONFIDENTIAL].
- o Prysman knows this.

Prysmian demanded lower pricing

[CONFIDENTIAL TEXT DELETED - REQUEST FOR LOWER QUOTATION FROM PRYSMIAN TO ELECTRA]

Prysmian's requested price reductions were unrealistic

- o However, Prysman came back to ask for unrealistic price reduction, with requested target prices as follows:
 - > [CONFIDENTIAL]
 - > [CONFIDENTIAL]
 - > [CONFIDENTIAL]
- o Their requested target prices could just barely cover the manufacturer's copper cost only.
- o Electra stayed with the principle, goods must be sold at appropriate prices and could not be "dumped".
- o Therefore the negotiation terminated.

In July 2010, a manager from Prysman [CONFIDENTIAL] sent an email to Electra, asking for quoting prices for a list of cables.

[CONFIDENTIAL TEXT DELETED - REQUEST FOR QUOTATION FROM PRYSMIAN TO ELECTRA]

Quotation to Prysmian

[CONFIDENTIAL TEXT DELETED - QUOTATION FROM ELECTRA TO PRYSMIAN]

Electra quoted the prices in column with yellow highlight.
Prysmian came back requesting unrealistic lower prices in column with orange highlight.

[CONFIDENTIAL TEXT DELETED - PRICE COMPARISON OF ELECTRA QUOTATION AND EVEN LOWER PRICES REQUESTED BY PRYSMIAN]

Electra stayed on principle to sell its products at appropriate prices and never "dump" the goods

- Since Prysmian asked for an unrealistic price reduction, and Electra did not want to sell its goods "below cost" to cause a price collapse in the market place, the negotiation finally ended up with no result.

Prysmian's Stock Availability Problem

- Prysmian has traditionally had a stock availability problem
- According to some customers who had deals with Prysmian, Prysmian quotes very low prices to customers. When the customer came back to order, the customer is told that there is no stock.
- Electra Cables can sell its cables without needing to match Prysmian's quoted lower prices, because Electra has stock availability when Prysmian does not.

Strike at Prysmian during POI (1)

- In October 2010, the workers in the cable manufacturing factory of Prysmian at Liverpool NSW went on strike for about 7 weeks.
- It has been said that the reason for the strike was concern on the part of the workers for their jobs because Prysmian was planning to move some plant and equipment to India to commence production there at lower cost.
- The outcome should not have occurred would have been if a Sydney workforce referendum (this is documented in some newspapers and online)

Strike at Prysmian during POI (2)

- The strike brought manufacturing and distribution to a halt.
- There was industrial disruption both before and after the official 7 week strike.
- During the whole period, Prysmian could not manufacture cables for market.
- The strike is Prysmian's own problem. It has nothing to do with imports from China.

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Strike at Prysmian during POI (3)

- o The workers continued to be dissatisfied with the outcome and it took a long time for production to resume at a respectable rate
- o Many customers who usually bought cables from Prysmian came to Electro Cables for supply of cables they needed
- o Once a customer switches its business to Electro - and discovers quality products, professional service, and appropriate price - the likelihood for the customer to return to Prysmian is low

Prysmian also competes with its own electrical wholesaler customers

- o Like Olex, Prysmian also sells cables directly to end users and thus competes with its own wholesaler customers.
- o As a result, more and more wholesaler customers keep reducing their purchases from Prysmian
- o Electro consistently sells to wholesalers only, and picks up quite some business because of this policy.

Prysmian's related companies (Prysmian Group) are themselves Chinese cable manufacturers

Prysmian has at least these six companies in China:

- o Prysmian (China) Investment Co., Ltd
- o Prysmian Supplying Cable Co., Ltd
- o Prysmian Angel Energy Cable Co., Ltd
- o Prysmian Tianjin Cables Co., Ltd
- o Prysmian Wire Co., Ltd
- o Prysmian Cable (Shanghai) Co., Ltd

Prysmian has had enough information about Chinese costs and prices long before now.

If the prices were not suspicious, they must have known a long time ago. Why did Prysmian not leave the issue before?

In the following slides...

- o Electro will provide some factual and truthful information about the price competition in the Australian cable market
- o In particular, Electro has been undercut in price by its competitors.

Now let's look at the market competition and prices in selling cables

- o In many cases, Electro is undercut by its competitors in pricing.
- o Advance, Olex, Prysmian and other competitors have all sold cables cheaper than those of Electro

Example 1: Advance put low prices into the market independently of anything done by Bectra Cables

- o Advance issued its selling price list to the wholesaler group, MAMEM, on 14th February 2010
- o Also attached is the corresponding price list by Bectra to this customer group starting 14 Sept 2009 and in force at the time of the Advance list
- o To our best knowledge, the rebate [CONFIDENTIAL]

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Advance set out to undercut
Electra's cable prices

[CONFIDENTIAL TEXT DELETED -
COMPARISON OF ELECTRA LIST PRICES
AND ADVANCE LIST PRICES TO MMEM]

Advance price list
to MMEM customers.

[CONFIDENTIAL TEXT DELETED - ADVANCE
PRICE LIST TO MMEM]

MMEM

- MMEM stands for MM Electrical Merchandising.
- It is a multi-branch wholesaler group, with over 100 branches throughout Australia

Prismian's price list
to MMEM customers

[CONFIDENTIAL TEXT DELETED - PRYSMIAN
PRICE LIST TO MMEM]

Electra's price list
to MMEM customers

[CONFIDENTIAL TEXT DELETED - ELECTRA'S
PRICE LIST TO MMEM]

Electra's price list
to MMEM customers

[CONFIDENTIAL TEXT DELETED - ELECTRA'S
PRICE LIST TO MMEM CONTINUED]

During POI, Prysmian kept selling cables much cheaper than Electra

- o In another case Prysmian advertised and sold their products cheaper than Electra Cables
- o For example, Prysmian issued its selling price list to the wholesaler group John R Turk, effective 11 May to 31st May 2011
- o Also attached is the corresponding price list by Electra to the same customer group at the same time
- o To our best knowledge, the rebate [CONFIDENTIAL]

For several dozens of products, both GUC and non GUC, Prysmian's prices are much cheaper than those of Electra

[CONFIDENTIAL TEXT DELETED - COMPARISONS OF ELECTRA AND PRYSMIAN LIST PRICES TO JR TURK]

Prysmian's price list to J R Turk

[CONFIDENTIAL TEXT DELETED - PRYSMIAN PRICE LIST TO JR TURK]

Electra's price list to J R Turk (1)

[CONFIDENTIAL TEXT DELETED - ELECTRA PRICE LIST TO JR TURK]

Electra's price list to J R Turk (2)

[CONFIDENTIAL TEXT DELETED - ELECTRA PRICE LIST TO JR TURK CONTINUED]

Electra's price list to J R Turk (3)

[CONFIDENTIAL TEXT DELETED - ELECTRA PRICE LIST TO JR TURK CONTINUED]

Customer Opinion About Who _ Drives Down Price

[CONFIDENTIAL TEXT DELETED - NOTE FROM ELECTRA CUSTOMER WITH COMPARATIVE PRICE INFORMATION FOR POPULAR GUC MODELS]

Reasons for Electra's Success

Electra obtains and retains business based on aspects that are more important than price

Service

- Service is an important factor for a customer to consider when ordering cables from a supplier
- We are informed that some suppliers have a cut off time in the afternoon for orders to be processed for the next day delivery. For example, it may be that for goods to be delivered the next day, orders have to be received before 3:00pm (or a stipulated time)
- The majority of customers in the industry have told us that the service to their order cut off time is indeed very important
- It is recognized in the industry that Electra Cables and its dealers must be able to perform as well as good
- In many cases when customers fax or email their orders at 3:00pm or even later, the orders are processed and the goods are packed and loaded for the next day delivery
- Due to the level of service inside and more customers decide to order goods from Electra Cables.

Electra's stock availability

- Stock availability is also critical in terms of which supplier the wholesaler chooses
- Electra Cables has three distribution centres. In the following cities: Sydney, Melbourne and Brisbane
- Each warehouse has substantial stock holdings
- Electra has professionalism and excellence in stock control and management

Stock availability of Electra's competitors

- Adelaide has only one warehouse in metro Melbourne, with a much lower level of stock holding than Electra
- City Cables and Prosumin once had warehouses in a few key parts of Australia, but this has now been much reduced
- Lack of stock impacts on their turnover
- More importantly they are regularly out of stock on their most common lines
- When a customer sends a purchase order to a cable supplier and they repeatedly receive the reply "sorry no stock" they soon change to a supplier who has stock at the time
- Because of this, many customers have made Electra Cables their first choice

Selling to wholesaler customers

- Australia's cable and electrical industry is structured in a way that there are many wholesalers throughout the country who sell to farmers, contractors and users
- If a cable manufacturer or importer sells goods to wholesalers only, and then sells the wholesaler odd a margin and sells to a contractor/end user, the wholesaler will always prosper that much, factory/importer
- If a cable manufacturer/importer on one hand sells a wholesaler to buy goods from it and meanwhile also sells directly to the wholesaler's own customers (contractors/end users) by cutting the wholesaler out of the supply chain, the wholesaler is likely to disagree with supporting that manufacturer/importer
- By consistently selling only to wholesalers, Electra has in turn been receiving the best support from these wholesalers

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Competitors cut out their wholesaler customers

- o As indicated in "black and white" in the application, the complaining suppliers indeed sell goods not only to the wholesaler but also directly to the wholesaler's customers
- o This practice has made the applicants very unpopular with the wholesalers
- o This is another contributing factor to their steadily decreasing market share to electrical wholesalers

Comments by customers

- o Customers have commented to Electra:

"You guys have been doing a good job by keeping other cable suppliers honest and fair. Otherwise, cable customers would not have been in a position to negotiate fair prices and receive excellent services."

Continued cooperation

- o Electra has been unjustly and unfairly accused by the applicants
- o But Electra will continue to do everything it can to co-operate and support Customs in its investigation

Electra's understanding of fair, healthy and free competition

- o GATT, WTO and related legislations promote fair competition, support the reduction and/or removal of trading barriers.
- o Dumping is an unfair trading practice, but it is equally wrong if a manufacturer wrongly uses anti-dumping where there is no dumping and that problems lie elsewhere.
- o Electra promotes and supports fair and healthy competition.