27 November 2014

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The Director
Operations 2
Anti-Dumping Commission
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

Anti-Dumping Investigation No. 238 of Certain Deep Drawn Stainless Steel Sinks Exported from China
Komodo Submission on Products Exemption in Response to the Issues Paper 2014/03 of the Commission on Goods and Like Goods

This submission is filed on behalf of Komodo Hong Kong Limited, Guangzhou Komodo Kitchen Technology Co., Ltd and their manufacturer Zhongshan Xintian Hardware Co., Ltd. (herein after referred as “Komodo”) to express opinion on exemption of certain products from antidumping/countervailing measures in Response to the Issues Paper 2014/03 of the Commission on Goods and Like Goods (herein after referred as “Issues Paper”).

Komodo noticed that in the Issues Paper, the Commission considers that Tasman’s “traditional” deep drawn stainless steel sinks are like to imported tight corner radius sinks on the following aspects:

- clear physical likeness, with each being a sink of a deep drawn bowl made from stainless steel, though there may be stylistic differences;
- significant functional likeness between the two (both being used in similar applications, for the same purpose of holding and draining water);
- substantial production likeness, being made from the same materials using a deep drawing process (with additional steps for tight corner radius sinks); and
- commercial likeness, with the goods being sold to similar users for similar purposes, through similar distribution channels. The Commission understands that these sinks are frequently imported by the same entities that import traditional deep drawn stainless steel sinks, and distributed and sold
The Commission also considers that: there is likely to also be ‘overlap’ between traditional deep drawn stainless steel sinks and tight corner radius sinks.

The Commission therefore considers it likely that Tasman’s Australian-manufactured deep drawn stainless steel sinks do directly compete with imported tight corner radius sinks, and hence the provisions for an exemption from anti-dumping measures under Sections 8(7)(a) and 10(8)(a) of the Dumping Duty Act are not satisfied.

Komodo thinks that although there is certain extent of likeness between Tasman’s “traditional” deep drawn stainless steel sinks and imported tight corner radius sinks, they still can not be defined as “closely like” or “directly compete” with each other. Small radius sinks are more approximate to fabricated sinks no matter on product characteristics or product tier.

<table>
<thead>
<tr>
<th>Item</th>
<th>Traditional Deep Drawn Stainless Steel Sinks</th>
<th>Tight Corner Radius Sinks</th>
<th>Fabricated Sinks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Function</td>
<td>holding and draining water</td>
<td>holding and draining water</td>
<td>holding and draining water</td>
</tr>
<tr>
<td>Material</td>
<td>stainless steel</td>
<td>stainless steel</td>
<td>stainless steel</td>
</tr>
<tr>
<td>User</td>
<td>home</td>
<td>home</td>
<td>home</td>
</tr>
<tr>
<td>Distribution Channel</td>
<td>decoration and building materials distributors</td>
<td>decoration and building materials distributors</td>
<td>decoration and building materials distributors</td>
</tr>
<tr>
<td>Shape</td>
<td>large radius</td>
<td>small radius</td>
<td>small radius</td>
</tr>
<tr>
<td>Style</td>
<td>traditional style</td>
<td>squarer look / modern style</td>
<td>squarer look / modern style</td>
</tr>
<tr>
<td>The Complexity of Manufacture Process</td>
<td>simple</td>
<td>complicated</td>
<td>complicated</td>
</tr>
<tr>
<td>Whether Manufactured in Australia</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Tier</td>
<td>Low</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Cost and Price</td>
<td>Low</td>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>

As shown by the above form, traditional sinks, tight corner radius sinks and fabricated sinks are same with each other on some common items such as function, material, user, distribution channel. And thus, the traditional sinks really have a certain extent of competition relation with tight corner radius sinks and fabricated sinks. That does not mean that traditional sinks are closely like products with tight corner radius sinks and fabricated sinks. Traditional sinks are different from tight corner radius sinks and fabricated sinks on some more important aspects, such as shape, style, complexity of manufacture process.
manufacture process, product tier, cost and price etc., while tight corner radius sinks and fabricated sinks are same on these aspects. So it is obviously that traditional sinks are not closely like and directly competitive goods with tight corner radius sinks. Komodo thinks that Small radius sinks are more approximate to fabricated sinks, which does not belong to subject products range of this case. It has been proved that, Tasman also imported tight corner radius sinks, if Tasman actually believes its traditional sinks can directly compete with imported tight corner radius sinks, Tasman need not import tight corner radius sinks and offer to customers at all.

It is stated in the Dumping and Subsidy Manual that: *the exemption power could be exercised when the Minister makes a decision to impose a duty following an investigation; the Commission shall undertake a comparative analysis between the local and the imported goods in question in order to determine whether like, or competitive goods, are offered for sale by the local industry.*

According to the understanding of Komodo, the “*like or competitive goods*” here shall refer to “closely like or directly competitive goods” and not just goods like or competitive in a normal level. Now that the antidumping case has initiated, it is impossible for the local industry just offer totally unlike or noncompetitive goods with imported goods. If “*like or competitive goods*” are decided in a loose manner, then no product exemption will be satisfied in any case, the enactment on exemption will be no use.

So, as the Tasman’s Australian-manufactured traditional stainless steel sinks are not closely like and directly competitive goods with imported tight corner radius sinks, Tasman cannot produce and offer tight corner radius sinks locally, the provisions for an exemption from anti-dumping measures under Sections 8(7)(a) and 10(8)(a) of the Dumping Duty Act are satisfied.

Komodo sincerely request the Commission reassess the exemption of tight corner radius sinks from antidumping/countervailing measures.

Yours faithfully,

Great Wall Law Firm

Huaduan Li
Lawyer