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ROGER D. SIMPSON & ASSOCIATES PTY. LTD.

ANTI - DUMPING SPECIALISTS

ACN 050 514 213 ABN 97 050 514 213

17 May 2012

NON - CONFIDENTIAL

Ms Joanne Reid
Director, International Trade Remedies Branch
Australian Customs and Border Protection Service
Customs House
5 Constitution Avenue
Canberra ACT 2600

Dear Ms Reid,

**STATEMENT OF ESSENTIAL FACTS NO. 181 - ALUMINIUM ROAD WHEELS
FROM CHINA**

This submission, on behalf of Mullins Wheels, is supplemental to our submission of 14 May 2012 in response to SEF No. 181 ("the SEF").

In section 9.8.2 of the SEF, Customs concedes that poor performance by Arrowcrest in:

- service delivery;
- communication;
- product quality and reliability and timelines of supply;
- ARW style releases; and
- standards required by motor vehicle manufacturers;

could have an effect on Arrowcrest's performance. Notwithstanding, Customs has attributed the injuries experienced by Arrowcrest because of these factors to dumped or subsidised imports, on the ground that *there was not enough evidence produced to conclude that these factors could have caused the level of injury experienced by the applicant*. That is, even though Customs acknowledged that there were injuries caused to Arrowcrest by these non-price factors, because they did not cause all of the injury experienced by Arrowcrest, Customs attributed all of the injuries caused by them to the dumped or subsidised imports. This is clearly contrary to the requirements of s269TAE(2A) of the Act and Article 3.5 of the Agreement.

Concerning the injurious effect, particularly in the AM segment, of insufficient ARW style releases by Arrowcrest, Mullins Wheels has current catalogues of 21 importers, which Mullins estimates to be about 50% of all Australian importers, and Arrowcrest. These catalogues demonstrate that in the most popular selling fitments, ie 18" passenger and 16" 4x4, Arrowcrest has 5 styles and 4 styles respectively, whereas the 21 importers whose catalogues Mullins Wheels has, have 285 and 67 styles respectively. Given that these 21 importers represent about 50% of all importers, it is likely that Arrowcrest's styles represent <1% of the Australian passenger range and <3% of the 4x4 range. This data surely

demonstrates that Arrowcrest's sales volume in the AM segment would be negatively affected by insufficient style releases. Details are at attachment A.

At (confidential) attachment B are copies of letters from Mullins Wheels' AM customers, [REDACTED] and [REDACTED], further evidencing the fact that a number of non-price factors influence ARW purchasing decisions and Arrowcrest's neglect of the AM segment.

Yours sincerely,

Roger Simpson

LIST OF ATTACHMENTS

- Attachment: A Wheel style range comparison: Arrowcrest - imports
B Letters from AM customers (confidential)

CONFIDENTIAL

Attachment A

**WHEEL STYLE RANGE COMPARISON:
ARROWCREST - IMPORTS**

Arrowcrest ARW style range compared to importer style range

| Company Name | 18" Passenger | 16" 4x4 |
|--------------|---------------|---------|
| ARROWCREST | 5 | 4 |

Importers (about 50% of all importers)

| | | |
|-----------------------|------------|-----------|
| Access Alloys | 0 | 5 |
| Advanti | 26 | 13 |
| Allied | 0 | 16 |
| ANZ Wheels | 10 | 3 |
| Austar Wheels & Tyres | 13 | 3 |
| BSA | 72 | 0 |
| CSA / Mullins | 10 | 7 |
| G-Max | 7 | 2 |
| Ikon Wheels | 2 | 1 |
| King Wheels | 13 | 0 |
| Koya | 8 | 3 |
| Lucky Wheel & Tyre | 15 | 0 |
| OX Wheels | 20 | 0 |
| OZ Wheels | 5 | 2 |
| PDW | 22 | 0 |
| Speedy Wheels | 13 | 10 |
| SSA | 13 | 0 |
| SSW | 7 | 2 |
| Vendetta | 8 | 0 |
| XHP | 18 | 0 |
| Zumbo | 3 | 0 |
| Importer total | 285 | 67 |

Source: Catalogues on hand