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# **ANTI-DUMPING NOTICE NO 2023/031**

*Customs Act 1901 – Part XVB*

## **PVC flat electric cables**

**Exported from the People's Republic of China**

### **Initiation of a Continuation Inquiry No 626 into Anti-Dumping Measures**

*Notice under section 269ZHD(4) of the Customs Act 1901*

I, Jessica Casben, the Acting Commissioner of the Anti-Dumping Commission, have initiated an inquiry into whether the continuation of anti-dumping measures, in the form of a dumping duty notice and countervailing duty notice, in respect of certain polyvinyl chloride (PVC) flat electric cables (the goods) exported to Australia from the People's Republic of China (China) is justified.

The anti-dumping measures are due to expire on 14 May 2024 (specified expiry day).<sup>1</sup>

#### **1. The goods**

The goods subject to the anti-dumping measures and this inquiry are:

Flat, electric cables, comprising two copper conductor cores and an 'earth' (copper) core with a nominal conductor cross sectional area of between, and including, 2.5 mm<sup>2</sup> and 3 mm<sup>2</sup>, insulated and sheathed with polyvinyl chloride (PVC) materials, and suitable for connection to mains electricity power installations at voltages exceeding 80 volts (V) but not exceeding 1,000 V, and complying with Australian/New Zealand Standard (AS/NZS) AS/NZS 5000.2 (the Australian Standard), and whether or not fitted with connectors.

Further information:

The locally produced goods are 2.5 Twin and Earth (TE) PVC flat cable (2.5 TE cable) that is commonly referred to as 'building wire', because of its use by the building and construction industry in domestic, commercial and industrial mains power supply low-voltage wiring installations.

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<sup>1</sup> On and from 14 May 2024, if not continued, the anti-dumping measures would no longer apply.

The term 'flat cables' mean cables where the conductor and earth cores are laid parallel in the same plane, as defined by the Australian Standard. The reference to "two copper conductor cores" refers to the 'phase core' and the 'neutral core'. The earth core (also comprising copper) is additional to these two active cores.

The goods are generally, but not exclusively, classified to the following tariff subheading of Schedule 3 to the *Customs Tariff Act 1995*:<sup>2</sup>

Tariff subheading	Statistical code	Unit	Description
8544	INSULATED (INCLUDING ENAMELLED OR ANODISED) WIRE, CABLE (INCLUDING CO-AXIAL CABLE) AND OTHER INSULATED ELECTRIC CONDUCTORS, WHETHER OR NOT FITTED WITH CONNECTORS; OPTICAL FIBRE CABLES, MADE UP OF INDIVIDUALLY SHEATHED FIBRES, WHETHER OR NOT ASSEMBLED WITH ELECTRIC CONDUCTORS OR FITTED WITH CONNECTORS.		
8544.4	- Other electric conductors, for a voltage not exceeding 1 000 V:		
8544.49.20	--- For a voltage exceeding 80 V but not exceeding 1 000 V		
8544.49.20	41	m	Insulated with P.V.C. materials

The goods subject to the anti-dumping measures do not include:

- single core cables, being cables with a single active core
- aerial cables as defined by the Australian Standard
- twin active flat cables, that is, flat cables comprising two active cores but no earth core
- circular cables as defined by the Australian Standard
- cables insulated and/or sheathed with non-PVC material, including but not limited to cross-linked polyethylene (XLPE) materials, including a combination of PVC and non-PVC material
- cables comprising cores made of aluminium conductors, and
- flexible cables (cords) as defined by Australian Standards AS/NZS 3191 and/or AS/NZS 60227.

## 2. Background to the anti-dumping measures

The anti-dumping measures were initially imposed by public notice on 14 May 2019 by the then Minister for Industry, Science and Technology (then Minister).<sup>3</sup> This followed consideration by the Commissioner of the Anti-Dumping Commission's (Commissioner) recommendation in *Anti-Dumping Commission Report No 469* (REP 469). The then Minister published:

- a dumping duty notice in respect of the goods exported from China; and
- a countervailing notice in respect of the goods exported from China except from Guilin International Wire & Cable Co. Ltd.

<sup>2</sup> These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods subject to the anti-dumping measures.

<sup>3</sup> Anti-Dumping Notice (ADN) No 2019/47 refers.

The original investigation and the imposition of the anti-dumping measures resulted from an application made under section 269TB of the *Customs Act 1901*<sup>4</sup> by Prysmian Australia Pty Ltd (Prysmian) representing the Australian industry producing like goods to the goods subject to the application.

Further details on the goods and existing measures are available on the Dumping Commodity Register on the Anti-Dumping Commission's (commission) website ([www.adcommission.gov.au](http://www.adcommission.gov.au)).

### **3. Application for continuation of the anti-dumping measures**

Division 6A of Part XVB sets out, among other things, the procedures to be followed in dealing with an application for the continuation of anti-dumping measures.

In accordance with section 269ZHB(1), the Commissioner published a notice on the commission's website on 14 March 2023.<sup>5</sup> The notice invited the following persons to apply for the continuation of the anti-dumping measures:

- the person whose application under section 269TB resulted in the anti-dumping measures (section 269ZHB(1)(b)(i)), or
- persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the anti-dumping measures (section 269ZHB(1)(b)(ii)).

On 10 May 2023, an application for the continuation of the anti-dumping measures was received from Prysmian. A non-confidential version of the application is available on the commission's public record.

Having regard to the application, and the original investigation, the Commissioner was satisfied that Prysmian is the person under section 269ZHB(1)(b)(i) because Prysmian's application under section 269TB resulted in the existing anti-dumping measures.

### **4. Consideration of application under section 269ZHD(1)**

Pursuant to section 269ZHD(1), the Commissioner must reject an application for the continuation of anti-dumping measures if the Commissioner is not satisfied of one or more of the matters referred to in section 269ZHD(2). These are:

- the application complies with section 269ZHC (section 269ZHD(2)(a)), and
- there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures to which the application relates might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent (section 269ZHD(2)(b)).

### **5. Assessment under section 269ZHD(2)(a) - compliance with section 269ZHC**

The Commissioner considered that the application complies with the requirements of section 269ZHC because it is:

- in writing
- in a form approved by the Commissioner for the purposes of this section

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<sup>4</sup> All legislative references in this notice are to the *Customs Act 1901*, unless otherwise stated.

<sup>5</sup> ADN No 2023/013 refers.

- contains the information that the form requires
- signed in the manner indicated by the form, and
- was lodged in a manner approved under section 269SMS, being by email to the commission's email address provided in the instrument under section 269SMS.<sup>6</sup>

## 6. Assessment under section 269ZHD(2)(b) – reasonable grounds

### Applicant's claims

In its application, Prysmian claims, among other things, that:

- There is sufficient evidence for the commission to conclude that the expiration of the measures would likely lead to a continuation or recurrence of dumping and subsidisation of the goods exported to Australia from China.
- According to the World Trade Organization (WTO) *Integrated Trade Intelligence Portal* there are currently 7 anti-dumping and countervailing measures imposed by WTO member countries on different types of electric cables from China.
- Exports have continued since the imposition of measures and Chinese exporters have maintained distribution links to Australia.
- The continued export activity via established export pathways presents an opportunity for Chinese exporters to quickly increase sales volume of dumped and injurious PVC flat electric cables if the measures are removed.
- Parties are motivated to achieve the lowest possible price points into the Australian market and if measures were to expire imports would suppress and depress prices, adversely affecting the profitability and stability of the domestic industry, just as they did prior to the imposition of the measures.
- The commission's finding in REP 469 has not altered since 2019, in that Chinese exporters have significant capacity to supply the goods to the Australian market in large volumes (and indeed, have previously adopted a market entry strategy to execute on such an approach).
- The PVC flat electric cable industry in Australia is volume-dependent and has a high degree of price sensitivity.
- Because the goods sold in Australia must comply with the Australian Standard, buyers are able to switch suppliers easily.
- The expiration of measures would likely lead to material injury to the Australian industry in the form of reduced sales and reduced market share.
- Chinese exporters of the goods continue to receive countervailable benefits provided by the Government of China at local, provincial, and national levels.
- Chinese excess capacity, the close proximity of the Australian market, and ongoing countervailable benefits provides a strong incentive for subject exporters to adopt a lower export market profit strategy or a marginal cost pricing strategy in order to lower price and increase market share in Australia.

As part of its application, Prysmian provided export data for the goods to demonstrate that China continues to export the goods to Australia. It also provided estimates of normal values, export prices, and evidence of new Australian importers.

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<sup>6</sup> A copy of the instrument can be found on the commission's website at [www.adcommission.gov.au](http://www.adcommission.gov.au).

## 7. The commission's consideration

In assessing Prysmian's application, the Commissioner considered the information provided in the application, information obtained from the Australian Border Force (ABF) import database, findings from REP 469, as well as other information relevant to the application.

Prysmian has relied on information such as the maintenance of distribution links, anti-dumping and countervailing measures imposed on electric cables in other jurisdictions, excess capacity of the Chinese exporters based on findings in REP 469, and their own estimates of current export prices and normal values.

Prysmian was also able to provide import data classified under the identified tariff code that contains the goods.<sup>7</sup> While this tariff code includes a range of PVC electric cables, Prysmian was reasonable in its assumption that a large proportion of these imports were the goods.

The commission has examined importation trends based on data from the ABF database. The analysis indicates that exporters from China have continued to export the goods to Australia in substantial volumes since the imposition of the measures in 2019. This confirms that manufacturers in China have maintained distribution links into the Australian market.

The commission has also examined Prysmian's constructed normal values, using Chinese raw material cost information, and deductive export prices through its own market intelligence. The commission views these calculations as reasonable, and an indication that dumping is continuing or may recur.

Prysmian notes that the commission found that exporters were in receipt of countervailable subsidies in REP 469. In its application Prysmian provided examples of recent economic analysis and commentary that suggests that the Government of China's (GOC) industrial interventions continue to increase. Prysmian has also identified claims of subsidies being received by Chinese cable producers in a current investigation undertaken by the United Kingdom Trade Remedies Authority (UKTRA). Prysmian considers that the GOC continues to influence the domestic market through a range of countervailable subsidies. The commission views this evidence as reasonable and an indication that countervailable subsidies may continue to be received.

As outlined in REP 469, the commission found that PVC flat electric cable is a price sensitive product, and that buyer will seek to purchase at the lowest possible prices. The commission also notes that Chinese exporters have significant capacity to supply the goods to the Australian market in large volumes.

Given the price sensitive nature of the Australian PVC flat electric cable market, any pricing advantage achieved because of dumping or subsidisation will have a direct impact on the Australian industry. Should the measures expire, exporters from China may obtain a price advantage over the Australian industry, making it susceptible to volume, price, profit and profitability injury.

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<sup>7</sup> Tariff subheading 8544.49.20 (statistical code 41)

## **8. Conclusion**

Having regard to the application, Prysmian's claims and other relevant information set out in this notice, the Commissioner was satisfied that, in accordance with section 269ZHD(2)(b), there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.

Based on the above findings, the Commissioner therefore decided to not reject the application.

## **9. This continuation inquiry**

For the purpose of this inquiry, the commission will examine the period from 1 April 2022 to 31 March 2023 (the inquiry period) to determine whether dumping and subsidisation has occurred and whether the variable factors relevant to the determination of duty have changed.

Following the inquiry, the Commissioner will recommend to the Minister for Industry and Science (Minister) whether the notice(s) should:

- (i) remain unaltered, or
- (ii) cease to apply to a particular exporter or to a particular kind of goods, or
- (iii) have effect in relation to a particular exporter or to exporters generally, as if different variable factors had been ascertained, or
- (iv) expire on the specified expiry day.

## **10. Public record**

The Commissioner must maintain a public record for this inquiry. The Electronic Public Record (EPR) hosted on the commission's website ([www.adcommission.gov.au](http://www.adcommission.gov.au)) contains, among other things, a copy of all non-confidential submissions from interested parties. Documents hosted on the EPR can be provided upon request to interested parties.

## **11. Submissions**

Interested parties, as defined in section 269T(1), are invited to lodge written submissions concerning the continuation of the measures, no later than the close of business on 16 July 2023, being 37 days after publication of this notice. The commission's preference is to receive submissions by email to [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au)

Submissions may also be addressed to:

The Director, Investigations 2  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601

Interested parties wishing to participate in the inquiry must ensure that submissions are lodged promptly. Interested parties should note that the Commissioner is not obliged to have regard to a submission received after the date indicated above if to

do so would, in their opinion, prevent the timely placement of the SEF on the public record.

Interested parties claiming that information contained in their submission is confidential, or that the publication of the information would adversely affect their business or commercial interests, must:

- (i) provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests, or
- (ii) satisfy me that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked "OFFICIAL: Sensitive ". Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked "PUBLIC RECORD").

## **12. Statement of essential facts**

The dates specified in this notice for lodging submissions must be observed to enable the Commissioner to report to the Minister within the legislative timeframe. The Commissioner will place the SEF on the public record on or before **27 September 2023**, that is, within 110 days after the publication of this notice, or by such later date as the Commissioner may allow in accordance with section 269ZHI(3). The SEF will set out the essential facts on which the Commissioner proposes to base a recommendation to the Minister concerning the continuation of the anti-dumping measures.

Interested parties are invited to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record. Submissions received in response to the SEF within 20 days of the SEF being placed on the public record will be taken into account in completing the Commissioner's report and recommendation to the Minister.

## **13. Report to the Minister**

The Commissioner will make a recommendation to the Minister in a report on or before **11 November 2023**,<sup>8</sup> that is, within 155 days after the date of publication of this notice, or such later date as the Commissioner may allow in accordance with section 269ZHI(3).

The Minister must make a declaration within 30 days after receiving the report, or if the Minister considers there are special circumstances, such longer period, ending before the specified expiry day, as the Minister considers appropriate. If the Minister receives the report less than 30 days before the specified expiry day, the Minister must make the declaration before that day.

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<sup>8</sup> As this day is a Saturday, the report will be provided to the Minister on or before the following business day, being Monday 13 November 2023.

#### **14. The commission contact**

Enquiries about this notice may be directed to the case manager by email at [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au)

Jessica Casben  
Acting Commissioner  
Anti-Dumping Commission

9 June 2023