

29 May 2023

Mr. Billy Brine  
Assistant Director  
Investigations Branch  
Anti-Dumping Commission  
Ngunawal Country, Industry House, 10 Binara Street  
GPO Box 2013  
CANBERRA ACT 2601

**By Email: [investigations2@adcommission](mailto:investigations2@adcommission)**

**RE: Continuation Inquiry 617 - Steel Pallet Racking**

**Non-Confidential**

Dear Mr. Brine,

I am writing on behalf of Dexion Malaysia in relation to Continuation Inquiry 617.

I note the Anti-Dumping Commission's (ADC) request for further financial information and documents from Dexion Malaysia to assist the ADC with its Continuation Inquiry.

Please see the responses below in relation to the ADC's request for further information, as well as Dexion Malaysia's initial comments regarding the Continuation Inquiry.

**1. Unavailability of information due to Dexion Malaysia data breach**

While all Dexion entities have always aimed to be as cooperative and transparent with the ADC's investigations as possible, unfortunately due to circumstances outside of the company's control, Dexion Malaysia is unable to provide a complete set of the data which the ADC has requested in this instance.

The reason for this is that [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] [Details of cyber security breach suffered by Dexion Malaysia]

Please see the attached "Cyber Security Incident Forensic Report" which contains further details about this cyber-attack.

For Dexion Malaysia specifically, this missing data is from [REDACTED] [Relevant dates] which affects our ability to provide complete data for the inquiry period of 1 January 2022 – 31 December 2022.

Since the cyber-attack, Dexion Malaysia went live with a new ERP system [REDACTED]  
[REDACTED] [Details of new system]

Dexion Malaysia has invested substantially into a new system along with enhanced security tools to safeguard the business going forward. This implementation was rolled out in very short timelines due to the forced situation the business found itself facing.

Accordingly, Dexion Malaysia currently only has the two months data of the period of investigation for ADC audit. The Dexion Malaysian entity is not able to be audited given the full records FY2022 are not available at this time.

I would like to stress that Dexion Malaysia wishes to be as cooperative and transparent with the ADC as possible and does not wish to be viewed as an uncooperative exporter.

Therefore, to assist the ADC with the inquiry, I would like to seek confirmation from the ADC as to whether providing financial data for a different period which was not affected by the cyber-attack would be of assistance to the conduct of the Continuation Inquiry?

Dexion Malaysia also welcome officers of the ADC to visit the company's Malaysian facility and personally inspect the operation of the facility and conduct any required verification of our processes from either the start of December 2022 or January 2023 up till the present.

## **2. Initial comments in relation to Continuation Investigation 617**

In addition to the above information regarding the circumstances surrounding the cyber-attack, I would like to make some comments in relation to the submissions made by Dematic Pty Ltd (**Dematic**) in its Continuation Application.

I note from the findings of the previous investigation 441 that the dumping margin for Malaysian exporters of the goods were 4.6% and 4.8% for Schaefer Systems International Sdn Bhd and uncooperative exporters respectively.

As the ADC would be aware, these dumping margins for Malaysian exporters are far smaller than those which were calculated for Chinese exporters. which ranged from 33.7% to 110.3%.

Noting that Dexion China no longer supplies the Australian market, I submit to the ADC that Dexion Malaysia believes it is highly unlikely that imports from Malaysia are causing any material injury to the Australian industry, given the previously established very minimal dumping margins.

While Dematic's submission has made allegations that dumping from Malaysia is likely to continue following the expiration of the anti-dumping measures, the greater part of its submission appears to be focused on Chinese exports as the principal danger to Australian industry.

This approach taken by Dematic is consistent with the Chinese dumping margins referred to above.

The allegations regarding Malaysian exporters continuing to dump into Australia appears to be based on some general observations in relation to the following:

- Exports from Malaysia have continued to Australia since the imposition of anti-dumping measures.

- The alleged retention of excess capacity by manufacturers in Malaysia.
- The fact that Malaysian exporters have continued to maintain distribution links in Australia.
- Observations regarding global macroeconomic trends in the steel industry.

Dexion Malaysia does not believe that these factors are sufficient to prove that dumping by Malaysian exporters is occurring, or that even if such dumping is occurring, that material injury is being caused to the Australian industry as a result.

Further, I note that Dexion Malaysia also intends to make a detailed submission to the ADC in response to the publication of the Statement of Essential Facts.

I look forward to hearing from you shortly in relation to the issues we have raised in this letter.

If you require any further information or would like to discuss, please do not hesitate to contact myself.

Kind Regards

Damian Cross

Group Managing Director

Dexion Asia Pacific