



Supplementary Australian Industry Questionnaire

Case number: 617

Product: Steel Pallet Racking

From: China and Malaysia

Inquiry period: 1 January 2022 to 31 December 2022

Response due by: 28 August 2023

Return completed questionnaire to: investigations2@adcommission.gov.au.

Why you have been asked to complete this questionnaire?

The Anti-Dumping Commission (the commission) is currently undertaking an inquiry into whether anti-dumping measures applying to exports of steel pallet racking (the goods) from the People's Republic of China (China) and Malaysia should be continued.

Australian Dumping Notice No. 2023/021 provides details of the goods under consideration, the application, and the inquiry procedures.

The commission is seeking further information from Australian industry for the goods to inform its:

- understanding of the dynamics of the Australian market, including factors that may be impacting the economic condition of the Australian industry producing the goods; and
- assessment of whether the expiration of the anti-dumping measures applying to the goods would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping and subsidisation, and the material injury that the anti-dumping measures are intended to prevent.

The commission will collect and use information in accordance with the commission's Collection and Use of Information Policy.

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The timeliness of your response is important. If you are unable to meet the due date specified above, please contact the commission.

Confidential and non-confidential versions

If you elect to respond to this questionnaire, you are required to lodge a confidential and a non-confidential version of your submission by the due date.

In submitting these versions, please ensure that each page of the information you provide is clearly marked either “**IN-CONFIDENCE**” or “**NON-CONFIDENTIAL**” in the header and footer.

All information provided to the commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the Public Record, which all interested parties can access.

Your non-confidential submission must contain sufficient detail to allow a reasonable understanding of the substance of the confidential version. If, for some reason, you cannot produce a non-confidential summary, contact the investigation case officer (see contact details on Page 1 of this questionnaire).

Declaration

You are required to make a declaration that the information contained in your response is complete and correct. You must return the signed declaration of an authorised person at end of this questionnaire with your response.

A-1 Company information

1. Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of this inquiry.

N/A. Safer Storage Systems (SSS) does not use any other business name(s).

2. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

See Confidential Attachment 1.

3. List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.

[Commercial-in-confidence shareholder details]

4. If your company is a subsidiary of another company list the major shareholders of that company.

N/A.

5. If your parent company is a subsidiary of another company, list the major shareholders of that company.

N/A.

6. Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).

See Confidential Attachment 6.

7. Are any management fees/corporate allocations charged to your company by your parent or related company?

No.

8. Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.

[Commercial-in-confidence importer/exporter details]

9. Provide a copy of the two most recent annual reports (if relevant). Also provide copies of relevant brochures or pamphlets on your business activities.

Refer Confidential Attachment 7.

10. Provide details of any relevant industry association.

Australian Made Campaign and the Family Business Association.

A-2 The imported and locally produced goods

Model Control Code (MCC)

Item	Category	Sub-category		Sales Data	Cost data
1	Form	B	Beam	Mandatory	Mandatory
		U	Upright		
		BR	Brace		
2	Finish	G	Galvanized	Mandatory	Mandatory
		PC	Powder coated		
		P	Painted		

1. Fully describe your product(s) that are 'like' to the imported product:

- Include physical, technical or other properties.

Steel Pallet racking, or parts thereof, assembled or unassembled, of dimensions that can be adjusted as required (with or without locking tabs and/or slots, and/or bolted or clamped connections), including any of the following: uprights, beams, and bracing.

- List this information for each make and model in the range.

Refer Confidential Attachment 2.

- Supply technical documentation where appropriate.

Refer Confidential Attachment 2.

- Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.

Refer Confidential Attachment 2

2. Provide a summary and a diagram of your production process.

See Confidential Attachment 2.

3. If your product is manufactured from both Australian and imported inputs:

- describe the use of the imported inputs; and

Refer Confidential Attachment 3.

- identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

[Commercial-in-confidence manufacturing process, equipment investment, and personnel details]

A-3 The Australian market

Products in the Australian market

Please **complete the following:**

Appendix A1 (Australian Production)

Appendix A2 (Australian Market)

Appendix A3 (Sales Turnover)

Due to resourcing and time constraints, SSS has not completed this section.

1. Generally describe the range of the goods offered for sale in the Australian market. Your description could include information about:

- quality differences

The quality aspects of the Australian made and sold like goods can be summarised as follows:

- superior manufacturing and Quality Control processes;
- independent local testing, including:
 - destructive testing;
 - welding certification; and
 - surveillance testing and audits.
- Manufactured to stringent European / Australian standards.
- Steel / component sourcing via [*commercial-in-confidence Australian sourcing details*]
 - traceability back to the mill production / chemical properties of steel; and
 - steel sourced / supplied above minimum tensile requirements to tolerance specifications based on AS1595:1998 "Cold Rolled Steel Standard".

SSS's stringent quality controls ensure every aspect of its SILVERLINE® racking product meets the highest standards. SSS check crucial measurements using Go/No Go equipment specifically manufactured for the P90+ range ensuring quality products.

- price differences

Refer to Point 3 of SSS's public file submission dated 25 July 2023 regarding the *Assessment of the Australian Competitive Pallet Racking Landscape*.

- supply/availability differences
- SSS is equipped with beam section roll former and industrial welding machines located at their Dandenong South premises with beams rolled, welded and painted on site, on demand. It offers its customers greater flexibility.
- The ability to produce the racking locally, from start to finish, allows SSS to maintain complete control over product supply and keep up with demand for product at all times of the year. It also reduces the reliance on international supply chains, giving

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the SSS team and customers confidence in product access now and well into the future.

- Choosing SSS SILVERLINE® racking is also a more sustainable pallet racking option. The locally made racking range produces 85% less carbon emissions when compared to relative sources shipped from Europe or Asia. That's because the process for manufacturing galvanised beams produces less emissions than powder coated beams. Further, as SSS pallet racking is made in Australia, there is no associated overseas freight impact.
- SSS continues to expand its manufacturing capabilities after securing precision equipment to produce an additional component for the SILVERLINE® range. SSS will be the first to produce this component outside of the GMH facilities in Europe.
 - technical support differences
 - Local contract engineers for all structural certification:
 - *[commercial-in-confidence contract engineer details]*
 - product segmentation.

Selective, Narrow Aisle to Drive-in Racking or Mobile Racking (MOVO), Pallet shuttle, Automated systems (ASRS, Miniload).

2. Describe the end uses of the goods in the Australian market from all sources.

SSS's pallet racking can be easily configured in a variety of ways based on customer needs and pallet load, to ensure a functional and logical warehouse storage solution.

SSS can manufacture a storage system that can provide optimal storage economics. This includes Selective, Narrow Aisle to Drive-in Racking or Mobile Racking (MOVO), Pallet shuttle, Automated systems (ASRS, Miniload).

3. Describe the different sales channels you supply the goods (for example, retail, wholesale, direct installation etc.), and the types of customers in each sales channel.

The difference sales channels and customers can be summarised as follows:

[Commercial-in-confidence sales channel listing]

Refer Confidential Attachment 4.

4. Describe the key product attributes that influence purchasing decisions or purchaser preferences in the Australian market. Rank these preferences or purchasing influences in order of importance.

These factors vary from customer to customer, however typically are as follows:

- price;
- sustainability;
- lead Time / availability; and
- quality.

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5. Describe the process by which your customers select your goods and the key factors that informed that decision.

- Solution development – Data analysis, observation, logic;
- Confidence in SSS capability to deliver;
- Repeat business reliant trust, historical pricing and DIFOT; and
- Price is always a factor.

6. What are the key differences between locally made goods and imported goods? How do these factors impact the purchasing decisions of your customers?

Galvanised beams reflect the light and allow light to better penetrate throughout the racking system. This provides enhanced visibility in the warehouse for increased safety and peace of mind.

Painted beam safety pins stand out against the galvanised racking, making safety inspections more efficient.

The galvanised finish also provides a greater contrast with floor mounted guarding and safety yellow backstops, aiding forklift operators to place pallets into the racking with more accuracy.

SSS Silverline P90+ Racking is made of high grade and high tensile steel (minimum 350MPa for beams and 450MPa for uprights), which is galvanised rather than powder coated. This ensures a final product that is stronger and more durable; it doesn't corrode and looks better longer.

SSS's locally made, galvanised beams are better for the environment. The process for manufacturing galvanised beams produces less emissions than powder coated beams. Additionally, as SSS pallet racking is made in Australia, there is a limited overseas freight impact

7. How easily can your customers change suppliers? Provide a description of factors that may cause a re-evaluation of your supply arrangements.

Price / cost is the typical factor to initiate change. If a new site, there is minimal barriers to change supplier.

8. Identify if there are any commercially significant market substitutes in the market for the goods in Australia.

SSS is not aware of any exact substitutes for their goods, however from a commercial substitute perspective, refer to Point 3 in the *Assessment of the Australian Competitive Pallet Racking Landscape* section of SSS's 25 July 2023 public file submission.

9. Have there been any changes in market or consumer preferences for the goods in Australia in the last five years? Do you anticipate any change in preference in the coming five years? If yes, provide details including any relevant research or commentary on the industry/sector that supports your response.

- Anti-dumping measures;
- COVID;
- International shipping volatility;

- Currency volatility; and
- Sustainability.

Prevailing conditions of competition in the Australian market

10. In respect of the Australian market for the goods and the prevailing conditions of competition within the market:
- (a) Provide an overall description of the market for the goods in Australia which explains its main characteristics and trends over the past five years.
- Supply shifts between China and Malaysia given the disparity in anti-dumping measures;
 - Warehouses have become substantially larger; and
 - Racking supply has shifted to be incorporated into the customers scope of supply. This creates a larger tender pool with focus on price.
- (b) Provide the sources of demand for the goods in Australia, including the categories of customers, users or consumers of the product.
- 3PL;
 - Manufacturers;
 - Retail;
 - Wholesalers;
 - Cold Storage; and
 - Food / Beverage.
- (c) Provide your estimate of the proportion (%) of the market that each of those sources of demand listed in (b) represents.
- 3PL – [XX]%
 - Manufacturers – [XX]%
 - Retail – [XX]%
 - Wholesalers – [XX]%
 - Cold Storage – [XX]%
 - Food / Beverage – [XX]%
- Of the above, institutional/commercial developers influence approximately [XX]% of SSS sales which typically has price as the main decision influence to award the project.
- (d) Describe the factors that influence consumption/demand in Australia, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production.
- Strength of the economy;
 - Consumer demand;
 - Anti-dumping measures;
 - Interest rates; and

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– The move towards automation in warehousing / manufacturing.

(e) Describe any market segmentations in Australia; such as geographic or product segmentations.

N/A.

(f) Provide your estimate of the proportion (%) of the market that each of the market segments listed in (e) represents.

N/A.

(g) Describe the way in which Australian manufactured and other imported goods compete in the Australian market.

Customer ordering criteria varies, however typically refer to point 4 above.

(h) Describe the ways that the goods are marketed and distributed in the Australian market.

B2B social channels, company presentations, direct email campaign, like industry influencer's and business partners.

(i) Describe any other factors that are relevant to characteristics or influences on the market for the goods in Australia.

N/A.

11. Describe the commercially significant market participants in the market for the goods in Australia at each level of trade over the inquiry period. Include in your description:

- names of the participants;
- the level of trade for each market participant (e.g., manufacturer, reseller, original equipment manufacturer (EOM), end-user etc.);
- a description of the degree of integration (either vertical or horizontal) for each market participant; and
- an estimate of the market share of each participant.

Refer Confidential Attachment 5.

12. Identify the names of commercially significant importers in the market for the goods in Australia over the investigation period and estimate their market share. Specify the country each importer imports from and their level of trade in the Australian market, if known.

- Schaefer Systems International Sdn Bhd (China / Malaysia);
- Dexion Asia / Australia (China / Malaysia); and
- Stow Australia (ex Europe).

13. Describe any entry restrictions for new participants into the market for the goods in Australia. Your response could include information on:

- patents and copyrights;
- licenses;
- barriers to entry;

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- import restrictions; and
- government regulations (including the effect of those government regulations).

In responding to this question ensure that relevant regulations are referenced.

- Anti-dumping duties – Steel Pallet Racking;
- Compliance to AS4084:2023 and associated standards; and
- Modern Slavery Act 2018.

14. Do you anticipate any changes in patterns of supply and demand in the Australian market over the next 1 to 5 years? What are your expectations for your own sales/purchases of the goods over that period? Provide any relevant commentary to support your answers.

[Commercial-in-confidence assessment of the anti-dumping measures on supply and demand in Australia]

Other factors include:

- Economy uncertainty;
- Currency uncertainty;
- Shift to automation in warehousing / manufacturing;
- Manufacturing labour costs / availability; and
- Government policy (State and Federal).

Relationship between price and cost in Australia

15. Is your organisation/business entity the price leader of the goods in the Australian market? If no, please explain the reasons behind your response and specify the name(s) of the price leaders.

SSS is not a price leader. Low-priced imports lead the market.

16. Describe the nature of your pricing for the goods (e.g. market penetration, inventory clearance, product positioning, price taker, price maker, etc.) and your price strategies (e.g., competition-based pricing, cost-plus pricing, dynamic pricing, price skimming, value pricing, penetration pricing, bundle pricing, etc.) in Australia. If there are multiple strategies applied, please rank these by importance. If there are different strategies for different products, please specify these. Provide copies of internal documents which support the nature of your product pricing.

[Commercial-in-confidence pricing and price setting details]

17. How frequently are your Australian selling prices reviewed? Describe the process of price review and the factors that initiate and contribute to a review.

[Commercial-in-confidence pricing and price setting details]

18. Rank the following factors in terms of their influence on your pricing decisions in the Australian market, with the most important factor ranked first and the least important factor ranked last:

[Commercial-in-confidence factors rankings]

A-4 Company sales

1. Please **complete** appendix A4 (sales).
 - if any of the customers listed at appendix A4 (sales) are associated with your business, provide details of the association. Describe the price effect of the association. For example, is there preferential pricing for related parties?
2. Please identify in appendix A4 (sales) any transactions that are:
 - internal transfers; or
 - sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer or importer.
3. Attach a copy of distributor or agency agreements/contracts.
4. Provide copies of any price lists.
5. If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.
 - where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in appendix A4 (sales).
 - if you have issued credit notes (directly or indirectly) provide details if the credited amount has **not** been reported appendix A4 (sales) as a discount or rebate.
6. Select the two highest domestic sales invoices from the data supplied in appendix A4 (sales). Provide a complete set of commercial documentation for these sales. Include purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank documentation showing proof of payment.

Due to resourcing and time constraints, SSS has not completed this section.

Projects and additional services

Please **complete** appendix A4.1 (Project and Tenders).

7. Do you offer additional services alongside sales of the goods (for example, assembly or installation services)? If yes, provide details about:
 - (a) The different types of services offered
 - (b) What activities are involved in the delivery of each service
 - (c) The percentage of domestic sales where associated sales are provided
 - (d) The factors that influence the price of each associated service

Additional services offered can be summarised as follows:

- Solution Development::
 - data analysis;
 - drafting / Engineering;
 - presentations / meetings;
 - specification preparation; and

- quotation.
 - Assembly / Installation:
 - internal / external labour;
 - plant hire;
 - freight; and
 - 3rd party supply.
 - Project Management:
 - pre-delivery preparation;
 - on-site program management;
 - DIFOT; and
 - completion sign off.
 - After Sales Service:
 - audits;
 - repairs and maintenance; and
 - compliance.
 - Engineering / Certification:
 - structural compliance / certification to relevant Australian standards;
 - design Specification; and
 - quality assurance guidance and testing.
8. Do you offer to supply the goods as a part of tenders for larger projects (for example, development or installation of a new warehousing solution, or integration with an existing solution)? If yes, please complete the worksheet named "A-4.1 Projects and Tenders", which details information about any tender bids and completed projects that include the sale of the goods.

Yes – refer SSS public file submission of 25 July 2023.

9. For each of the 2 largest successful tender bids (by value) in A-4.1 Projects and Tenders" provide relevant documents including the request for tender, and your winning bid.

Due to resourcing and time constraints, SSS has not completed this section.

A-6 Injury Claims

1. Please provide any additional information (not already provided in your application) or elaborate on your application claims, addressing the likelihood of material injury occurring to the Australian industry in the absence of the anti-dumping measures.

SSS was not the applicant Australian manufacturer to the continuation inquiry in question, but has made clear above at A-3.14 and below at A-6.3 its views that material injury to the Australian industry is highly likely in the absence of the anti-dumping measures.

2. Discuss factors other than dumped imports that may have caused injury to the industry. This may be relevant to the inquiry in that an industry weakened by other events may be more susceptible to injury from dumping.

Manufacturing in Australia has become more challenging with the exit of the automotive industries. Many supporting businesses such as tool makers, steel

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services, machine manufacturers and servicing disappeared. While there remains a reduced capacity in these areas it is vulnerable to an aging workforce and further reductions in the customer base.

3. What impact did the covid-19 pandemic have or be likely to have on the economic condition of the Australian industry?

[Commercial-in-confidence COVID-19 related business circumstances and assessments]

Responses should be made as accurately and as comprehensively as possible. Supporting evidence should be attached wherever possible. It will not be sufficient to simply assert that the measure should remain in force.

A-7 Other Factors

1. Please **complete** Appendix A7 (Other factors)

Due to resourcing and time constraints, SSS has not completed this section.