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Public File

Continuation 617 – Steel pallet racking exported from the People’s Republic of China, and Malaysia

1. Introduction

Dematic Pty Limited (**Dematic**) is an Australian manufacturer of adjustable steel pallet racking and was the applicant company that requested the above-noted continuation inquiry – refer ADN No. 2023/021. Dematic makes the following submission in relation to the recently published Statement of Essential Facts (**SEF 617**).

2. SEF 617 key findings and recommendations

The Commissioner’s preliminary view in SEF 617 is that the expiry of the measures would lead, or would be likely to lead, to a continuation or recurrence of the dumping and material injury that the measures are intended to prevent.¹ The Commissioner is therefore proposing to recommend that the measures continue for a further 5 years, and that they remain unaltered.²

The Commission is proposing to recommend that the measures not lapse for the following main reasons:

- that in the absence of ongoing measures, it is likely that Chinese exporters will resume dumping and will be incentivised and are capable of regaining lost Australian export sales volumes. For Malaysia, exports will continue at dumped prices; and
- that in the absence of ongoing measures, it is likely that material injury will be experienced by the Australian industry in the following ways:
 - Chinese exporters will endeavour to recapture their market share in the Australian steel pallet racking market. It is also expected that Malaysian exporters will try to continue to increase their market share. Both these outcomes would likely be at the expense of the Australian industry’s market share and volume.³

¹ SEF 617, p. 8.

² SEF 617, p. 52.

³ SEF 617, p. 43

- Chinese exporters would again engage in robust price competition with the Australian industry to re-establish themselves in the market and increase their sales volumes and market share.⁴
- Malaysian exporters would maintain aggressive pricing strategies from being able to lower prices due to the removal of the measures, along with the increased price pressure from the continuation/recurrence of Chinese exports in increased volumes.⁵
- This would in turn put pressure on the Australian industry to reduce its prices, materially affecting profit and profitability.⁶

3. Variable factors not re-assessed

The lack of exporter cooperation, insufficient data, and data integrity issues has resulted in the Commission proposing that the variable factors (and therefore dumping margins) remain unaltered from the original investigation. Dematic appreciates the difficulties associated with the assessment of variable factors in the absence of verifiable data. Dematic nonetheless expresses its disappointment in this outcome, particularly as it relates to **[confidential text deleted: Dematic's assessment of specific variable factors]**.

4. Industry view

The SEF is evidenced-based and well-reasoned. All relevant aspects have been considered and appropriately decided by the Commission in arriving at the continuation determination. Dematic therefore welcomes these preliminarily key findings and recommendations and looks forward to the same being made in the final report to the Minister.

Yours sincerely,



Alan Lamb
Company Secretary
Dematic Pty Ltd

⁴ SEF 617, p. 44.

⁵ Ibid.

⁶ Ibid.