

19 August 2024

Anti-Dumping Commission
Investigations
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Public File

Dear Director,

Investigation No. 644 concerning Interchangeable Bolted Clipping System Brackets from China

The member of the Australian industry producing like goods to the goods the subject of this inquiry, Abey Australia Pty Limited (**Abey**), responds to the recent submission of the importer, A C Plumbing Supplies Pty Ltd (**ACP**).

The importer's submission purports to provide *...critical context...* as to Abey's material injury claims. The importer has made pre-emptive, unfounded, and selective assertions, which regrettably have misinformed the Commission. The purpose of this response is to correct the public record.

1. Market share injury and price undercutting

ACP claims that material market share injury cannot be suffered outside of the dumping period, and (with reference to the dumping period) that because Abey's sales volumes stabilised and costs fell during 2023, that material injury cannot have been suffered from dumped Chinese imports.¹

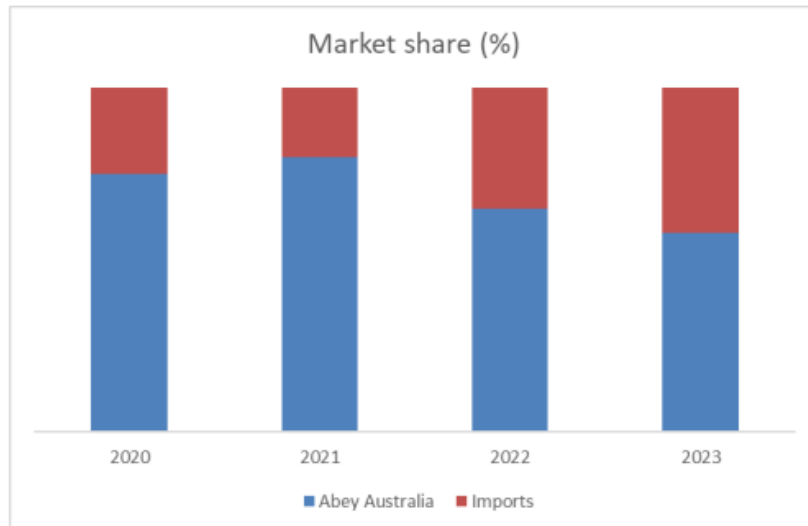
The notion of an injury finding outside of the dumping period is a given, and one wonders as to the utility of these comments in the ACP submission. As to whether material market share injury has been experienced by Abey during the dumping/investigation period, it is unclear to Abey what ACP's position actually is.

On the one hand, ACP notes that *...there is no trend graph or similar in the application to demonstrate at all, or with any particularity, the timing and direction of any trend in the investigation period.*² On the other hand, ACP references stabilised volumes and costs during the investigation period as reasons to negate a material injury finding. The former is a disclosure issue (ACP's misreading of the record); the latter is a failure to consider critical and obvious aspects of the Commission's causation analysis.

¹ ACP submission, folio no. 5, p. 3.

² Ibid.

The former ignores the clear disclosure made by the Anti-Dumping Commission (**the Commission**) in its consideration report. The Commission's market share chart tells the full and relevant story:



Non-Confidential Chart 1: Figure 4 from Consideration Report 644³

For absolute clarity, however, Abey provides below a detailed market share analysis over the full inquiry period, then quarterly over the period prior to and for the full April 2023 – March 2024 investigation period:

[Confidential charts deleted: Confidential Charts 2 & 3: Bolted Clipping System Market Share Analysis]⁴

ACP also ignores the Commission's assessment as to the causative drivers of this loss of market share. Section 6.4 of the Commission's consideration report concludes, in relevant part, that:⁵

The Commissioner considers there are reasonable grounds for expecting that the Australian industry could have achieved greater sales volumes, and therefore been able to maintain market share, if not for the dumped and subsidised goods.

...

On the information presented by the applicant, the presence of the dumped and subsidised goods in the market has influenced price negotiations and as a result, its sales volumes.

On these price negotiations, ACP's submission refers selectively to an apparent March 2022 price undercutting example within Abey's application for measures,⁶ and emphasises its supposed irrelevance on whether measures should be

³ Consideration Report No. 644, p. 26.

⁴ Charts generated from Abey's Confidential Appendix A2 data.

⁵ Consideration Report No. 644, p. 31.

⁶ ACP submission, folio no. 5, p. 5.

imposed.⁷ ACP elected to omit comment on the various other Chinese underselling examples, the most relevant of which was its own underselling of Abey as articulated in the May 2023 example (example 3).

The substantial underselling by ACP evidenced in the investigation period in the example (in the order of 32 to 61 percent) has (as confirmed by the Commission) resulted in lower market share for Abey than would have otherwise been the case. ACP also selects not to raise that fact that Abey, in its application, confirmed that the price points at which the dumped and subsidised Chinese goods are offered in the Australian market continue well past the month of the relevant example, and certainly throughout the full dumping period.⁸

Hence, it is clearly evident that there are, in fact, graphical trends and analysis that indicate with particularity the timing and direction of material market share loss and injury during the investigation period.

On the alternative latter assessment of ACP's representations, the importer argues that because Abey's sales volumes stabilised and costs fell during 2023, that material injury cannot have been suffered from Chinese imports. This ignores the undisputed fact that Abey's market share fell by [XX] percent over the full inquiry period, at a time when Chinese imports grew by [XX] percent.⁹ Between 2022/23 and 2023/24 alone, Chinese imports in the Australian market grew by [XX] percent.¹⁰ The fact that Abey's volumes may have stabilised, and costs fallen, does in no way detract from the incurrence of material market share injury due to the presence of low priced Chinese imports.

2. Production volumes

ACP's submission seeks to ascribe factors such as Covid-19, or an inability to source raw materials, or ...*something else*...¹¹ as the reason for Abey's decline in production volumes. ACP's production-related arguments also unsurprisingly continue to hinge on Abey's volume stabilisation in 2023.

Abey is the sole Australian manufacturer of interchangeable bolted clipping system brackets.¹² Given this, current competitive tensions are those with imports. And given this, the only reason for Abey's production and hence sales volumes declines are those competing Chinese volumes in the Australian market. It just so happens that in this case, these competing volumes have been assessed, on a *prima facie* basis, as materially dumped and subsidised, and therefore materially injurious to the Australian industry. Hence, any volume stabilisation arguments or an attempt to brush-off the Australian market impact of what has been an aggressively accelerated Chinese presence should be disregarded by the Commission.

⁷ Abey notes that there is no March 2022 example provided by Abey in its application. ACP's submission footnote refers to pages 32-33 of Abey's application, which covers examples for April 2022, October 2022, February 2023, and the above May 2023. Abey assumes ACP is referring to one of these, but requests that the Commission confirm. Any non-existence example would render ACP's submission arguments null and void.

⁸ For example, refer Abey's comment at p. 33 of the application that *These recent quotations confirm that the price undercutting from the dumped and subsidised import interchangeable bolted clipping system brackets from China continues in 2023 (and 2024).*

⁹ Refer Confidential Appendix A2.

¹⁰ Ibid.

¹¹ ACP submission, folio no. 5, p. 5.

¹² Refer Abey's application for measures, Section A-3.9 (p. 14).



FOR AND ON BEHALF OF

Abey Australia Pty Limited

THE AUSTRALIAN INDUSTRY APPLICANT