

**Canberra**

6/2 Brindabella Circuit  
Brindabella Business Park  
Canberra International Airport  
ACT 2609 Australia  
**+61 2 6163 1000**

**Brisbane**

Level 4, Kings Row Four  
235 Coronation Drive  
Milton, Brisbane  
QLD 4064 Australia  
**+61 4 3367 6900**

**Adelaide**

Level 21  
25 Grenfell Street  
Adelaide  
SA 5000 Australia  
**+61 8 8424 2352**



commercial + international

16 April 2025

**Director  
Investigations  
Anti-Dumping Commission  
Department of Industry, Science and Resources  
GPO Box 2013  
Canberra  
Australian Capital Territory 2601**

**By email**

Dear Director

**Intex Group International Pty Ltd  
653 - Ceiling steel framing members from China (“csfm”)  
650 - Steel corner beads and angles from China (“scba”)**

We refer to the letter from Rondo dated 12 March 2025, as appears on the public record of these investigations.

Rondo suggests that the arguments presented in our submission are *“farfical and devoid of substance or merit”*.<sup>1 2</sup>

The point we were making on behalf of our client about wall systems and their components is summed up in this paragraph:

*Intex’s prices for its imported wall systems have not affected the upward march of announced prices of the Australian manufacturers. Intex is a small competitor, holding less than 5% of the market. It is up against Rondo, Studco and Siniat, who together control approximately 90% of the metal ceiling and wall systems market. Intex can do nothing in volume terms that can impact the Australian industry’s price control of the ceiling and wall system market.*<sup>3</sup>

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<sup>1</sup> [Case 653 EPR 8](#) - Submission - Australian Industry - Rondo Building Services Pty Ltd - Response to Intex Group International Pty Ltd's submission, page 1.

<sup>2</sup> For later purposes, we note one dictionary meaning of the word *“farce”* is a *“ludicrously impossible situation”*.

<sup>3</sup> Case 653 – Submission – Importer – Intex Group International Pty Ltd – Submission on like goods, injury and profit [CONFIDENTIAL VERSION], page 8.

Rondo has helpfully agreed that it, together with the other, still-silent members of the Australian industry, have price control over the ceiling and wall system market. They exercise that control by way of csfm and scba pricing. Rondo unequivocally states:

*...both goods operate in the market on an independent basis and are decisive in end user preference<sup>4</sup>*

If both csfm and scba are decisive in end user preference for wall systems, that means they are a necessary enticement (or “loss leader”) for that purpose. The concept of a “loss leader” involves selling a product at a price below its cost or market value to attract customers who will subsequently purchase other, higher-margin items. This encourages brand lock-in, with losses incurred on the initial sale are offset by profits from subsequent purchases of complementary goods or services.

This is not something that has been brought about by imports of csfm and scba. It is an entrenched feature of a market where the main players in the Australian industry, comprising over 90% of the wall systems market, act in some kind of coincidental unity that maintains high levels of profit in their sales of ceiling and wall systems. One or other of them initiated the practice, the others followed, and now it is an entrenched practice. It is not something that was initiated in the investigation period and is not something imports are to be blamed for.

Material injury is not being caused by imports to the Australian industry members that manufacture csfm and scba, in their manufacture of csfm and scba, because “loss leader-ing” is a feature of the market that is “*decisive in end user preference*” for wall systems. Consistent with the objective of that strategy, the Australian industry members are highly profitable in their sales of wall systems.

When the Australian industry players sell csfm and scba, their objective is to sell the wall systems that go with those csfm and scba. Therefore, the Australian industry’s pricing of csfm and scba is driven downwards by competition for the sale of wall systems. The key aspect, according to Rondo, is the price of csfm and scba, that are “*decisive in end user preference*”. This is a well-known cross-subsidisation sales strategy. Indeed, one might call it a promotional cost.

Accordingly, it is competition between the Australian industry members, or their restrictive trade practices, depending on how the Commission wishes to view the situation, that has caused this to happen, and not imports.

Our client also wishes to point out these matters.

- (a) A percentage-on-percentage price increase is not worked out by adding percentages together. The PMC price increases do indeed signal a price increase of 67.41% adopted by all Australian industry members over the period concerned, and not 55.05% as Rondo has claimed.<sup>5</sup> The implications of that price behaviour, we believe, are that the Australian industry members watch each other’s pricing announcements very carefully and maintain very high profitability, by pricing componentry for wall systems in a similar manner *including* with respect to csfm and scba as enticements for the sale of their entire packages of their wall system componentry to customers.

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<sup>4</sup> [Case 653 EPR 8](#) - Submission - Australian Industry - Rondo Building Services Pty Ltd - Response to Intex Group International Pty Ltd's submission, page 1.

<sup>5</sup> [Case 653 EPR 8](#) - Submission - Australian Industry - Rondo Building Services Pty Ltd - Response to Intex Group International Pty Ltd's submission, page 3.

- (b) In its letter Rondo argues that *“Intex is far from a small competitor in the Australian market, and is able to affect material injury on the Australian industry”*. It includes the extract from our client’s submission dated 19 February 2025 which we have set out above. The proposition stated in that extract is unarguable. The market power of the Australian industry members is insurmountable, and the objective of Rondo’s application is now plain. It seeks to maintain the Australian industry’s profitability with respect to wall systems by complaining about a price level for *two components* where that price level has likely always been set at a low or loss-making level by the Australian industry members to sell *wall systems* against each other. That is a market reality established at some time long before the investigation period, and not something caused by imports in the investigation period. Rondo has openly stated that csfm and scba prices are *“decisive in end user preference”*. This admission well and truly gives the game away.
- (c) Relatedly, a sad feature about this case is the entirely unwarranted constant criticisms of our client. That behaviour demonstrates intimidatory and anti-competitive conduct by Rondo. That it is aimed against a small Australian-owned competitor, that has always behaved responsibly, and has done its best to keep up with the challenges it faces in competing against what are now subsidiaries of major foreign-owned conglomerates, makes that conduct even more reprehensible.
- (d) This case has exposed the intimidatory behaviour Intex faces. For example, Rondo suggests that the arguments presented in our client’s submission are *“farcical and devoid of substance or merit”*. An anti-dumping case is not a witch hunt. It is a legal and economic investigation. For Rondo’s edification, certain factors need to be established, having to do with cross border pricing, market behaviour, and financial harm to an Australian industry. Rondo’s attempted use of Intex’s modest business development as supportive of its case for antidumping duties to be imposed on csfm and scba from China is both disrespectful and irrelevant.<sup>6</sup> In this context we also mention Rondo’s parallel campaign whereby it has made destructive allegations relating to the base metal thickness of imported csfm and scba, which is targeted against Intex.

We hark back to Rondo’s depiction of our client’s submission as being *“farcical”*. However, the *“ludicrously improbable situation”*<sup>7</sup> here is not our client’s analysis and explanation of the Australian industry and of Australian market conditions.

**Rather, the ludicrously improbable situation is an anti-dumping application which expects the Commission**

- **to maintain the already high profitability of the Australian ceiling and wall system industry**
- **by penalising imports of certain components of wall systems**
- **where those components are priced for and compete in the market**

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<sup>6</sup> For example, complaining that Intex *“upgraded its showroom and warehouse in Adelaide”* and referring to a recruitment advertisement in which Intex proudly stated that it has *“a growing team of Territory Sales Managers – Commercial. 5 currently but expected to grow to at least 7-8 in the next 12+ months”* is petty in the extreme. See Case 653 EPR 8 - Submission - Australian Industry - Rondo Building Services Pty Ltd - Response to Intex Group International Pty Ltd’s submission, page 3.

<sup>7</sup> See footnote 2.

- **based on the modalities established by the Australian industry members themselves**
- **for the same objective that the Australian industry members have always pursued - *sales of wall systems***
- **being a pursuit in which the Australian industry members were handsomely profitable in the investigation period**

Our client requests that this investigation be terminated, for the reasons we have outlined, at such time as the Commissioner achieves the requisite degree of satisfaction to do so.

Yours sincerely



**Daniel Moulis**  
Partner Director

**+61 414 221 224**