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FOR PUBLIC RECORD

16 March 2026

**Director
Investigations Branch
Anti-Dumping Commission
GPO Box 2013
Canberra
Australian Capital Territory**

By email

Dear Director

Intex Group International Pty Ltd Case 677 –comments on Statement of Essential Facts

We refer to the abovementioned Statement of Essential Facts (“SEF 677”) relating to the investigation concerning steel corner beads and angles.

We now provide the submission of our client Intex Group International (“Intex”) with respect to that Statement, for the purposes of Section 269TEA(3)(a)(iv) of the *Customs Act 1901* (“the Act”).

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1 Scba prices are decisive for the purposes of selling ceiling and wall systems

Competition takes place in markets. Competition is the interaction between market players in the sale of the products they sell. Any “product” is easy to define. What is less easy is properly defining and understanding the market force or forces that dictate the conditions of supply and demand in the relevant market in which the product is sold. It is those conditions that dictate the price at which a product is sold in the market concerned.

To be properly established, an allegation that “dumped” imported products have caused material injury needs to be evaluated in terms of the market in which the products are sold. Intex has continually maintained, in this and related investigations, that the market for this purpose is the ceiling and wall systems market. Rondo has chosen to break up the constituent parts of “ceiling and wall systems” into (at this time) three separate investigations into three separate components of “ceiling and wall systems”. That is not to say the applications are invalid. There is no compulsion under anti-dumping law to define a product in terms of the market that one or other party might argue is the relevant market. However the analysis of the conditions of competition with respect to the product (in this case, the “component”) should not ignore, and we say cannot ignore, causative factors from the wider market in which the product is marketed and sold, whether upstream, downstream, or sideways, that are not “dumping” related. Those factors can and do impact on the price of the component of the ceiling and wall system in the market. In this case, there is one particular causative factor that is very significant, but it has not been mentioned in SEF 677 and for that reason we have to surmise that it has not been carefully enough considered or considered at all.

On 12 March 2025, Rondo placed a submission on the public record of its later withdrawn anti-dumping application for measures with respect to steel corner beads and angles (“scba”) and ceiling steel frame members (“csfm”). That submission stated that scba and csfm operate in the market for ceiling and wall systems “on an independent basis” and went on to admit that they are “decisive in end user preference” for such systems.¹ To emphasise the point, the word “decisive” was italicised in the original, in the sense of “very” decisive. Further, in that statement Rondo agreed that the relevant market was not that of scba, but that it was the ceiling and wall systems market, which is exactly our point.

These were significant admissions with respect to two very significant issues in this investigation. Intex made this submission in response:

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

¹ Steel corner beads and angles from China, EPR 655 doc no. 9 dated 12 March 2025.

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.²

In simple terms, the market for ceiling and wall systems is where the market players compete for sales of sales of all components of those systems. To attract customers to their individual systems, whether the components thereof are physically interconnected or not, a practice has developed whereby scba and furring channels (the latter being a type of csfm) are “decisive”, according to the applicant itself, in end user preference for the ceiling and wall systems, and are therefore low-priced for that purpose. Rondo has openly admitted as such. The cause of lowly priced scba and csfm is not dumped imports. That scba is low priced is in order to encourage sales of the ceiling and wall systems with which they are sold, or can be sold. Thus the profit on scba is to be found in the profit of ceiling and wall systems, the sales of which are “decisively” promoted by that low pricing.

The closest SEF 677 comes to addressing these submissions is in the following extract:

The purchasing patterns examined in chapter 9.7 further support this conclusion. Customers purchased SCBA as individual items and substituted between Rondo and Intex in response to lower-priced offers, in a manner consistent with direct product-level competition rather than system-level purchasing behaviour.³

This does not acknowledge and indeed contradicts the submissions of both the applicant and of Intex, who are both in the industry, and in the market, and therefore should know what the pricing behaviour in that market looks like and what causes it to be like it is.

Intex and no doubt Rondo as well issue price lists with an estimated balance between the component products it believes it has to sell at a lower price in the market relative to other components and those it will then sell to the same customer at prices that will create profitability for the overall industrial and market activity in which they are engaged. When the “dumping” of scba produces no change in the profitability of Rondo for ceiling and wall systems, and the aggregate level profit actually goes up and not down from a previous period, in circumstances where Rondo has no other service or product line of any substance other than ceiling and wall systems, the conclusion that must be reached is that it is not the prices of imported scba that have driven its pricing. Therefore we reiterate that imported scba pricing cannot be said to have been an operative cause of material injury.⁴

The Commission needs no more evidence of the correctness of this submission than Rondo’s own admissions and the evidence on file to the effect that Rondo has not experienced lower year-on-year profitability with respect to sales of ceiling and wall systems at any time over the past five years.

² *Steel corner beads and angles from China*, EPR 655 doc no. 10 dated 16 April 2025.

³ See SEF 677, page 81.

⁴ This table has been presented to the Commission in the csfm and lgsst investigations as well. We note that Rondo has not lodged with ASIC or advised the public of any financial results for the past 15 months.

Period ended	Rondo	Studco	Etex/Siniat
Y/E 30/06/2020	11%		
Y/E 31/12/2020		10%	
Y/E 30/06/2021	12%		
Y/E 31/12/2021		9%	-5%
Y/E 30/06/2022	12%		
Y/E 31/12/2022		10%	5%
Y/E 30/06/2023	14%		
Y/E 31/12/2023		17%	11%
Y/E 30/06/2024	15%		
Y/E 31/12/2024		16%	7%
HY/E 31/12/2024	15%		

Australian industry profit margins³³

Presumably, Rondo has simply made more money on the higher value components of the ceiling and wall systems it sold, and less on the scba it sold. It was the marketing practice of getting customers “in the door” to purchase ceiling and wall systems that dictated the lower price of the scba, as admitted-to by Rondo, and not alleged dumping of scba.

If these were court proceedings then this investigation would have been terminated a long time ago, because a court would readily recognise that it had the admissions and the evidence that it would consider sufficient to terminate this investigation.

For these reasons we respectfully submit that the Commission reconsider its preliminary recommendations in light of what now must be accepted as the mutual opinion of the applicant and our client as to the meaning and worth of scba sales in the market for ceiling and wall systems, and ultimately make no recommendation to the Minister to impose dumping measures on scba imported from China.

2 Counterfactual implausibility/competitive market conditions deny injury claim

In SEF 677 the Commission makes the following observation:

On this basis [no observed sustained or consistent undercutting for the two highest-volume models], the commission considers that observed price undercutting was limited and not sustained. The commission notes, however, that the absence of sustained undercutting does not preclude adverse price effects where the presence of dumped and/or subsidised imports constrains the Australian industry from increasing prices in line with costs or normal commercial expectations.⁵

Then, as foreshadowed by its “does not preclude” prediction, the Commission later concludes that:

⁵ See SEF 677, page 72.

...the presence of dumped and subsidised imports placed downward pressure on the Australian industry's selling prices, contributing to price depression and preventing the Australian industry from achieving price increases that might otherwise have occurred, resulting in price suppression⁶

The way this conclusion was formed was on the basis of a counterfactual that assumed an uplift to Intex's selling prices "by the combined dumping and subsidy margin after having applied the lesser duty rule":

On this basis, the commission determined that, for the 3 highest-volume product codes sold in the Australian market, Rondo would likely have achieved a minimum increase in prices of approximately 15%, based on the weighted average prices for those product codes.⁷

This counterfactual is way too simplistic, and indeed wrong, and accordingly cannot be relied upon. It fails to take into account the fact that equally profitable market players (Etex/Siniat, Studco) compete vigorously with Rondo, and are each already profitable in their sales of ceiling and wall systems. Tellingly, they did not express support for the application, suggesting that they themselves are not fussed about their financial position in the same way as Rondo is.

The 15% uplift suggests that the Commission expects the three Australian market players to decide they would all like 15% more profit than they are currently achieving, without acknowledging the simple fact that they are actually all competitors in a competitive market. What is to stop Studco, which in 2024 was more profitable in its sales of ceiling and wall systems than Rondo, simply not increasing its scba prices at all? What is to stop Etex/Siniat from holding the line on price in its resolve to increase market share in line with its one-stop shop investment in plasterboard? There is no independent, empirical evidence that the market would bear any uplift at all. Moreover, in this regard we alert the Commission to the clear evidence of a distressed construction market and to the fact that scba is a low value product compared to the proprietary engineered structural systems with which they are packaged.⁸ The assumptions available all point in the opposite direction to a 15% price uplift counterfactual outcome.

Without that counterfactual, all that the Commission would be going to the Minister with, to support the recommendation that Chinese imports of scba were causing material price injury to the Australian industry, would be the evidence of the "common-customer"⁹ presented in SEF 677. However that analysis showed only "instances"¹⁰ of lower prices, and not a pervasive pattern of same, and an acknowledgement that at an aggregate level Intex's weighted-average price undercut Rondo's in only one quarter on the investigation period.¹¹

⁶ See SEF 677, page 67.

⁷ See SEF, page 75.

⁸ See SEF, page 27.

⁹ See SEF 677, page 74.

¹⁰ See SEF 677, page 74.

¹¹ Ambiguity sometimes infects reports at critical junctures. That said, and unless we are reading this incorrectly, SEF 677 indicates that even when "Rondo respond[ed] to the lower prices... by lowering its prices", Rondo did not get the customers back. If that is the case, it would have to be treated as evidence of a non-price preference for Intex's scba. This contradicts the concept that imports maintained their market position through lower prices enabled by dumping, something the Commission has not openly recognised. See SEF 677, page 74.

To add to the above, by way of contradictions to the proposition that imported scba caused price injury to Rondo, the Commission advises in SEF 677 that it has either found these matters to be true and/or is at least aware of them:

- (a) that Rondo's selling prices of scba exceeded its CTMS for what appears to be all of the period, going by the comparison shown by the relevant graph;¹²
- (b) that graphs showing a price comparison of Rondo and Intex prices at the aggregate level and at two high volume model levels show no price undercutting of Rondo;¹³
- (c) that Rondo continually increased its profitability in the sale of ceiling and wall systems at a consolidated level over the entire injury period.

We respectfully submit that the Commission's counterfactual, which is so critical to the recommendation itself is unreliable and unneeded. The facts themselves should be more than enough to convince the Commission that no injury on the basis of the pricing of the subject goods occurred in the investigation, and that the conclusion that must be drawn based on those facts cannot be papered-over by a theoretical 15% price uplift that is not grounded on a reasonably predictable likelihood.

3 Misplaced reliance on untrustworthy market share information

The Commission accepts much of what Intex identified in its submissions as having caused poor conditions in the market, from the perspective of ceiling and wall system suppliers and their sales performance. We highlighted the downturn in construction and signs of intensified competition between the major Australian industry system suppliers (Rondo, Etex/Siniat, Studco) that downturn brought about as being primary drivers of any volume and revenue effects in the Australian scba market. We also highlighted that in the midst of all these market and competitive pressures, the Australian industry members maintained largely better-than-historical profit margins, as per the table as appears earlier in this submission.

The Commission has preliminarily concluded that the evidence of the volume and revenue changes over the defined injury examination was *"consistent with a contraction in overall residential construction activity"* driven by macro factors that the Commission has identified in SEF 677 (post HomeBuilder unwind, cost inflation, labour shortages, and COVID related volatility).¹⁴ The Commission recognises that overall Australian industry sales volumes fell over the injury period and that *"all Australian producers experienced declines in SCBA sales volumes ... in a contracting market"*.¹⁵

Pausing there, the rebuttals in 1 and 2 above, and the findings we have recited in the paragraph immediately before this one, should cause a reasonably minded bystander to consider the preliminary finding that material injury was caused by the imports under investigation to be unusual, to say the least. Realising that, perhaps, the Commission has attempted to bolster its preliminary conclusion that measures should be imposed by seeking to emphasise changes in the relative scba market shares of the Australian industry and of importers, and this is where things get really sketchy.

¹² See SEF 677, Figure 101 [sic].

¹³ See SEF 677, Figures 13, 14 and 15.

¹⁴ See SEF 677, pages 32 to 34, in particular.

¹⁵ See SEF 677, page 81.

The reasoning the Commission adds to bolster SEF 677's preliminary finding is explained by this extract from same:

The parallel decline in sales and market share across the Australian industry indicates that Rondo's performance was not solely caused by increased competition from Studco and Etex/Siniat. Instead, the consistent downward trend across the Australian industry producers reflects broader market conditions and the increased penetration of imports. The commission therefore considers that the competition from other Australian industry manufacturers did not materially contribute to the injury experienced by Rondo. Rather, the collective decline in the Australian industry's market share and sales volume, together with the rise in import penetration, demonstrates that imports, rather than other Australian industry producers, accounted for the loss of market share during the injury analysis period.¹⁶

There are two salient observations we wish to make about this.

a Market share change is irrelevant if price injury not caused by dumping

It is not clear to us how a market share change in favour of imports, whether or not the market shares are reliably determined, can be relevant to the question of material injury when the conclusion based on the evidence with respect to price injury must be that there was none. We submit that it cannot be relevant.

b Unreliable market share data

Separate from 3.a above, and therefore unnecessarily, we also submit that the Commission does not have before it reliable scba market share data so as to arrive at any solid conclusions about market shares. This is a matter that severely degrades the Commission's injury finding as well.

SEF 677 explains the way in which the market share data, upon which its preliminary conclusion of material injury caused by dumping also relies, was put together:

As discussed in chapter 5, the Australian industry for like goods consists of Rondo, Studco and Etex. The analysis detailed in this chapter is based on verification information provided by Rondo.

The commission has conducted a verification visit to verify Rondo's data and information provided during the investigation. The commission has also used Studco's volume and sales data, but this information is not as detailed as Rondo's data and was not verified by the commission. Nonetheless, the commission considers it relevant for its analysis of broader trends across the Australian industry. Etex did not provide the commission with its sales and production volume data, but the commission has used sales data relating to Etex.

The commission's estimate of Etex's sales volume is outlined in chapter 5.3.1. Accordingly, the commission's analysis focuses on the economic condition of Rondo. The commission is satisfied that Rondo is the largest Australian industry member and findings based on its information are relevant to the whole of the Australian industry.¹⁷

¹⁶ See SEF 677, page 78.

¹⁷ See SEF 677, pages 59 and 60.

There is nothing about Etex/Siniat's sales volumes specifically in chapter 5.3.1. Instead, in chapter 5.3.2, this is reported:

As noted in chapter 2.4.4, the commission did not receive a response from Etex to the Australian market questionnaire. Accordingly, the commission relied on Rondo's market share estimates as a basis for estimating Etex's sales volume.

Other points of relevance with respect to overall sales volume, when Etex/Siniat did not provide that data to the Commission, and how the volume estimated was divided up, are these:

*In its application, Rondo estimated the size of the Australian market for SCBA using Housing Industry Association (HIA) data on dwelling commencements together with its own information on the average quantity of SCBA used per dwelling.*¹⁸

*Rondo submitted that use of SCBA in commercial construction is comparatively limited and therefore did not include commercial construction in its estimate of market size.*¹⁹

*Rondo calculated market shares for itself, other Australian producers and imports from China based on its internal sales data and market intelligence.*²⁰

If we may summarise, in arriving at an approximation of import market share, as a proportion of the entire market size, the Commission has relied upon:

- estimates from Rondo, the self-interested applicant in this matter;²¹
- an educated guess about how much scba goes into an average house construction;
- such guess excluding consideration of commercial sales;
- such guess, we expect, also excluding times at which scba is not used in residential construction;²²
- undetailed and unverified information from Studco;
- no information or cooperation from Etex/Siniat;
- *import* data for imports rather than *sales* data as used for the Australian industry; and

¹⁸ See SEF 677, page 34.

¹⁹ See SEF 677, page 35.

²⁰ See SEF 677, page 35.

²¹ Intex has its own data and observations which lead it to believe that the Commission's estimates, based as they are on Rondo's guesswork and the other deficiencies we have mentioned, cannot be a reliable basis for the purpose employed. **[CONFIDENTIAL TEXT DELETED – sales information]** Secondly, Intex is not aware of large scba stock increases in small independent distributor networks in the investigation period that could explain the large percentage of scba attributed to sales of Chinese imports in Figure 5 of SEF 677 ("The commission's updated Australian market size for SCBA (tonnes)").

²² Alternatives include vinyl/[PVC corner beads](#), [paper-faced metal or paper faced composite beads](#), [all-paper or tape-type corner reinforcement](#), and [PVC angles and plaster beads](#). See relevant links to source material.

- an assumption that because Rondo is the largest Australian industry member, findings based on its information are “relevant” to its major competitors.

The Commission’s is not an easy job, and we do not use the adjective “sketchy” to suggest that the Commission did not do the best job it could in the circumstances. However the best job is not just any job carried out in good faith. What is done in order to establish the foundations for a decision with the potential and (since the taking of securities) the actuality of causing commercial prejudice to an interested party has to be reliable and unbiased. Because of the unknowns; the assumptions; the reliance on estimates and assumptions; the gaps and inconsistent information bases; and the respective cooperation and non-cooperation of parties who hope to gain from the outcome, we do not believe that the market share estimates can be relied upon. Accordingly, we ask that they be excluded from consideration.

We thank the Commission in advance for the earnest consideration it will give to our client’s submission.

We trust that the Commission will see the correctness, objectivity and reasonableness of the conclusion we have reached as to the course of action – termination of this investigation - that the facts of this matter strongly justify.

Yours sincerely



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Partner Director

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