



Australian Government
Department of Industry,
Science and Resources

Anti-Dumping
Commission

Australian industry verification report

Verification and case details

Initiation date	30/06/2025	ADN	2025/053
Case number	679		
The goods under consideration	Light Gauge Steel Stud and Track		
Case type	Dumping and Subsidy Investigation		
Australian industry	Etex Australia Pty Ltd.		
Location	Corner of Quindus Street and Spanns Road, Beenleigh QLD.		
Verification date	2/12/2025		
Investigation period	1/04/2024	to	31/03/2025

The Anti-Dumping Commission will review this report, including its views and recommendations.

This report may not reflect the Anti-Dumping Commission's final position.

Contents

1	INTRODUCTION	3
2	COMPANY BACKGROUND.....	4
2.1	CORPORATE STRUCTURE AND OWNERSHIP	4
2.2	RELATED PARTIES	4
3	LIKE GOODS MANUFACTURED IN AUSTRALIA.....	5
3.1	MANUFACTURING IN AUSTRALIA	5
3.2	MODEL CONTROL CODES.....	5
3.3	VERIFICATION OF MODEL CONTROL CODES.....	6
3.4	LIKE GOODS.....	6
3.5	LIST OF ALL MODEL CONTROL CODES.....	7
3.6	LIKE GOODS ASSESSMENT	7
4	AUSTRALIAN MARKET.....	8
4.1	AUSTRALIAN MARKET BACKGROUND.....	8
4.2	AUSTRALIAN MARKET STRUCTURE	8
4.3	AUSTRALIAN MARKET PRICING.....	9
4.4	AUSTRALIAN MARKET SIZE	10
5	VERIFICATION OF SALES COMPLETENESS AND RELEVANCE.....	11
5.1	SALES COMPLETENESS AND RELEVANCE FINDING	11
6	VERIFICATION OF SALES ACCURACY.....	12
6.1	SALES ACCURACY EXCEPTIONS	12
6.2	RELATED PARTY CUSTOMERS.....	12
6.3	SALES ACCURACY FINDING	12
7	VERIFICATION OF CTMS COMPLETENESS AND RELEVANCE	13
7.1	CTMS COMPLETENESS AND RELEVANCE FINDING	13
8	VERIFICATION OF COST TO MAKE AND SELL ACCURACY	14
8.1	COST TO MAKE AND SELL ACCURACY FINDING	14
9	ECONOMIC CONDITION	15
9.1	APPLICANT’S INJURY CLAIMS	15
9.2	APPROACH TO INJURY ANALYSIS	15
9.3	VOLUME EFFECTS	15
9.4	PRICE EFFECTS	18
9.5	PROFIT AND PROFITABILITY	18
9.6	OTHER ECONOMIC FACTORS	19
9.7	CONCLUSION	20
10	CAUSAL LINK CLAIMS.....	21
10.1	BACKGROUND AND APPROACH TO ANALYSIS	21
10.2	INJURY DURING THE INVESTIGATION PERIOD.....	21
10.3	OTHER ECONOMIC FACTORS	21
10.4	INJURY CAUSED BY FACTORS OTHER THAN DUMPING AND SUBSIDISATION.....	22
11	APPENDICES AND ATTACHMENTS	23

1 Introduction

Etex Australia Pty Ltd (Etex) provided data to the Anti-Dumping Commission (the commission) in relation to Dumping and Subsidy Investigation case number 679 into Light Gauge Steel Stud and Track (LGST or the goods) exported from the People's Republic of China (China).

A verification team (the team) has verified whether the data Etex submitted is complete, relevant and accurate for use in case 679. [Anti-Dumping Notice \(ADN\) 2016/30](#) describes the commission's verification procedure.

This report explains the team's key findings, including the evidence considered and material issues identified. Where Etex or the team materially revised the submitted data, this report outlines the nature, extent and outcomes of these revisions.

The commission prepared this report to publish on the electronic public record for case 679.

Verification teams are authorised to conduct verifications under sections 269SMG and 269SMR of the *Customs Act 1901* (Cth) (the Act).¹

¹ All legal citations in this report are to the Act unless otherwise stated.

2 Company background

2.1 Corporate structure and ownership

Etex Holding Pty Limited is the parent entity of Etex Australia Pty Limited, with the ultimate holding company being Etex NV, a Belgium-based, privately owned, international building materials manufacturer recognised as a global leader in sustainable, lightweight construction solutions.

Etex Australia Pty Ltd is a privately owned company operating within the Australian construction industry. Etex manufactures light gauge roll-formed steel products and systems used across a range of building applications. Etex markets and distributes these products under its well-established brand name 'Siniat'.

2.2 Related parties

The team examined the relationships between Etex and parties involved in the production and sale of the goods.

2.2.1 Related suppliers

Etex does not have any related suppliers.

2.2.2 Related customers

Etex does not have any related customers.

3 Like goods manufactured in Australia

3.1 Manufacturing in Australia

Etex manufactures the goods (“Siniat’ brand) at its production facility in Beenleigh, Queensland.

Two other Australian manufacturers of the goods are Rondo Building Services Pty Ltd (Rondo) and Studco Building Systems (Studco). The verification team is satisfied that the Australian industry producing like goods consists of these manufacturers.

3.1.1 Production process

Etex operates 2 roll-forming machines across its manufacturing facilities. The company uses the same rolling machines to produce LGST and other steel products.

The production process consists of de-coiling the rolled steel, passing the steel strip through a roll-forming machine that gradually bends and shapes the steel into the desired shape, punching or drilling holes in the steel, possibly creating other cuts or slots, cutting the steel to the desired length, followed by bundling and packaging.

Once the goods have been manufactured, the finished goods are packed for protection during storage and shipping. They are then shipped to Australian distributors, construction sites, or other end users.

3.2 Model control codes

The sales and costs data Etex submitted complies with the model control code (MCC) structure detailed in ADN 2025/053 and is reproduced below.

Category	Sub-category	Identifier	Sales data	Cost data
Stud / Track	Stud	S	Mandatory	Mandatory
	Track	T		
Coating type	Zinc coated	Z	Mandatory	Mandatory
	Zinc Aluminum coated	ZA		
	Zinc Magnesium coated	ZM		
	Aluminum Zinc coated	AZ		
	Aluminum Zinc Magnesium coated	AM		
	Other	B		
Coating mass	≤ 100 g/m ²	1	Mandatory	Mandatory
	> 100 g/m ² – ≤ 200 g/m ²	2		
	> 200 g/m ² – ≤300 g/m ²	3		

PUBLIC RECORD

Category	Sub-category	Identifier	Sales data	Cost data
	> 300 g/m ²	4		
Base Metal Thickness (BMT)	≤0.45mm	1	Mandatory	Mandatory
	>0.45mm – ≤ 0.55mm	2		
	>0.55mm – ≤ 0.69mm	3		
Width	≤ 51 mm	A	Mandatory	Mandatory
	> 51 mm – ≤ 66 mm	B		
	> 66 mm – ≤ 81 mm	C		
	> 81 mm – ≤ 100 mm	D		
	> 100 mm – ≤ 170 mm	E		
Height	≤ 51 mm	A	Mandatory	Mandatory
	> 51 mm – ≤ 66 mm	B		
	> 66 mm – ≤ 81 mm	C		
	> 81 mm – ≤ 100 mm	D		
	> 100 mm – ≤ 170 mm	E		

Table 1 – MCC sub-category determination

3.2.1 Amendments to model control codes

After comparing prices of different models of the goods, the team does not recommend amending the MCC structure.

3.3 Verification of model control codes

Table 2 provides detail on the model control code (MCC) sub-categories that were determined and verified to source documents.

Category	Determination of the sub-category
Stud / Track	MCC sub-categories were reconciled to: <ul style="list-style-type: none"> • Product code information • Commercial invoices • Despatch/delivery advice
Coating type	
Coating mass	
Base Metal Thickness (BMT)	
Width	
Height	

Table 2 – MCC sub-category determination

3.4 Like goods

Like goods are defined under section 269T(1) of the Act as:

goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.

The verification team considers that the goods manufactured by Etex are identical to, or have characteristics closely resembling, the goods exported to Australia for the reasons detailed below.

- **Physical likeness:** Etex manufactured are alike in physical appearance to the imported goods.
- **Production likeness:** the goods produced in Australia are manufactured in a similar manner to the imported goods.
- **Commercial likeness:** The imported and Australian-produced goods compete in the same market sector and use similar distribution channels
- **Functional likeness:** The imported and Australian-produced LGST are used interchangeably in the same or comparable end-uses.

3.5 List of all model control codes

Etex produced and sold and produced goods with the following MCCs during the investigation period:

Etex Australian sales MCC
S-AM-2-2-A-A
S-AM-2-2-B-A
S-AM-2-2-C-A
S-AM-2-2-D-A
T-AM-2-1-A-A
T-AM-2-1-C-A
T-AM-2-1-D-A
T-AM-2-2-A-A

Table 3: List of MCCs produced and sold by Etex

3.6 Like goods assessment

The verification team is satisfied that:

- LGST produced by Etex are like to the goods² imported from China
- at least one substantial process of manufacture of the goods is carried out in Australia³
- the like goods were, therefore, wholly or partly manufactured in Australia by Etex⁴
- there is an Australian industry, consisting of Etex, Rondo and Studco, which produce like goods in Australia.⁵

² Section 269T(1) (definition of 'like goods').

³ Section 269T(3).

⁴ Section 269T(2).

⁵ Section 269T(4).

4 Australian market

4.1 Australian market background

The Australian LGST market is supplied by Etex and two other Australian producers as discussed above who manufacture and distribute the goods to the Australian market. At the visit, Etex stated that there are a number of importers, the largest being Intex International.

4.2 Australian market structure

4.2.1 Marketing segmentation and end uses

Etex manufactured goods and the goods the subject of the investigation share the same or similar end uses. Both the imported goods and Etex's goods are used to build internal non-load bearing building walls. The goods are used as the frame to which plasterboard linings are attached to create walls. The imported goods and the Etex range of LGST are interchangeable in the construction of building walls. The goods are used in infrastructure developments, commercial and residential buildings.

At the visit, Etex stated that in general, the market operates with a wholesale level and a retail level. Importers and Australian manufacturers supply the goods to the distributors, who then act as the primary channel to the broader market. Distributors may also choose to act as importers by sourcing the goods directly from overseas suppliers. In addition, some sales from importers and Australian manufacturers go directly to retailers, who then resell the goods to installers, contractors, or DIY customers.

At the retail level, distributors sell to installers and contractors. However, some installers and contractors, particularly those purchasing larger volumes, may purchase directly from importers or manufacturers, effectively bypassing the traditional wholesale/retail structure.

Different manufacturers choose to organise their sales channels in various ways. Within the distribution network, there is some segmentation. Certain distributors align themselves exclusively with a single Australian manufacturer, while others offer the goods from multiple manufacturers and importers. Some manufacturers maintain close commercial relationships with a selected group of preferred distributors.

There is also partial segmentation among end customers. Some prefer to purchase a full 'wall system' which comprises LGST, plasterboard linings, and compounds from a single distributor under a single unified warranty. Others prefer to source these components separately. Distributors aligned with branded systems typically aim to provide a complete package under one warranty but may also sell individual components to customers sourcing framing materials from other suppliers.

Some Australian manufacturers do not produce plasterboard and rely on distributor partners who also supply plasterboard manufactured by related companies. In addition to standardised product sales, a smaller part of the market involves Australian manufacturers producing bespoke light gauge steel framing tailored to the specific requirements of individual construction projects.

4.2.2 Distribution arrangements

Etex distributes through a national network of independent distributors across all states. Etex also operate a small number of companies owned retail stores, located exclusively in Far North Queensland and Western Australia.

4.2.3 Supply

Etex claims that there are three Australian manufacturers of the goods and are not subject to any constraints limiting the quantity that they can supply to meet the quantity demanded by the Australian market.

The goods are also supplied by importers. Etex claims that the largest importer is Intex International. Etex stated that it is not aware of any limitations to the volume that the importers can supply.

Both importers and Australian manufacturers sell the goods directly to distributors, installers and contractors. Buyers of the goods swap readily from one brand to another. The imported goods and the goods manufactured by Etex including other Australian manufacturers are fully interchangeable.

4.2.4 Demand

Sources of demand for the goods is used wherever there is a need to install internal non-load-bearing building walls and partitions or plasterboard ceilings. The LGST creates the framing for the plasterboard used to build walls and ceilings. The greater part of the quantity demanded is for construction of commercial and residential buildings. Commercial buildings could include buildings for offices, schools, hospitals, aged care facilities, public buildings and warehouses. Among residential buildings, the goods and plasterboard walls are commonly used in large scale multi residence building projects. The goods are also used in buildings used for community, educational, medical, sporting or artist.

Etex claims that the past 5 years has had some unusual factors affecting the variability of demand. From around March 2020, the State and Territory governments shutdown many building sites and all large construction sites. That situation continued through to the end of 2020. During 2021 and 2022, all Covid restrictions were removed, there was a backlog of demand to complete construction projects. Since the Covid restrictions had also affected imports of the goods not directly affecting Etex. The supply of tradespersons to sites also affected the sequencing of different stages of work on construction projects. Therefore, even after Covid restrictions lifted, it took the best part of a year for the flow of consumer demand to return to normal levels. Since then, demand for construction services and materials has been strong.

4.3 Australian market pricing

Etex's Australian made Siniat branded goods compete directly with the imported goods the subject of the application and with other Australian made brands. All goods compete directly on price. The distribution channels vary slightly but share the same characteristics. Both importers and Australian producers sell the goods to the distributors who in turn sell to installer and contractors, or in lesser quantities to the retailers. Buyers of the goods swap readily from one brand to another and they are fully interchangeable.

Etex has set list prices. Etex sells the goods to distributors at a discount from list prices to enable them to be able to offer a competitive price to their customers. The distributors add their own margin to set the price to their customers. Frequently, the distributor's feedback is that they need to be able to offer a lower price and in response Etex has to increase the discount from the list price to enable the distributor to win the sale.

4.4 Australian market size

Etex's stated that each of the three Australian manufacturers, along with Intex International and various other importers, supply the goods that broadly align with the range of dimensions offered within Etex's product line.

In its response to the industry questionnaire, Etex noted that it does not hold comprehensive data that would allow for a precise assessment of the market shares held by Australian manufacturers. However, based on its experience and participation in the industry, Etex can provide high-level observations on the structure of the market. During the investigation period, Etex submitted its actual sales volumes and submitted an estimated market share, from which it could be inferred that the total market size of LGST goods is approximately 50 million lineal meters.

4.4.1 Domestic suppliers

Prior to the increase in imports, the domestic market was characterised by one large supplier and two other smaller established manufacturers. While domestic supply remains significant, the increased presence of imported goods has reduced the relative shares of local manufacturers of the goods.

4.4.2 Australian industry

Historically, Rondo was regarded as the dominant supplier in the domestic market. However, Etex's market observations suggest that growth in imports has exerted downward pressure on Rondo's relative market share, notwithstanding its continued position as a leading participant. Etex previously held a minority share of national supply but considers that the increased availability of imported goods has reduced its relative market position. Studco holds a comparatively smaller market share than the two larger manufacturers.

4.4.3 Imports

Imports have grown from a previously minor volumes to a level that materially influences market dynamics and procurement decisions across Australia. Intex International is regarded as a dominant importer with an established presence. Other smaller importers collectively comprise the remainder of imported volumes and have expanded their participation in recent years.

5 Verification of sales completeness and relevance

The commission typically verifies sales as complete and relevant by reconciling the revenue and quantity in sales listings up to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The team verified whether the sales listings Etex submitted are complete and relevant by reconciling them to the audited financial statements, consistent with ADN 2016/30.

The team verified the relevance and completeness of the sales data as follows:

1. Reconciled the total sales revenue for FY2024 in Etex audited financial statement to its accounting system.
2. Reconciled the total sales revenue for the investigation period to the trial balance.
3. Observed how Etex filtered out exported goods and goods that are not like goods from the sales listing in its accounting system in order to replicate the Australian sales listing.
4. Reconciled the total sales revenue in Etex's accounting system to a listing of all sales in the investigation period.

The team did not identify any exceptions. The team detailed this process in the verification work program and its relevant attachments in **Confidential Attachment 1**.

5.1 Sales completeness and relevance finding

The team is satisfied that the sales data Etex submitted is complete and relevant.

6 Verification of sales accuracy

The commission typically verifies sales as accurate by reconciling a selection of volume, revenue and other key data in the sales listings down to source documents. ADN 2016/30 further describes this verification process.

The team verified whether the export and domestic sales listings Etex submitted are accurate by reconciling them to source documents, consistent with ADN 2016/30.

The team noted a minor issue as discussed below. The team detailed this process in the verification work program and its relevant attachments in **Confidential Attachment 1**.

6.1 Sales accuracy exceptions

Exception 1: Exceptions during verification of accuracy of sales data

Description: Etex could not reconcile A4 sales data to the profit and loss statement and audited financial statement to the investigation period.

Resolution: Etex explained that the 2025 audited financial statement has not yet been completed as the calendar year does not align with the investigation period. Etex was able to reconcile one quarter of its sales to the audited financial statement – no issues were identified. Based on this the commission accepted Etex A4 sales data.

6.2 Related party customers

The verification team did not identify any related customers.

6.3 Sales accuracy finding

The team is satisfied that the sales data Etex submitted is complete and relevant. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

7 Verification of CTMS completeness and relevance

The commission typically verifies cost to make and sell (CTMS) as complete and relevant by reconciling the total cost to make (CTM) and selling, general and administrative (SG&A) expenses in cost listings up to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The team verified whether the CTM and SG&A listings Etex submitted are complete and relevant by reconciling it to audited financial statements, consistent with ADN 2016/30.

The team did not identify any exceptions. The team detailed this process in the verification work program and its relevant attachments in **Confidential Attachment 1**.

7.1 CTMS completeness and relevance finding

The Commission assessed Etex's CTMS using the available information, including audited financial statements and production and overhead records and detailed information provided following the verification visit.

The team considers Etex's CTMS data reasonably reflect the costs incurred by Etex in manufacturing and selling the goods.

8 Verification of cost to make and sell accuracy

The commission typically verifies CTMS as accurate by reconciling a selection of volume, cost and other key data in the CTM and SG&A listings down to source documents. ADN 2016/30 further describes this verification process.

Etex did not provide upward sales information. Etex completed Australian industry questionnaire and provided high-level information include its costs and profits information from April 2021 to March 2025 (injury analysis period).

At the visit, Etex stated it needed more information as how to prepare cost information. The verification team had a detailed discussion regarding the upward cost reconciliation, SG&A data and reconciliation to Etex's financial information and downward costs to source documents.

The verification team asked and Etex to provide all relevant information to the commission following the visit. The team was able to verify the information and did not find any exceptions.

8.1 Cost to make and sell accuracy finding

The team assessed Etex's CTMS using the production and overhead records and detailed information provided following the verification visit.

The team considers Etex's CTMS data reasonably reflect the costs incurred by Etex in manufacturing and selling the goods.

9 Economic condition

9.1 Applicant’s injury claims

In its response to the Australian Industry Member Market Questionnaire, Etex claimed that it has experienced injury in the form of:

- loss of sales volume
- lower production volumes
- reduced market share
- price depression
- price suppression
- loss of profit
- reduced profitability
- other economic factors.

9.2 Approach to injury analysis

The analysis detailed in this section is based on verified financial information submitted by Etex, and data from the Australian Border Force (ABF) import database. The team assessment of the economic condition of the Australian industry from 1 April 2021 is at **Confidential Attachment 2**.

A summary of the verification team’s assessment of injury claims is discussed in the following sections.

9.3 Volume effects

9.3.1 Sales volume

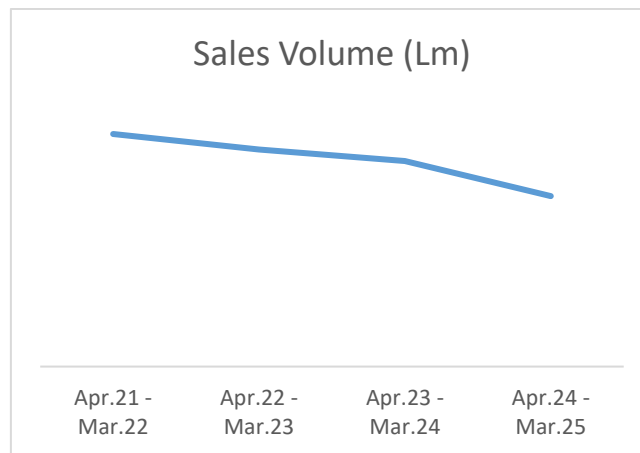


Figure 1: Etex sales volume over the injury analysis period

Figure 1 shows a consistent year-on-year decline in sales volume from 1 April 2021 to 31 March 2025 (Injury analysis period). The decline has accelerated in the most recent period.

Based on this analysis, the team considers that Etex has experienced injury in the form of loss of sales volume during the investigation period.

9.3.2 Production volume

Figure 2 shows year-on-year contraction in production and sales volume during the injury analysis period. Production of the goods tracks sales closely but generally sits slightly above it in each period, indicating deliberate alignment of output with softer demand. Overall, the trend indicates sustained weakening demand and reduced manufacturing activity responding to market conditions.

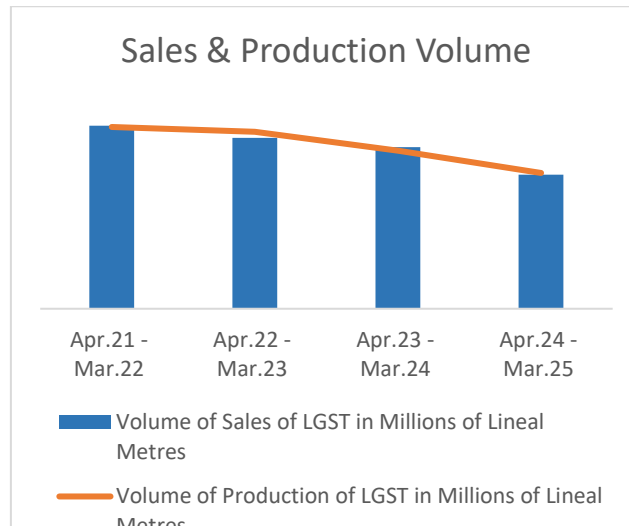


Figure 2: Etex production volume

9.3.3 Market share

Figure 3 shows the relative market share of the Australian industry, imports of like goods from China and imports from all other countries over the injury analysis period.

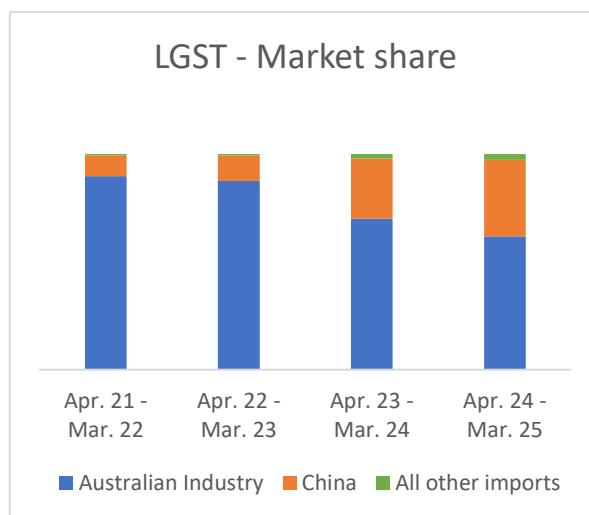


Figure 3: LGST Market share

Figure 3 illustrates that the Australian industry market share commenced declining from April 2021, with a further decline in the period April 2023 to March 2024. During the same period, there has been an increase in market share for the goods, with imports from China displacing the Australian industry's market share.

Sales volumes of steel frames to plasterboard linings

Etex claims that it has historically assessed its market position by comparing sales volumes of steel frames to plasterboard linings. From April 2021 to March 2023, the metal to board ratio remained stable, reflecting aligned demand across both product categories.

From April 2023 onward, the goods volumes decline year-on-year, plasterboard sales remain steady, and the metal-to-board ratio falls, indicating weakening demand for steel framing relative to plasterboard.

Etex claims that the increased competition from imported steel framing products, leading customers to divert metal purchases away from Etex while continuing to buy its plasterboard. This disruption to the previously aligned sales pattern highlights mounting pressure on Etex's steel framing category.

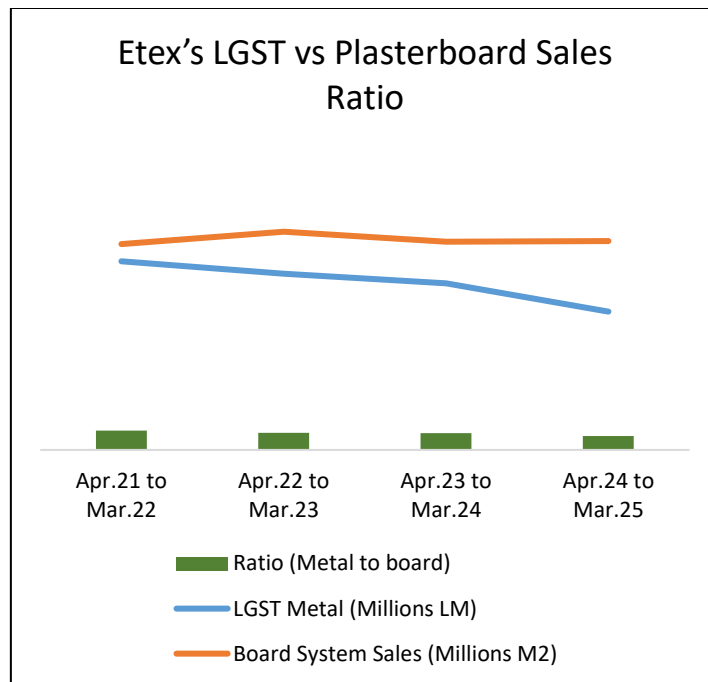


Figure 4: LGST vs Plasterboard Sales Ratio over the injury analysis period

Figure 4 compares LGST and Plasterboard sales over the injury analysis period.

Based on this analysis, the team considers that Etex has experienced injury in the form of reduced market share of the goods during the investigation period.

9.4 Price effects

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs.

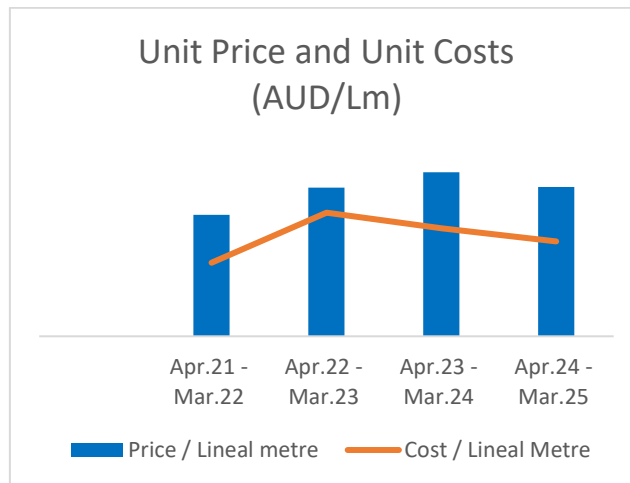


Figure 5 - Unit price and Unit Price

Figure 5 shows imported volumes of the goods from China have caused price depression in the Australian market. The unit price initially rose steadily followed by a noticeable decline in the Apr-24–Mar-25 period. Meanwhile, unit costs peaked earlier and fell more gradually, resulting in prices dropping at a faster rate than costs. This pattern indicates price depression, where selling prices are being pushed downward despite relatively stable or only modestly declining costs

Based on this analysis, the team considers that Etex has experienced injury in the form of price depression during the investigation period.

9.5 Profit and profitability

Declining sales volumes, revenue, and unit margins have reduced the overall profit of Etex’s goods operations.

PUBLIC RECORD

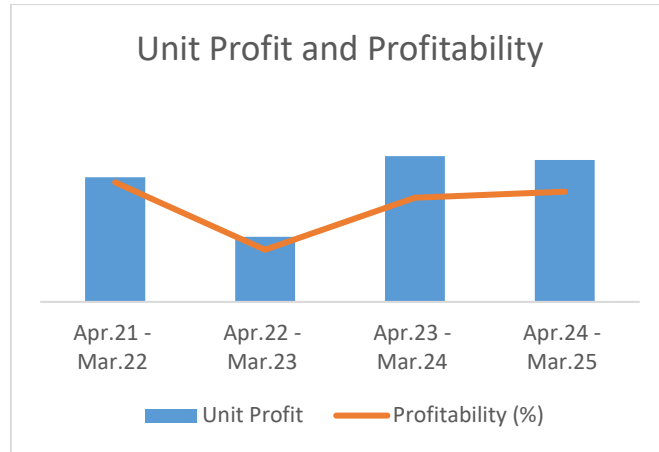


Figure 6 - Profit and profitability

Figure 6 illustrates a sharp fall in unit profit and profitability from April 2021 to March 2023, then sharp increase in the following year. Unit profit declined from April 23 to March 25 period, while profitability increases slightly during the same period.

Based on this analysis, the team considers that Etex has experienced injury in the form of loss of profits during the investigation period.

9.6 Other economic factors

As part of its application, Etex provided data and market insights regarding a range of other economic factors that may also be indicative of injury to them in the form of:

- decline in asset values
- lower revenue
- reduced return on investment
- reduced capacity utilisation
- reduced productivity

9.6.1 Revenue

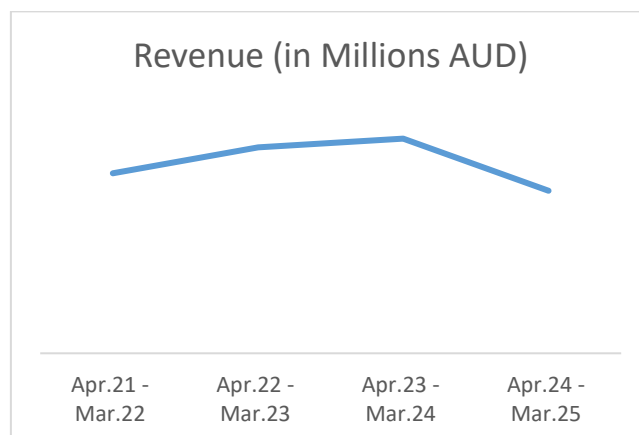


Figure 7 - Etex sales revenue in relation to like goods

Figure 7 shows that revenue declines in 2024–25 after reaching its peak in 2023–24. This downturn reverses the modest growth observed in the earlier years. Overall, the most recent period reflects a clear reduction in revenue compared with prior years.

The team considers that this supports Etex’s claim that it has suffered a decline in revenue over the injury analysis period.

9.6.2 Reduced capacity utilisation

A sustained decline in production volumes for the goods has reduced overall operational efficiency within the manufacturing facility. With fixed operating costs remaining largely unchanged, these costs are now distributed across a smaller output base, resulting in diminished cost efficiency.

Although the plant’s production capacity has remained stable, the reduction in throughput has led to a corresponding decrease in capacity utilisation. This trend reflects the broader market impact of increased import competition and associated price pressures, which have contributed to a weakening of domestic production activity.

The facility currently operates with a notable level of unused capacity, particularly in relation to automated equipment and available shift coverage. While the workforce could be expanded to support higher production levels if required, no additional capital investment has been undertaken due to the ongoing softening in market demand.

9.7 Conclusion

Based on an analysis of the information contained in the application and obtained and verified during our visit, the verification team considers that Etex has experienced injury in the form of:

- loss of sales volume
- lower production volumes
- reduced market share
- price depression
- loss of profit
- decline in asset values
- reduced capital investment
- reduced return on investment
- reduced capacity utilisation
- reduced productivity

10 Causal link claims

10.1 Background and approach to analysis

Under section 269TG, one of the matters that the Minister must be satisfied of in order to publish a dumping duty notice is that material injury to an Australian industry producing like goods has been or is being caused or is threatened.

The team discussed with Etex whether the alleged dumping and subsidisation of imported goods can be demonstrated to be causing material injury to the Australian industry and collected evidence to support those claims. The commission will consider the evidence further during the course of the investigation.

The team also examined factors other than dumping and subsidisation to consider whether these may be causing injury.

10.2 Injury during the investigation period

The verification team discussed the claims of material injury which were relevant to Etex. Etex claims that it is facing increasing competition from cheaper Chinese imports of the goods.

At the visit, Etex stated that importers from Chinese suppliers have offered prices which significantly undercut the prices which would ordinarily exist in the market generally and significantly undercut the prices that would otherwise be charged by Etex.

This has resulted in a significant change in the behaviour of distributors, in at least three ways.

- Firstly, over the last 5-year period, distributors have become much more inclined to obtain quotations from importers in addition to quotations for supplies of product from the Australian manufacturers.
- Secondly, distributors have more often responded to quotes by saying that they need to be supplied at a lower price to win the job with the goods from an Australian manufacturer.
- Thirdly, it has become common for end users to source the goods and the accompanying plasterboard separately. This is a new feature of the market that has developed over the past few years. A significant proportion of end users now separately purchase the goods from importers at cheap prices and then purchase plasterboard from an Australian manufacturer.

Etex claims that the Australian manufacturers are subject to a much more intense competition than few years ago.

The commission will continue to examine Etex's claims of material injury and the evidence provided during the investigation.

10.3 Other economic factors

Consumer preferences for the goods

Etex claims it has not noticed any change in consumers preferences for any different quality or characteristic of the goods. Etex stated that its customers have been increasingly

accepting more imported goods. This is mainly due to the imported goods being having lower prices.

At the visit, Etex stated that some of the distributors that Etex used to supply the goods are now importing the goods directly from China and cheaper prices.

Etex also stated that some customers specifically seek to purchase the goods from them, as its Australian made and that Etex also provides warranties. Furthermore, Etex goods are more resistant to rust as it has a better coating than compared to imported goods.

10.3.1 Challenges in Forecasting Future Demand

Etex anticipates that the importers may import larger volumes and undercut prices even more than they have in the past to win market share. Since reports on the China's economy indicate that manufacturers in China face a difficult business environment mainly due to recent tariffs imposed by the USA, Etex claims that the Chinese goods will be sent other export markets including Australia.

10.4 Injury caused by factors other than dumping and subsidisation

Etex did not identify any factor other than alleged dumped and subsidised goods from China causing injury to the Australian Industry. Etex claims that the material injury caused to the Australian industry is by the dumped and subsidised imports from China.

Etex claims in the absence of anti-dumping and countervailing measures to ensure a level of playing field, increasing volumes of cheap imported goods from China will place substantial pressure on the domestic market. This is expected to result in a contraction of local manufacturing capacity and a corresponding decline in Australian manufacturing jobs.

11 Appendices and attachments

Confidential attachment 1	Verification work program
Confidential attachment 2	Economic condition of the Australian industry