

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



commercial + international

9 June 2026

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**Director
 Investigations
 Anti-Dumping Commission
 GPO Box 2013
 Canberra
 Australian Capital Territory 2601**

By email

Dear Director

**Intex Group International Pty Ltd
 Case 679 – response to Etex verification report**

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A Introduction

We refer to the Etex Australia Pty Ltd (“Etex”) verification report (“the report”) published on the public record of investigation 679 into light gauge steel stud and track (“lgss”).¹

Our client is dismayed by key misstatements, omissions, falsities, and errors of logic advanced by Etex and demonstrated by the report. We highlight each issue in this submission. Cumulatively, the issues we raise cause us to doubt the ability of the Commission to rely on the report, and to respectfully conclude that it should not be relied upon.

B The three foreign-controlled manufacturers are not the entire industry

The report concludes that the verification team is satisfied that the Australian industry producing like goods only consists of Studco, Rondo and Etex. This conclusion is false and Intex is unpleasantly surprised to see it being repeated in this report, as it has been repeated in others. Intex informed the Commission, during its verification of Intex on 17 December 2025, that there are other companies producing like goods, such as Nashco² and Bryko.³ It is also of keen interest that the other local manufacturers have not raised anti-dumping concerns. Only Rondo has, with the two other foreign owned conglomerates, Studco and Etex, jumping on board when it became apparent that the Commission was favourably disposed towards Rondo’s claims. Evidently, the chance of findings that the fully profitable industry had somehow been “injured”, and been injured “materially”, and that the finger of blame should be directly pointed at imports, was not something they had rated highly before then.

The implication is that Etex did not disclose its complete knowledge of the entities comprising the Australian ceiling and wall component pressed metal manufacturing industry to the Commission. Intex does not know whether this was intentional or reckless of Etex. Either way, a failure to conduct a sufficiently industry-wide investigation must have a detrimental impact on the Commission’s ability to conduct an investigation that:

- correctly identifies the Australian industry;
- arrives at the most reliable measurements of “injury” and “materiality”;
- detects differential financial performance that would allow causation assumptions made with respect to one part of the industry to be challenged.

This persistently incorrect conclusion about who and what constitutes the Australian industry plays into the hands of the three foreign-owned entities that collectively exert their 80% to 90% market share power over not only imported materials but also those of other metal roll forming companies. We believe this omission raises doubt as to the veracity and clarity of the outcomes already arrived at by the Commission - outcomes that cannot and should not persist.

¹ [EPR 679, Doc 25](#), page 10.

² See [Nashco: Lightweight Steel Framing Solutions](#).

³ See [Building Products & Supplies – Bryko Pty Ltd Melbourne](#).

C Contradictions regarding the Australian industry and market

In the Commission's consideration report,⁴ the Australian market size for Igsst was estimated to be 50 million linear meters. The report states that Etex submitted its actual sales volumes and its own estimated market share, and from both pieces of information it could be inferred that the market size is 50 million linear metres. Intex is deeply concerned with how this market size estimate was arrived at for the following reasons.

Firstly, Etex admitted that it does not hold *"comprehensive data that would allow for a precise assessment of the market shares held by Australian manufacturers"*.⁵ But, two sentences later, its data and its estimate on market share is relied on to estimate the market size. If Etex does not have comprehensive data how can the data nonetheless be accepted as the foundation of the estimate?

Secondly, the estimated market share excludes the existence of other local manufacturers such as Nashco and Bryko. As such, the market size is likely to have been underestimated. Any estimate of the market size which excludes members of the Australian industry distorts the market share of imports (and therefore of Intex) to appear higher than it is in reality.

Intex, as acknowledged by Etex, is by far the largest importer of Igsst. But, as indicated by financial reports, it is eclipsed in size and market presence by a number of magnitudes by Etex, and also by Rondo and Studco, each of whom is foreign invested and controlled. This is simple to illustrate. According to financial reports published by ASIC, the sum of the revenue of the "big 3" in the year ending 31 December 2024 was AUD835m. In comparison Intex's revenue in the same period was AUD [CONFIDENTIAL TEXT DELETED – number], and of this revenue [CONFIDENTIAL TEXT DELETED – statement of degree and number] related to sales from metal roll formed products. Further, Intex has experienced either flatline or meagre growth in some of the last five years, and where there has been growth it has been miniscule compared to Rondo's relative decline.

Etex and Studco have market shares magnitudes larger than Intex, and therefore hold significantly more market power. The Commission reports that *"Etex's market observations suggest that growth in imports has exerted downward pressure on Rondo's relative market share"*.⁶ We cannot identify those observations in the report. However, if that is a causation proposition advanced by the Commission based on Etex's observations, why does the Commission consider it to be appropriate to make judgements about what caused Rondo's relative market share to decline based on self-serving observations made by a third party? A decrease in the relative market share of Rondo, in a market in which the three major players compete with each other (no prizes for accepting that that is what they are supposed to be doing) if Intex sold imports in the market at higher prices compared to any member of the Australian industry. That's because in that situation the Intex customer's decision to buy cannot have been based on a price comparison with the offering of the Australian industry, because if it had been the Australian industry would not have lost the sale concerned.

Etex complains that its distributors have told it that Etex needs to offer lower prices.⁷ Intex is confused by the relevance of such general and typical market feedback. It is not often that a customer would say *"oh, by the way, you're not charging me enough for these products"*. Requests for lower prices are a normal aspect of negotiation in a competitive marketplace with many alternatives available to distributors. For its part, Intex concentrates on service, not price, and supports healthy and lawful competition among

⁴ See [EPR 679, Doc 2](#), Figure 1.

⁵ See [EPR 679, Doc 25](#), page 10.

⁶ See [EPR 679, Doc 25](#), page 10.

⁷ Ibid, page 9.

competitors, while Etex self-servingly complains about it. Etex's complaint that distributors have become more inclined to obtain quotations from importers of lgsst is evidence of a competitive market only, and not of causation of material injury by dumping.

Given Etex's successful 2023 acquisition of a major plasterboard business, we are sure Etex is well placed to compete with its rivals Rondo and Studco. It has the unique competitive and cost advantage of manufacturing and supplying complete wall solutions nation-wide. This is confirmed in its 2024 global report, in which the Belgian owned Etex conglomerate refers to the Australian plasterboard acquisition as one of three major global highlights.⁸

Etex is the only major market participant that can bundle lgsst and plasterboard direct from production, and move plasterboard at cost from factory to sales, all within its own set of financial accounts. It has the flexibility to cross-subsidise lgsst sales with the price of plasterboard and the market appeal of being a "one stop" shop in terms of full systems, with more convenient logistical abilities available to its customers.

D Etex's data is unreliable and should not be considered by the Commission

The report finds that Etex could not reconcile "A4" sales data to the investigation period profit and loss statement and audited financial statement.⁹ Despite this, it appears that Etex was magically able to reconcile one quarter of its sales to the audited financial statement. Both findings cannot be true at the same time. A reasonable observer would require Etex to explain what enabled it to reconcile one quarter of data when the report had just noted it could not do so for the investigation period.

Further, the report states:

*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.*¹⁰ [emphasis added]

Given the only subject in the first statement is Etex, and the final phrase is in the passive tense, Intex is deeply concerned that it was Etex themselves who identified no issues. Is that the case? This concern is amplified when the subsequent sentence is unambiguous in attributing findings from the Commission. If the Commission accepted 12 months of Etex's sales data because Etex reconciled three months of data and found "no issues", Intex urges the Commission to reverse this acceptance. If we are wrong, and it was the Commission who verified three months of Etex data and identified "no issues", then Intex submits that it was still improper for the remaining nine months of data to have been accepted. Unambiguously, according to the report, the circumstance that was presented was an inability on Etex's part to reconcile this data to its profit and loss statement and audited financial statements.

⁸ See [EPR 679-12](#) for further comments from Intex on the impact of this acquisition on the market. For example, footnote 23: "Knauf, Etex and St-Gobain are referred to as 'the big 3' in the global wallboard industry (see Attachment 8). Industry commentaries acknowledge that plasterboard works synergistically with metal ceiling and wall systems, and that plasterboard price trends can significantly affect the pricing and competitive strategy for metal ceiling and wall systems. As per Attachment 2, high plasterboard pricing is a common complaint. In this context a corporate entity having both capabilities 'in-house' may therefore choose to exercise pricing flexibility when it comes to its sales of complementary building materials."

⁹ See [EPR 679, Doc 25](#), page 12. It is not clear what "A4 data" is meant to refer to, but we do note that the "A" keypad is next door to the "Q" one.

¹⁰ Ibid, page 12.

The report also states that Etex did not provide upward sales information but offers no reasons why Etex did not do so.¹¹ Further, during the verification visit, Etex “*needed more information as [to] how to prepare cost information*”. Intex finds it concerning that Etex waited until the verification visit, which has the purpose of *verifying* Etex’s data, to request information on how to *prepare* the cost data that needed to be verified. The report states that Etex eventually supplied “*all relevant information*” to the Commission. However, the verification of that information took place off-site, meaning that primary data was not made available on the spot, at the time of the verification, to ensure that any misgivings on the part of the Commission could be accurately and properly addressed.

Intex requests there to be an honest appraisal of what has gone in here. Intex is troubled to hear of Etex’s inability to fill out a questionnaire document, and what that inability means with regard to the veracity of its accounting records and whether they can be accepted as being a proper record for evidentiary purposes. The implication that the Commission might have leniently accepted the data for the purposes of this exercise is of further concern to Intex.

E Unsafe conclusions on economic impacts on Etex

An interrogation of the economic impact charts in the report and consideration of ancillary “injury” factors, reveals a blind “*it must be the imports*” attitude on the part of the Commission, when an open-eyed conclusion would be “*this has to be explained by building and construction market conditions and domestic industry competition*”.

1 Sales and production volume

We refer to Figures 1 and 2 of the Etex verification report. The Commission expresses the opinion that “[o]verall, the trend indicates sustained weakening demand and reduced manufacturing activity responding to market conditions”.¹² This is an overall conclusion about *causation* with which Intex agrees.

2 Market share

Intex submits that Figure 3 is not an accurate representation of the market and market share changes. Our client requests disclosure of the source of the data which enabled the creation of Figure 3. The illogicality of same, in Intex’s opinion, is explained as follows:

- the chart shows that imports of lgsst from China make up roughly 30% of the market;
- it is acknowledged that Intex is the largest Australian importer;
- it has been claimed and accepted by the Commission that the market size of lgsst is 50 million lineal metres;
- over the last five years, on average, Intex has sold [CONFIDENTIAL TEXT DELETED – statement of degree and number]% of that volume;
- that leaves the remaining importers of lgsst of China to make up [CONFIDENTIAL TEXT DELETED – statement of degree and number]% of the market.

¹¹ Ibid, page 14.

¹² See [EPR 679, Doc 25](#), page 15.

From Intex's perspective, the proposition that [CONFIDENTIAL TEXT DELETED – number]% of the market in the investigation period was occupied by non-Intex imports from China is not believable.¹³

With respect to Figure 4, we have two points to make. First, we note that Etex's ratio of "metal" to "board" sales would decrease if it sold more plasterboard. Thus, the "bar" part of the chart shows that Etex started to sell more plasterboard when it acquired BCG's Western Australian plasterboard operations. This seems indisputable and in accordance with the intentions and ambitions of that acquisition. Secondly, we do not understand how the Commission can conclude that Etex "*experienced injury in the form of reduced market share of the goods during the investigation period*" based on Figure 4, because Figure 4 only presents Etex's data.

3 Price effects

Intex strongly disputes the report's conclusion under Figure 5 because it makes no sense at all. Figure 5 demonstrates that for the majority of the period, the difference between price and cost remained stable, which indicates stable profits. In fact, in the April 2023 to March 2024 period, costs declined when prices increased, which means that in the critical portion of the injury investigation period Etex's profitability *increased*. Based on this chart the Commission concludes, without reservation, that Igsst "*from China have caused price depression in the Australian market*". Intex submits it is impossible conclude that Etex has suffered injury in the form of price depression based on this chart.

4 Profit and profitability

Intex respectfully submits that the report's conclusions derived from Figure 6 are incorrect and are not based on proper analysis. The report's finding that Etex has "*experienced injury in the form of loss of profits during the investigation period*" is wrong when one considers that the injury examination period the Commission has assigned for itself is "*from 1 April 2021*". Although we are hampered, as is usually the case with these excessively anonymised charts, by fat lines and no Y axis details, we would think that the profit and profitability shown by the chart for the investigation period outstrips the average profit and profitability over the previous three years. Over the four-year period, Etex's unit profit and profitability significantly increased, and the report acknowledges that Etex's profitability increased in the investigation period.

5 Revenue

Intex agrees with the Commission's earlier conclusion that the downward trend in volumes and revenues indicates sustained weakening demand and reduced manufacturing activity responding to market conditions.¹⁴ The decline in revenue in the last 12-month period shown by Figure 7 reflects the general market during that period.¹⁵

6 Capacity utilisation

The report states that Etex's reduction in throughput "*reflects the broader market impact of increased import competition and associated price pressures, which have contributed to a weakening of domestic production activity*".¹⁶ Drop the word "*import*" from that statement so that it refers to "*competition*" and we

¹³ It would appear that the report does not include information from Bryko and Nashco, and other members of the Australian industry, which means that the chart is further inaccurate and that reliance on same will underestimate Australian industry market share.

¹⁴ See [EPR 679, Doc 25](#), page 15.

¹⁵ Ibid, Figure 7.

¹⁶ See [EPR 679, Doc 25](#), page 20.

can again agree with the Commission.

There could be numerous factors causing the output of a business to reduce. There needs to be a linkage between the reduction in throughput and the imports concerned that has a causal nexus with respect to injury and where that injury is material. Indeed, basing a specific finding – that dumped imports have caused material injury – on a general impression of some “*broader market impact of increased import competition*” would be obviously inconsistent with the non-attribution obligation under the *Customs Act 1901*. Intex respectfully submits that this makes the Commission’s analysis incomplete.

Further, the Commission’s conclusion on Etex’s capacity utilisation does not joust with these anomalies:

- the fact that Etex’s production directly matched its sales volume, suggesting that Etex could have sold more if it had produced more or that Etex was alive to data-based predictions of downstream market trends and adjusted its production accordingly;¹⁷
- the fact that Rondo’s production volume, in the Commission’s opinion, stabilised in the investigation period compared to the preceding 12 months;¹⁸ and
- the fact that Studco’s production volume was rock-solid over the full injury period, when over the same period Rondo’s fell off a cliff.¹⁹

We are not sure whether this statement – “[w]ith fixed operating costs remaining largely unchanged, these costs are now distributed across a smaller output base, resulting in diminished cost efficiency” – is attributable to Etex or the Commission.²⁰ Nonetheless, even if true,²¹ this is a statement of effect that does not address the issue of causation.

7 Investment

The report states that Etex undertook “*no additional capital investment... due to the ongoing softening in market demand*”.²²

The truth is to the contrary. Etex spent well over AUD100m to acquire a profitable plasterboard business. This was a massive investment in the supply side of the ceiling and wall systems market. It speaks to the competitive intent of Etex in the market and its confidence as a profitable participant in the Australian industry.

F Serious concerns

Intex has serious concerns about the Commission’s position on Igsst imports.²³

¹⁷ See [EPR 679, Doc 25](#), Figure 2.

¹⁸ See [EPR 679, Doc 20](#), page 17.

¹⁹ See [EPR 679, Doc 27](#), Figure 6; cf. [EPR 679, Doc 20](#), Figure 4.

²⁰ See [EPR 679, Doc 25](#), page 20.

²¹ The available evidence causes there to be some doubt about the suggestion that the overall cost base has moved differently to prices achieved, meaning that a comparison with fixed costs is not relevant to profitability. See [EPR 679, Doc 25](#), Figure 5.

²² See [EPR 679, Doc 25](#), page 20.

²³ See [EPR 679, Doc 30](#).

Intex offers legitimate competition to a highly profitable group of oligopolistic competitors that is intent on reducing alternatives available to distributors and end users.

For the benefit of the uninitiated, the phrase “oligopolistic competitors” denotes a small number of large firms that collectively hold a large share of the market they dominate and in which they compete in a mutually interdependent way. The actions of an oligopolist in such a market materially affects the other oligopolists. The oligopolists are rivals but do not behave like price-taking firms in perfect competition; rather they must anticipate and react to one another’s strategies.

For the purposes of listing generally accepted attributes of “oligopolies” and “oligopolists”, one well-regarded textbook website lists these key features:²⁴

- *Firms in oligopolistic markets are highly interdependent; each firm must consider how rivals will react to changes in pricing, advertising, or product positioning.*
- *Firms anticipate and respond to the actions of competitors, leading to complex strategic decision-making.*
- *Oligopolies are protected by significant barriers to entry, which prevent new competitors from easily entering the market.*
- *Heavy advertising and established brands make it difficult for new entrants to attract customers.*
- *Control over distribution channels and retail shelf space further reinforces market dominance.*

The Commission cannot deny, after almost two years of investigating the ceiling and wall systems market, that the above does not sound familiar. Rondo, Studco and Etex are profitable oligopolists.

For its own part, Etex knows the dynamics of the market for ceiling and wall components, complete designed wall systems, plasterboard, and accessories very well. Its lack of acknowledgement of literally any factor other than dumping and subsidisation as causing injury to the Australian industry, even if there is any injury, which we just do not see, is telling.

Rondo and Studco are also silent on any other factor or condition which might impact their performance relative to the others. Which is what is to be expected in an oligopoly – never would one oligopolist admit to how the competitive strategies of one of them had been successful in impacting its own performance.

Like the ceiling steel framing members and steel corner beads and angles cases that have come before it, this case has much demerit. Our client asks the Commission to recognise this reality in the important closing stages of its investigation.

Yours sincerely



Daniel Moulis
Partner Director

+61 414 221 224

²⁴ See [Oligopoly and Monopolistic Competition: Real-World Applications and Strategic Behavior](#), Pearson+ Macroeconomics.