John McDermott and Associates Pty Ltd

ACN 071 413 360
ABN 91 071 413 360

27 Vagabond Cres
McKELLAR ACT 2617
Postal Address
PO Box 3414
BELCONNEN ACT 2617

Telephone: Mobile:+61412 543 792
Email: jmcd49@optusnet.com.au

Export price/normal value PTTGC/GCM

This submission is made on behalf of PTTGC and GCM in response to the application for the publication of dumping duties on high density polyethylene (HDPE) exported from Korea, Singapore, Thailand and the United States of America (USA)

PTTGC and GCM have completed the exporter questionnaires which reveal that PTTGC is the producer and it sells to GCM. GCM then on- sells to Australia and to the home market. Who is the exporter is something that must be examined according to the case circumstances. Below is an extract from the ADC Manual:

"Typically the manufacturer, as a principal, and who knowingly sent the goods for export to any destination, will be the exporter. The export price will be the price received by that producer/exporter i.e. the manufacturer. Where an intermediary is involved the export price, for the purposes of calculating a dumping or subsidy margin, will be the price received by that exporter when selling to the intermediary (even if the intermediary is in the same country as the exporter). In working out the dumping margin the export price received by the exporter for the goods will typically be the FOB price but an export price at another point may have to be used depending on the circumstances, for example, a free alongside price, or an export price expressed in some other terms.

Depending on the facts, the Commission considers that only in rare circumstances would an intermediary be found to be the exporter. Typically this will only occur where the intermediary has purchased the goods from the manufacturer; the manufacturer has no knowledge at all that the goods are destined for export to any country; and the essential role of the intermediary is that of a distributor rather than a trader and because it is acting more like a distributor the intermediary would usually have its own inventory for all export sales."

The questionnaire reveals the roles of these parties. PTTGC sells its products to GCM which is wholly owned by PTTGC. The price is negotiated by GCM and the customers, being for either the domestic or export market. The relationship between PTTGC and GCM is that GCM is a subsidiary of the producer that has no knowledge of the destination until after the price has been negotiated by GCM with the buyer. Once the price is agreed, GCM informs PTTGC of the purchase requirement, PTTGC then sells the goods to GCM at the negotiated price + GCM fee.

GCM is a selling arm of the producer PTTGC. GCM handles the delivery process for both domestic and export sales. PTTGC plays no role in arranging domestic delivery or exportation of the goods.

Accordingly, the producer, PTTGC and the selling company GCM should be treated as one entity as the selling company (GCM) is owned by the producer. It is submitted that the CTMS of the local sales in Thailand would be the COP of the producer plus all selling and general expenses.

As the combined entity is the exporter - the export price and normal value should be determined from the sales to Australia and Thailand by GCM.

Regards
John McDermott