

Comments on the Verification Report

Rhine Sinkwares Manufacturing Ltd. Huizhou (the “Rhine”) received the Verification Report from the Anti-dumping Commission (the “Commission”) on November 19, 2019. Rhine’s comments on the Verification Report are as follows:

1. The MCCs (Model Control Codes) used by the Commission is unable to classify the products of Rhine accurately.

The MCCs used by the Commission include three factors:

- 1) Number of bowls
- 2) Number of drainer boards
- 3) The total capacity of the sink

The Commission determined MCCs for each model of Rhine on the basis of the three factors mentioned above.

However, in Rhine’s opinion, the current MCCs used by the Commission failed to consider the size, the shape, the thickness and the unit weight of the products. Even if two models have same number of bowls, same number of drainer boards and similar total capacity, their size, shape, thickness or unit weight may be quite different. Then, their sales prices and CTMs may also be quite different.

Take the export prices to Australia for example:

(The company wishes to keep all the information in this table confidential as it sets out the company’s sales information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.)

Take the sales prices in domestic for example:

(The company wishes to keep all the information in this table confidential as it sets out the company’s sales information. The release of the information to any third party, especially competitors will impact negatively on the competitiveness of the company.)


It is clearly shown by the above tables that the models with the same MCC may have quite different unit weight, sales prices and cost. They can hardly be classified into one category.

2. The MCCs (Model Control Codes) used by the Commission caused a serious inaccuracy in calculating the dumping margins.

When using the MCCs, different types of products are classified into one category. This caused a confused and unreasonable comparison between export price and normal value. Especially, according to the production codes, Rhine has 77 models in Australian market but only 8 models in domestic market. By using the MCCs, the Commission compared many export models with two or three domestic models, though they are quite different products.


Take the MCC “1BWL-0DB-B” for example. This MCC includes six models and the specifications of them are as follows:

1) RH4040, sold in both domestic market and Australian market

RH4040(25°)		444x444x200	Single bowl with Radius Corner R25	1mm	Silk	#
-------------	---	-------------	------------------------------------	-----	------	---


#

2) RH5040, sold in both domestic market and Australian market

RH5040(25°)		544x444x200	Single bowl with Radius Corner R25	1mm		#
-------------	---	-------------	------------------------------------	-----	--	---


#

3) RH6216, only sold in Australian market.

RH6216		630X470X240	Single Bowl	0.8mm		#
--------	---	-------------	-------------	-------	--	---


#

4) RH6235, only sold in Australian market.

RH6235		555X455X220	Single Bowl	0.8mm	Silk/ Polish	#
--------	---	-------------	-------------	-------	-----------------	---


#

5) RH6236, only sold in Australian market.

RH6236		600X500X240	Single Bowl	0.8mm		#
--------	---	-------------	-------------	-------	--	---

#

6) RH6236C, only sold in Australian market.

RH6236		600X500X240	Single Bowl	0.8mm	Silk/ Polish	#
--------	---	-------------	-------------	-------	-----------------	---

Among them, only RH4040 and RH5040 were sold in domestic market. The size, shape, thickness and sales prices of RH4040 and RH5040 are quite different from the four other models. In fact, the shape of RH4040 and RH5040 are very special and they require advanced manufacturing technique. So, only few producers in China could produce them. In such situation, RH4040 and RH5040 are quite popular in both domestic and foreign market and they could be sold at a high price.

According to the current MCCs, the weighted average export price of six models is compared with the weighted average domestic price of RH4040 and RH5040. This caused a serious confusion and inaccuracy, because they are not similar products.

In Rhine's opinion, reasonable MCCs should be better, or at least no worse, than the models used by the company. However, the current MCCs used by the Commission lead to a significant inaccuracy and then a high dumping margin which does not exist when making a calculation on the basis of models.

In a word, the MCCs bring such a disadvantage to Rhine that we are unable to accept its application in the current investigation.

3. The dumping margins should be calculated on the basis of models.

Rhine sees no good or need to use MCCs in the current investigation. In fact, the models used by the company are far more accurate and appropriate than the MCCs used by the Commission.

Rhine respectfully requests the Commission to calculate the dumping margins on the basis of the models used by the company.