



17 December 2019

## Submission in respect of SEF 517

### Deep Drawn Stainless Steel Sinks Exported to Australia from the People's Republic of China ADN 2019/86

Dear Sir or Madam

We thank you for the opportunity to offer further input on this topic and make note of our very strong objection to the continuation of these measures in the current form and/or the form envisaged in SEF 517.

We beseech the Minister to intervene before it is too late and the damage done to Milena becomes irretrievable.

In our initial submission (7/08/2019) we highlighted a number of considerations that deserve proper weighting. These included:

- Australia does NOT produce Stainless Steel so no protection of Stainless Steel itself is warranted.
- Olveri buys the same Chinese Stainless Steel so any CTM modelling should use this actual cost.
- Milena's Australian made cabinets having to pay a Duty while fully imported cabinets are excluded is patently unfair.

We also identified and detailed 9 points with each one individually being of sufficient importance to warrant either the scrapping of the Measures or Milena being exempt from them.

Looking at just the first few we make special note that:

- Milena, an Australian manufacturer, has suffered very real damage while Chinese Exporters have actually been advantaged.
  - Fully Imported Cabinet & Tubs pay ZERO Duty while Milena pays Duty on the Tub that is a component going onto an Australian made Cabinet.
- The Chinese Stainless Steel industry is not comparable to the US or EU Stainless Steel Industries.
  - China produces more Steel than the rest of the World combined (51.3%).
    - The EU and US barely makeup 15% of World production.
  - China has a number of competitive advantages including cheaper electricity (largely using Australian coal), availability of cheaper raw-materials (largely from Australia) and technological advantages.
- Competition and Free Trade are rife in China and broad, simplistic terms like "GOC influences" no longer have a place without actual evidentiary proof.
- Meps and Platts do not meet the requirements for Benchmarks as outlined in DS257.
  - "... the benchmark chosen must, nevertheless, relate or refer to, or be connected with, the prevailing market conditions in that country, and must reflect price, quality, availability, marketability, transportation and other conditions of purchase or sale, as required by Article 14(d)."
  - "... Even then, a benchmark may only be used which relates or refers to, or is connected with the prevailing market conditions in that country and which reflects price, quality, availability, marketability, transportation and other conditions of purchase or sale as required by Article 14(d)."
- The US market is no longer relevant in terms of World Trade standards as President Trump has chosen a Protectionist route having imposed a 25% tariff on imported steel which came into effect in March 2018.
  - Thus any pricing in any way related to the US is no longer acceptable for consideration.

Unfortunately because the GOC did not respond the ADC appears to have approached this and the original investigation from the perspective of guilt of dumping having been proven.

However we make note that "Guilt" has never been proven ... rather innocence has been forfeited.

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In addition to the Considerations and Points made in our submission of (7/08/2019) we also wish to point out that:

- The original investigation deemed Lipped Laundry Tubs (made as a component for a specific premade cabinet) to be Like Product to Oliveri's Tubs but this has now been proven to be an error.
  - We make note that Oliveri has had 5 years and is still not making a similar product.
    - We doubt they even have the capability to manufacture this sort of tub.
  - Yes all tubs whether a inset tub or a cabinet and tub serve the purpose of being a tub but this does not mean that there is Commercial likeness.
    - The people who buy an Inset Tub and fit it to a custom-made cabinet are not the same people who buy a pre-made cabinet & tub.

I stand by the statement in the original submission that in my opinion the original Measures have been proven to be so ill-advised that some remedial measures are probably deserved to try correct the damage caused to Milena.

Yours sincerely,



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