



Australian Government
**Department of Industry,
Innovation and Science**

**Anti-Dumping
Commission**

Application for the publication of
dumping and/or
countervailing duty notices

APPLICATION UNDER SECTION 269TB OF THE *CUSTOMS ACT 1901* FOR THE PUBLICATION OF DUMPING AND/OR COUNTERVAILING DUTY NOTICES

DECLARATION

I request, in accordance with section 269TB of the *Customs Act 1901* (the Act), that the Minister publish in respect of goods the subject of this application:

- ☒ a dumping duty notice, or
- ☐ a countervailing duty notice, or
- ☐ a dumping and a countervailing duty notice.

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Please note that giving false or misleading information is a serious offence.

Signature:



Name: [Austen Ramage](#)

Position: [LCM Product Manager](#)

Company: [LCM General Products Pty Ltd](#)

ABN: [24 616 929 116](#)

Date: [22 May 2020](#)

IMPORTANT INFORMATION

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's Client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the following guidelines for additional information on completing this application:

- *Instructions and Guidelines for applicants on the application for the publication of dumping and/or countervailing duty notices*
- *Instructions and Guidelines for applicants on the examination of a formally lodged application*

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 13 28 46

Email: clientsupport@adcommission.gov.au

Information is available from the Commission's website at www.adcommission.gov.au.

Small and medium enterprises (i.e., those with less than 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the *Corporations Act 2001*), may obtain assistance, at no charge, from the International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA Service Hotline on +61 2 6213 7267.

Important information

To initiate an investigation into dumping and/or subsidisation, the Commission must comply with Australia's international obligations and statutory standards. This form provides an applicant industry with a framework to present its case and will be used by the Commission to establish whether there appear to be reasonable grounds for the publication of a dumping duty or countervailing duty notice and initiate an investigation. To assist consideration of the application it is therefore important that:

- all relevant questions are answered; and

- information that is reasonably available be supplied.

The Commission does not require conclusive evidence to initiate an investigation, but any claims made should be reasonably based. An application will be improved by including supporting evidence and where the sources of evidence are identified. Simple assertion is inadequate to substantiate an application.

To facilitate compilation and analysis, the application form is structured in 3 parts:

1. **Part A** seeks information about the Australian industry. This data is used to evaluate industry trends and assess claims of material injury due to dumping/subsidisation. Where an Australian industry comprises more than one company, each should separately prepare a response to Part A to protect commercial confidentiality.
2. **Part B** relates to evidence of dumping.
3. **Part C** is for supplementary information that may not be appropriate to all applications. However some questions in Part C may be essential for an application, for example, if action is sought against subsidisation.

All questions in Parts A and B must be answered, even if the answer is 'Not applicable' or 'None'. Where appropriate, applicants should provide a short explanation about why the requested data is not applicable. This will avoid the need for follow up questions by the Commission.

The application form does not specifically address all the information required when making a claim that the establishment of an Australian industry producing like goods has been or may be materially hindered. If you are considering making such a claim, please contact the Commission to discuss information requirements.

The application form requests data over several periods (P^1, P^2, \dots, P^n) to evaluate industry trends and to correlate injury with dumped or subsidised imports. The labels $P^1 \dots P^n$ are used for convenience in this application form. Lodged applications should identify the period relevant to the data. This form does not specify a minimum period for data provision. However, sufficient data must be provided to substantiate the claims made. If yearly data is provided, this would typically comprise a period of at least four years (for example the current financial year in addition to three prior years). Where information is supplied for a shorter period, applicants may consider the use of quarterly data. Data must also be sufficiently recent to demonstrate that the claims made are current.

When an investigation is initiated, the Commission will verify the claims made in the application. A verification visit to the Australian industry usually takes several days.

Applicants should be prepared to substantiate all Australian industry financial and commercial information submitted in the application. Any worksheets used in preparing the application should therefore be retained to facilitate verification.

During verification, the Commission will examine company records and obtain copies of documents relating to the manufacture and sale of the goods.

PUBLIC VERSION

Appendices	<p>Some questions require attachments to be provided. The attachment numbering sequence should refer to the question answered. For example, question A2.2 requests a copy of an organisation chart. To facilitate reference, the chart should be labelled <u>Attachment A2.2</u>. If a second organisation chart is provided in response to the same question, it should be labelled <u>Attachment A2.2.2</u> (the first would be labelled <u>Attachment A2.2.1</u>).</p>
Provision of data	<p>Industry financial data must, wherever possible, be submitted in an electronic format.</p> <ul style="list-style-type: none">• The data should be submitted on a media format compatible with Microsoft Windows.• Microsoft Excel, or an Excel compatible format, is required.• If the data cannot be presented electronically please contact the Commission's client support section for advice.
Lodgement of the application	<p>This application, together with the supporting evidence, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act. The Commissioner has approved lodgement of this application by either:</p> <ul style="list-style-type: none">• preferably, email, using the email address clientsupport@adcommission.gov.au, or• post to: The Commissioner of the Anti-Dumping Commission GPO Box 2013 Canberra ACT 2601, or• facsimile, using the number (03) 8539 2499.
Public Record	<p>During an investigation all interested parties are given the opportunity to defend their interests by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission's website at www.adcommission.gov.au.</p> <p>At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application <u>must</u> be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the publication of a dumping duty or countervailing duty notice, or, if those reasons cannot be summarised, a statement of reasons why a summary is not possible.</p>

PART A

INJURY

TO AN AUSTRALIAN INDUSTRY

IMPORTANT

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

A-1 Identity and communication

Please nominate a person in your company for contact about the application:

Contact Name: Austen Ramage
Company and position: LCM Product Manager
Address: 185-195 Frankston-Dandenong Road,
Dandenong, Victoria 3175
Telephone: +61 3 9791 5633
Facsimile: +61 3 9794 0971
E-mail address: ARamage@martogg.com.au
ABN: 24 616 929 116

Alternative contact

Name: Steve Dollin
Position in company: Sales Manager
Address: 185-195 Frankston-Dandenong Road,
Dandenong, Victoria 3175
Telephone: +612 9896 9410
Facsimile: +612 9896 3915
E-mail address: steve.dollin@cromford.com.au

If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).

Name: John Bracic
Business name: J.Bracic & Associates Pty Ltd
Address: PO Box 3026, Manuka ACT 2603
Telephone: +61 (0)499 056 729
Facsimile: N/A
E-mail address: john@jbracic.com.au
ABN: 18 168 927 820

A-2 Company information

1. State the legal name of your business and its type (e.g. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your

application.

LCM General Products Pty Ltd (ABN 24 616 929 116) trading as "Cromford Film".

2. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

Refer to **Exhibit A-2.2 – Org chart**.

3. List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.

Refer to **Exhibit A-2.3 – Group Structure**.

4. If your company is a subsidiary of another company list the major shareholders of that company.

Refer to **Exhibit A-2.3 – Group Structure**.

5. If your parent company is a subsidiary of another company, list the major shareholders of that company.

Refer to **Exhibit A-2.3 – Group Structure**.

6. Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).

Refer to **Exhibit A-2.3 – Group Structure**.

7. Are any management fees/corporate allocations charged to your company by your parent or related company?

Yes. In relation to 'management fees' charged to Cromford Film by [REDACTED], they are as follows:

- [REDACTED] – [REDACTED]
- [REDACTED] – based on [REDACTED]
- [REDACTED] – [REDACTED]
- [REDACTED] – [REDACTED]

The percentages are allocated annually based on company and individual self review of time allocation.

8. Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.

Cromford Film has no direct or indirect relationship with any exporters of the subject goods. It has only normal trading relationships with its domestic customers which may at times import the subject goods.

9. Provide a copy of all annual reports applicable to the data supplied in appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.

No annual reports are produced by Cromford Film. Financial reports for the previous two years are included at **Exhibit A-6.3**.

10. Provide details of any relevant industry association.
No existing industry associations exist.

A-3 The imported and locally produced goods

1. Fully describe the imported product(s) the subject of your application:
- Include physical, technical or other properties.
 - Where the application covers a range of products, list this information for each make and model in the range.
 - Supply technical documentation where appropriate.

The goods subject of the application are:

Black concrete underlay film (also marketed as builders film), manufactured from either recycled and/or virgin resins, with a thickness ranging between 150-230 microns, and a width ranging from 2 – 6 metres.

Background information about the subject goods

Concrete underlay film is manufactured using recycled and/or virgin polyethylene resins such as high-density polyethylene (HDPE), low-density polyethylene (LDPE) and linear-low density polyethylene (LLDPE), in no specific percentages, and are typically sold in 30-50 metre length rolls. The film is typically branded to comply with Australian Standards, although it is not uncommon for some imported film to be unbranded. These unbranded underlay films still fall within the description of the subject goods.

The subject goods are imported and sold as two grades within the Australian market, being high impact (damp proofing membrane) and medium impact film (vapour barrier), which refers to the different impact strengths of the film. Concrete underlay film complying to Australian Standard (AS/NZS 4347.6) requires a falling dart impact test whereby high impact film is tested using a 340 grams drop dart on body of film and 310 grams on the fold, and medium impact film is tested with 200 grams drop dart on body and 180 grams on the fold.

In addition, concrete underlay film is subject to Australian Standard (AS/NZS 4347.9) which outlines the procedure for determining the thickness of polyethylene film as:

6 PROCEDURE *At least one and not more than three strips, 50 mm wide, shall be taken across the width of the roll. The film thickness shall be measured at a minimum of five points and a maximum of 10 points, equally spaced across the strip.*

The maximum distance between any two points shall be 300 mm.

The surface of the anvil and the spindle head, and of the specimen, shall

be clean and dry.

The specimen shall be placed on the anvil and the spindle head slowly lowered on to it.

The measurements shall be averaged to obtain the thickness of the test specimen.

Concrete underlay film is required to be sold as complying to Australian Standard (AS 2870). The standard refers:

5.3.3.3 Properties

Properties specified for vapour barriers and damp-proofing membranes shall be determined by the following methods:

(a) Film thickness 0.2 mm—shall be determined using the method of test outlined in AS/NZS 4347.9, except that three tests per metre width of film shall be carried out across the full width of the film, with the resulting mean average thickness to be between 180 µm and 220 µm and a maximum of only one measurement to be below 170 µm for a material pass to be recorded

Despite the requirements set out in the Australian Standards, there is clear evidence that subject imports have been sold into the Australia market that are non-compliant. This is generally by way of the imported builders film consisting of average thickness less than 180 microns. So whilst concrete underlay film is typically sold with an average thickness greater than 180 microns, the lower limit of the subject goods has been set at 150 microns to ensure non-compliant products are captured by the investigation, and in the event of dumping duties being imposed, future exports do not circumvent the intended measures.

2. List the tariff classification(s) and statistical code(s) of the imported goods.

The goods are generally, but not exclusively, classified to the following tariff subheadings in Schedule 3 to the Customs Tariff Act 1995:

Tariff subheading	Statistical code
3920.10.00	25, 40, 41

3. Fully describe your product(s) that are 'like' to the imported product:
- Include physical, technical or other properties.
 - Where the application covers a range of products, list this information for each make and model in the range.
 - Supply technical documentation where appropriate.
 - Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.

Products manufactured by Cromford Film as concrete underlay film are manufactured via a blown film extrusion process, and wound onto cardboard cores for distribution. This is the same process that is used to manufacture the product elsewhere.

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Cromford Film's concrete underlay film complies with the relevant Australian Standards:

- AS 2870 – residential slabs and footings
- AS/NZS 4347.9 - sets out a means of determining the thickness of polyethylene film,
- AS/NZS 4347.6 - sets out the method of determining the impact resistance of flat sheet material.

Cromford Film's like goods comprise five main types:

1. High impact black film – with 200µm thickness
2. Medium impact black film – with 200µm thickness
3. High impact orange film – with 300µm thickness
4. High impact orange film – with 200µm thickness
5. Medium impact orange film – with 200µm thickness

Whilst the goods subject of the application are limited to black concrete underlay film, Cromford's like goods include both black and orange films. Both black and orange film possess similar characteristics, despite the market perception that orange film possesses superior performance.

Cromford Film Like Product	Supplier of subject imports	Link to subject imports
Cromford High Impact Film	Grunt (importer), seller Bunnings	https://www.bunnings.com.au/grunt-4m-x-200um-x-40m-hi-impact-builders-film_p0811436
	PolyPlus (seller)	http://www.polyplus.com.au/Builders-Film/High-Impact
Cromford Medium Impact Film	PolyPlus (seller)	http://www.polyplus.com.au/medium-impact

4. Describe the ways in which the essential characteristics of the imported goods are like to the goods produced by the Australian industry.

Cromford has applied the Commission's like goods framework separately to both its black and orange concrete underlay film. The purpose of the separate assessment is to provide the Commission with an opportunity to consider Cromford's view that notwithstanding that the subject goods are black concrete underlay film, it's production of orange concrete underlay film possesses characteristics closely resembling the black film being imported.

It is also expected that Cromford's view of like goods would also provide interested parties with an opportunity to comment via written submissions, so that the Commission might then make a determination of like goods.

The table below addresses the way in which Australian industry's production of concrete underlay film, possesses essential characteristics that are alike to the subject imports:

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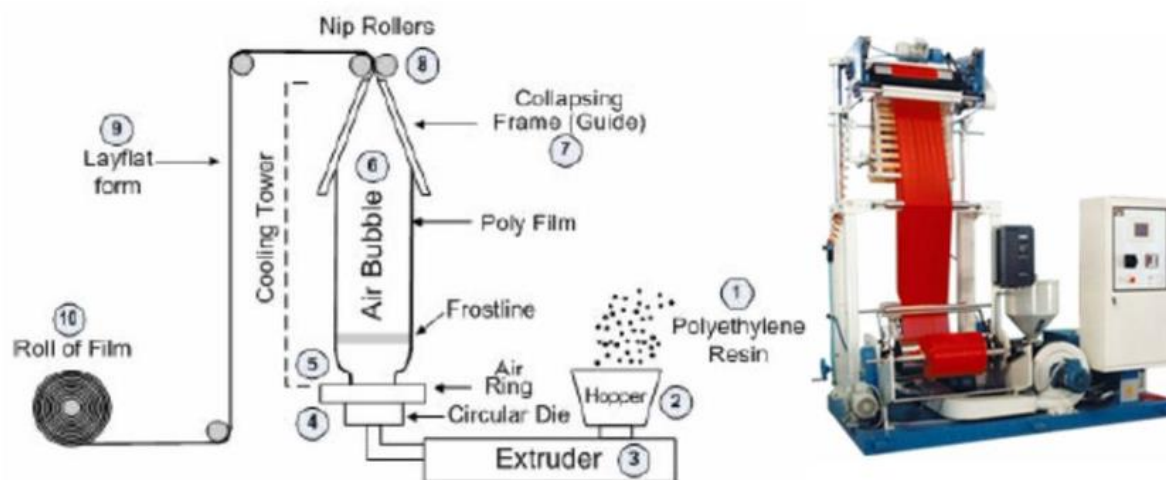
Likeness	Black concrete underlay film	Orange concrete underlay film
Physical	Local and imported products are physically the same as they possess the same colour, comparable micron thickness and roll width.	Physically the same as black imported film in terms of micron thickness and roll widths, with the only difference being the colour of the film. The orange colour stems from slightly different resins and critically the colour does not define the essential characteristic of the product.
Commercial	Local and imported goods are commercially alike, as they compete directly against each other in the Australian market and are sold to the same customers via similar distribution channels. This is demonstrated by the imported and like goods competing directly for existing supply agreements.	Orange film is typically marketed towards the South Australian market, with a slight increase in circumstances where orange film is requested in NSW. Orange and black film are however commercially alike, despite a perception of orange film being of superior quality. The only reason that orange and black film do not compete more closely is that the jurisdictional authorities in each state have determined the preferred film for their building codes.
Functional	The imported goods and like goods are functionally alike as they are predominantly used in the same end-use applications, being a damp-proof membrane or vapour barrier separating concrete slab from ground soil, to stop ground moisture penetrating the concrete.	Cromford's orange film and the black imported film are functionally the same as they are used in the same end-use applications, being a damp-proof membrane or vapour barrier. There is no real difference between the products in terms of their performance or ability to function as required. As such, they are completely interchangeable despite a perception that orange film possesses superior performance
Production	Local and imported goods are produced in the same way and using a similar manufacturing process, which involves the mixing of polyethylene resins and extruding of film.	The production method is the same for both black and orange film. The only difference being that slightly different polyethylene resins are required to be used to produce the orange colour film. The resins used to add the orange colour to the film do not provide the film its essential characteristic which is its impact strength and thickness.

5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

Cromford considers the following codes as applicable to the goods:

- C1911 - Polymer Film and Sheet Packaging Material Manufacturing, or
- C1919 - Other Polymer Product Manufacturing

6. Provide a summary and a diagram of your production process.



7. If your product is manufactured from both Australian and imported inputs:
- describe the use of the imported inputs; and
 - identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

Cromford uses the following imported inputs in its production of like goods:

- [REDACTED] - represents approximately [REDACTED]% of total composition.
- [REDACTED] – represents approximately [REDACTED]% of total raw material consumption.

The most critical and substantial process in manufacturing concrete underlay film is the process of extruding the film and winding onto cardboard core. Cromford undertakes this process at its manufacturing site in Pendle Hill, NSW.

8. If your product is a processed agricultural good, you may need to complete Part C-3 (close processed agricultural goods).

Concrete underlay film is not a close processed agricultural good.

9. Supply a list of the names and contact details of all other Australian producers of the product.

Other Australian manufacturers of like goods are [REDACTED].

However, like good produced by [REDACTED] are in smaller volumes and predominantly for supply to [REDACTED]. Contact details for [REDACTED] are:

[REDACTED]
[REDACTED]
[REDACTED]

10. If different models can be established for the goods subject to the application:
- What are the differences in physical characteristics that give rise to distinguishable and material differences in price?

Concrete underlay film is largely categorised according to high impact and medium impact film, with colour variations of black (subject goods) and orange (non-subject goods). Within these categories, price of the subject imports is understood to be further distinguished by the average thickness of the film. That is, exporters are understood to offer lower prices for non-compliant film with an average thickness of less than 180 microns. In Cromford's view, this translates into an inferior product in terms of the impact performance of the film.

- Provide supporting documentation or analysis supporting the differences in physical characteristics that affects price comparability. Unit costs may also be used to demonstrate differences in physical characteristics where it affects price comparability.

Please refer to the submitted price offer for subject imports (**Exhibit A-3.10**) which shows price variations which take account of the impact resistance and average thickness. Further supporting information is available from imported price offers used in the price undercutting analysis, along with Cromford's own sales information at Appendix A4.

- In providing the list of physical differences, identify the characteristics in order of significance.

Characteristics in order of significance are:

- Impact resistance (medium or high), and
- Average thickness.

- Identify key characteristics where the physical differences are significantly different and it is not meaningful to compare models with different physical characteristics.
- Identify the physical characteristics that can be reported in relation to sales and cost data respectively. This should be reflected in the sales data provided in appendices A4 and A6.
- Complete the table below having regard to the information provided above. The Commission will consider this information in establishing a model control code structure for the investigation.

Category	Sub-category	Sales Data	Cost data	Key category
Impact resistance	<ul style="list-style-type: none"> • Medium (M) • High (H) 	Mandatory	Mandatory	Yes

Thickness (microns)	<ul style="list-style-type: none"> • Less than 180µm • Greater than or equal to 180µm and less than 220µm (200µm) • Greater than or equal to 220µm and less than 320µm (300µm) 	Mandatory	Mandatory	Yes
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A-4 The Australian market

1. Describe the end uses of both your product and the imported goods.

Both imported and locally manufactured concrete underlay film is used as a moisture / vapour barrier in construction of concrete slabs for both residential and commercial construction. Medium and high impact film perform the same function and are used in the same applications. The preference for either high or medium impact film is determined by the relevant jurisdictional authority based on the perceived requirements of the soil in the relevant area.

It is generally believed that orange film has superior product performance than black film.

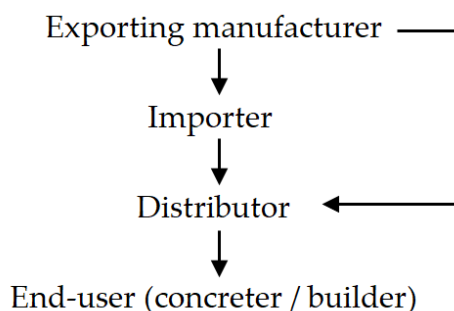
2. Describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:

- sources of product demand;

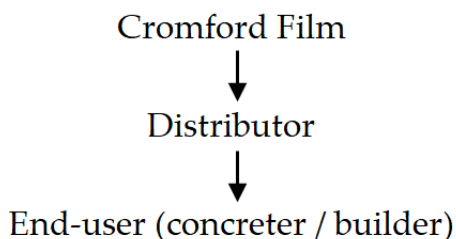
The primary demand driver for concrete underlay film is new building starts within the building and construction industry.

- marketing and distribution arrangements;

Distribution of imported goods is typically as follows



Distribution of Cromford Film's local product is as follows:



- typical customers/users/consumers of the product;

The typical consumer of concrete underlay film are concreting companies. In some cases, builders will purchase materials on behalf of the concrete company.

- the presence of market segmentation, such as geographic or product segmentation;

There is evidence of market segmentation across Australia, with markets segmented according to high versus medium impact film. Markets in Western Australia, Victoria, Tasmania and Queensland are typically focused on medium impact film, whilst NSW is more focused on high impact products. The South Australian market also centers around high impact film, but predominantly in the orange colour which is not subject of the application.

Each state is serviced by direct imports into the corresponding port, whilst Cromford Film ships interstate to distributors, predominantly on a bulk load basis.

- causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;

Demand variability is driven by building and construction industry. Seasonal fluctuations occur around the Christmas / New Year period, with reduced demand also around Easter. Extended periods of high rainfall will also typically slow market demand due to inability to pour and lay concrete slabs.

- the way in which the imported and Australian product compete; and

As per second point, locally manufactured and imported product compete head to head in the Australian market by selling to distributors. Currently there is a significant divide between the competing products with dumped imported film being sold at a significant discount to domestically manufactured film.

Whilst Cromford's orange film is considered a like good, it does not compete directly with black film in vast majority of circumstances, due to the perception of superior performance.

- any other factors influencing the market.

Not applicable.

3. Identify if there are any commercially significant market substitutes for the Australian and imported product.

Not applicable.

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4. Complete appendix A1 (Australian production). This data is used to support your declaration at the beginning of this application.

Refer to **Confidential Appendix A1**. Cromford Film is aware of one other small local producer of like goods, although as noted in Appendix 2, these like goods are manufactured by Integrated Packaging for sale to and distribution by, Cromford Film.

5. Complete appendix A2 (Australian market).
Refer to **Confidential Appendix A2**.

To estimate the total size of the Australian market, Cromford Film has relied on the key driver of demand being new dwelling starts. Based on the total new dwelling starts over the three years of the injury assessment period,

Total new dwelling starts by year:

Year	2017	2018	2019* forecast
Unit (note 1)	XXXXXX	XXXXXX	XXXXXX
House	XXXXXX	XXXXXX	XXXXXX
Total	XXXXXX	XXXXXX	XXXXXX
Total adjusted RF	XXXXXX	XXXXXX	XXXXXX
Total Rolls Film Residential (note 2)	XXXXXX	XXXXXX	XXXXXX
Allowance for Commercial Construction	XXXXXX	XXXXXX	XXXXXX
Total Rolls Film	XXXXXX	XXXXXX	XXXXXX

Note 1: We have assumed that 75% of units would require builders film – this is based on sentiment from ‘Composition of Australia’s Housing’ report which states “Sentiment being that Medium/High density units increased since 2010 from about 5% of total commencements to 25% in 2017. On that basis being the most relevant information we have available to us, we are factoring in that only 75% of unit commencements require builders film – units, townhouses and light apartment blocks.

Note 2: Total number of rolls of film was calculated based on average 250sqm per dwelling @ 1.25 rolls per dwelling = XXXXXX rolls.

6. Use the data from appendix A2 (Australian market) to complete this table:

*Indexed table of sales quantities**

	(a)	(b)	(c)	(d)	(e)	(f)	
Period	Your	Other	Total	Dumped	Other	Total	Total
	Sales	Aust ⁿ	Aust ⁿ	Imports	Imports	Imports	Market
		Sales	Sales				
			(a+b)			(d+e)	(c+f)
Mar 17 - Feb 18	100	100	100	100	100	100	100
Mar 18 - Feb 19	93	100	93	109	100	109	104
Mar 19 - Feb 20	109	100	109	68	100	68	82
(b) Other Australian sales reflected in Cromford Film sales							

A-5 Applicant's sales

1. Complete appendix A3 (sales turnover).

Refer to **Confidential Appendix A3**.

2. Use the data from appendix A3 (sales turnover) to complete these tables.

*Indexed table of Applicant's sales quantities**

Quantity	Mar 17 - Feb 18	Mar 18 - Feb 19	Mar 19 - Feb 20
All products			
Australian market	100	99	86
Export market	100	122	176
Total	100	102	96
Like goods			
Australian market	100	91	108
Export market	100	153	130
Total	100	93	109

*Indexed table of Applicant's sales values**

Value	Mar 17 - Feb 18	Mar 18 - Feb 19	Mar 19 - Feb 20
All products			
Australian market	100	94	96
Export market	100	145	147
Total	100	96	98
Like goods			
Australian market	100	91	107
Export market	100	153	119
Total	100	93	108

3. Complete appendix A5 (sales of other production) if you have made any:
- internal transfers; or
 - domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.

Refer to **Confidential Appendix A5**.

4. Complete appendix A4 (domestic sales).

Refer to **Confidential Appendix A4**.

5. If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.

Not applicable.

6. Attach a copy of distributor or agency agreements/contracts.

Not applicable.

7. Provide copies of any price lists.

Cromford Film maintains price lists for individual customers. Copies of price lists for

Cromford's two largest customers are at [Exhibit A-5.7 – Price lists](#).

8. If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.
 - Where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in [appendix A4](#) (domestic sales).
 - If you have issued credit notes (directly or indirectly) provide details if the credited amount has **not** been reported [appendix A4](#) (domestic sales) as a discount or rebate.

[No credit notes have been issued. No rebates are offered.](#)

9. Select two domestic sales in each quarter of the data supplied in [appendix A4](#) (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank documentation showing proof of payment.

[Refer to samples documents at Confidential Appendix A-5.9.](#)

10. Provide a list of model control codes from appendix A4.

[Model control codes:](#)

- [M-200-B \(subject goods / like goods\)](#)
- [H-200-B \(subject goods / like goods\)](#)
- [M-200-O \(like goods\)](#)
- [H-200-O \(like goods\)](#)
- [H-300-O \(like goods\)](#)

A-6 General accounting/administration information

1. Specify your accounting period.

[Cromford Film's financial year is 1st July to 30th June.](#)

2. Provide details of the address(es) where your financial records are held.
[Financial records are held at 185 – 195 Frankston Dandenong Road, Dandenong South VIC 3175.](#)

3. To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any subsequent statements:

- [chart of accounts;](#)

[Refer to Exhibit A-6.3 – Chart of Accounts.](#)

- [audited consolidated and unconsolidated financial statements \(including](#)

all footnotes and the auditor's opinion);

Refer to **Exhibit A-6.3 – 2018 and 2019 Financial Reports.**

- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.

These documents should relate to:

1. the division or section/s of your business responsible for the production and sale of the goods covered by the application, and
2. the company overall.

Refer to **Exhibit A-6.3 – 2019 Management Accounts.**

4. If your accounts are **not** audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Not applicable.

5. If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.

Not applicable.

6. Describe your accounting methodology, where applicable, for:

- the recognition/timing of income, and the impact of discounts, rebates, sales returns warranty claims and intercompany transfers;

Income and costs are recognised as incurred, no discounts or rebates are issued. Sales returns and warranties are recorded in the month that they occur.

- provisions for bad or doubtful debts;

General provision only

- the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;

Not applicable.

- costing methods (eg by tonnes, units, revenue, activity, direct costs etc) and allocation of costs shared with other goods or processes;

Costing method are by units, costs are attributed based on materials used, overhead allocation and labour for each process.

- the method of valuation for inventories of raw material, work-in-process, and finished goods (eg FIFO, weighted average cost);

Cromford uses the weighted average method for all costs. Finished goods are valued using the standard costing methodology.

- valuation methods for scrap, by-products, or joint products;

PUBLIC VERSION

Scrap / by-product is given a [REDACTED]. The cost of processing that scrap / by-product is [REDACTED]

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

Scrap / by-product is given a [REDACTED]. The cost of processing that scrap / by-product is [REDACTED]

- valuation and revaluation of fixed assets;

Fixed assets are valued at cost and not revalued

- average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;

Cromford Film uses the ATO tax depreciation and useful life rates.

- treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and

Not applicable

- restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.

Overheads expensed

7. If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.

Not applicable

A-7 Cost information

1. Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.

Refer to **Confidential Appendix A6.1 and A6.2.**

2. Provide a list of model control codes from appendix A6.1 and A6.2.

- M-200-B
- H-200-B
- M-200-O
- H-200-O
- H-300-O

A-8 Injury

The principal indicators of injury are price, volume and profit effects – although not all of these must be evident. For this application, profit refers to amounts earned. Profitability is the ratio of profit to sales revenue. Where the application includes a claim of threat of material injury you must also complete question C.2.

PUBLIC VERSION

1. Estimate the date when the material injury from dumped and/or subsidised imports commenced.

Cromford Film has experienced material injury caused by the subject imports since Martogg Group acquired the Cromford Film business in March 2017. Injury is taken to have occurred in the form of :

- price suppression
- price depression
- reduced profits
- reduce profitability
- lost sales volume
- lost market share

2. Using the data from appendix A6 (cost to make and sell), complete the following tables for each model control code of your production. Pⁿ is the most recent period.

Index of production variations (model control code)

	Mar 17 - Feb 18	Mar 18 - Feb 19	Mar 19 - Feb 20
H-200-B	100	78	63
M-200-B	100	98	170
M-200-O	100	55	173
H-200-O	100	103	138
H-300-O	100	105	79

Index of cost variations (model control code)

	Mar 17 - Feb 18	Mar 18 - Feb 19	Mar 19 - Feb 20
H-200-B	100	98	99
M-200-B	100	104	109
M-200-O	100	111	139
H-200-O	100	101	103
H-300-O	100	100	100

Index of price variations (model control code)

	Mar 17 - Feb 18	Mar 18 - Feb 19	Mar 19 - Feb 20
H-200-B	100	97	97
M-200-B	100	105	106
M-200-O	100	111	114
H-200-O	100	97	97
H-300-O	100	102	102

Index of profit variations (model control code)

	Mar 17 - Feb 18	Mar 18 - Feb 19	Mar 19 - Feb 20
H-200-B	100	88	75
M-200-B	100	113	63
M-200-O	100	110	25
H-200-O	100	59	37
H-300-O	100	105	104

Index of profitability variations (model control code)

	Mar 17 - Feb 18	Mar 18 - Feb 19	Mar 19 - Feb 20
H-200-B	100	90	77
M-200-B	100	108	60
M-200-O	100	99	21
H-200-O	100	60	38
H-300-O	100	103	102

3. Complete appendix A7 (other injury factors).
Refer to **Confidential Appendix A7**.

A-9 Link between injury and dumped or subsidised imports

To establish grounds to initiate an investigation there must be evidence of a causal relationship between the injury and the alleged dumping or subsidisation. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped and/or subsidised imports on your quarterly sales volume and market share.

Cromford has faced strong competition from imports for many years. Over the past few years, market price offers for imported products have becoming increasingly aggressive. This includes reduced prices for products complying with the Australian Standards but also an increasing trend towards even lower prices for film that does not meet the minimum technical specifications required by the relevant Australian Standards. As the primary local supplier, Cromford faces increasing pressure to further reduce its prices to match that of imported goods. In these circumstances, Cromford has faced the decision of not matching import prices and likely losing sales volumes and market share, which would inevitably lead to reduced production volumes,

increased costs and reduced profitability, or reducing its prices and maintaining sales volume and market share, at the expense of profitability.

As demonstrated by the submitted data in Appendix A2 to this application, Cromford was able to increase its sales and market share during this most recent period, but at the expense of reduced prices, revenue, profits and profitability. The increase in sales and market share was achieved by Cromford's decision to aggressively match import prices. Demonstration of the link to, and influence of, import prices on Cromford's price offering are evidenced in the price undercutting analysis outlined in response to the ensuing question.

Whilst Cromford's submitted sales data in appendix A2 shows an overall trend increase in sales volume and market share through to the most recent period, the data does not identify or capture the actual lost sales stemming from the decision by [REDACTED] to award recent tenders to subject imports for supply to its [REDACTED] and [REDACTED] business in Queensland and Victoria.

Whilst the following information pertains to a tender process between Cromford and a distributor of their products, the applicant would like to make it very clear that their main concern is with the extremely low pricing offered to Cromford's customer by Malaysian export / Australian import supply chains that were participating in that tender. Cromford contends that these products are dumped due to these prices being so far below what Cromford can manufacture for locally in Australia.

Cromford was invited to submit a proposal for a [REDACTED] year contract to supply product to [REDACTED] and [REDACTED] branches in QLD, VIC, NSW, SA, WA and TAS. The terms of the contract were [REDACTED]. Refer to **Exhibit A-9.1 – Cromford original proposal** for details of the tender and Cromford's original submitted proposal on [REDACTED].

On [REDACTED], [REDACTED] provided the following feedback on its price competitiveness to comparable imports:

- QLD, VIC, WA: 4m medium impact film – price is [REDACTED];
- QLD, VIC, WA: 2m medium impact film – price is [REDACTED];
- Compared to direct import by [REDACTED], Cromford's prices are [REDACTED];
- NSW: 4m high impact film – prices are [REDACTED]% higher than others;
- NSW: orange film – prices are [REDACTED]% more on 200um and [REDACTED]% more on 300um

This feedback is consistent with the observed undercutting levels outlined in the analysis below. [REDACTED] confirmed that Cromford had lost the business to supply into QLD and VIC (refer to **Exhibit A-9.1 - [REDACTED] outcome**), but offered the opportunity to revise pricing into SA and NSW (refer to **Exhibit A-9.1 - [REDACTED]**).

Cromford presented a revised proposal to [REDACTED] on [REDACTED], which is contained in **Exhibit A-9.1 – Cromford 2nd proposal**, and which included reduced prices for supply into NSW. Feedback from [REDACTED] suggested that Cromford was likely to lose its NSW business (refer to **Exhibit A-9.1 - Feedback from [REDACTED]**). On [REDACTED]

XXXXXX, Cromford informed XXXXX that no further price support would be offered for its NSW business (refer to **Exhibit A-9.1 – Tender**). It is understood that tendered import prices were substantially lower than Cromford's discounted revised pricing.

Whilst XXXXX have yet to formally announce its supplier for its NSW business, it has been confirmed to Cromford that imported builders film from Malaysia was already being trialled by XXXXX. This is supported by the noticeable fall in Cromford's sales to XXXXX during March, April and May. Refer to notes from Cromford's Sales Manager at **Exhibit A-9.1 – XXXXX tender update**.

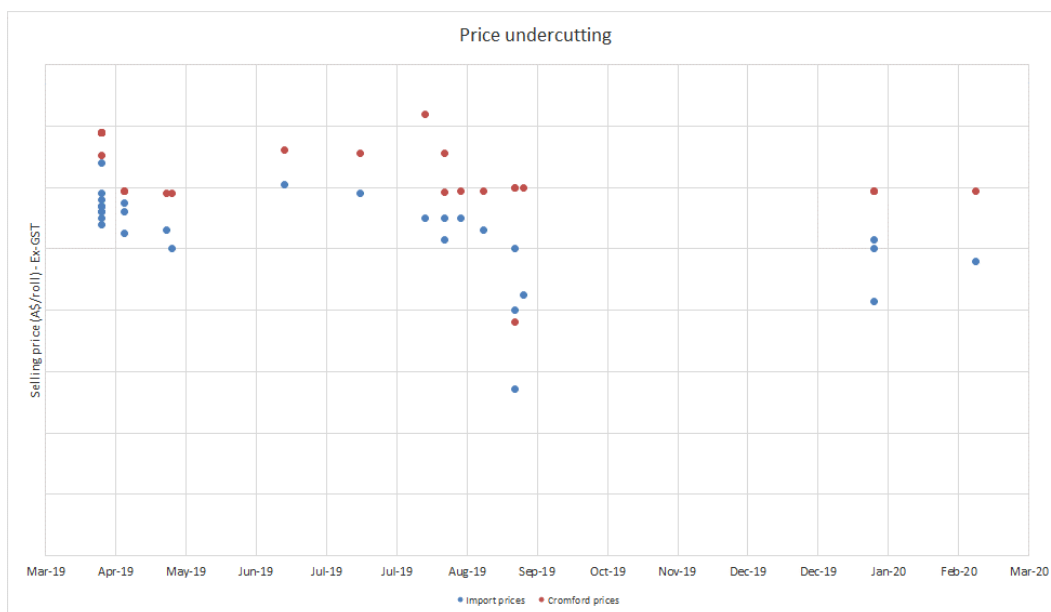
The loss of XXXXX QLD and VIC business to imports represents approximately XXXXX and XXXXX rolls respectively, which represents approximately XX% of the total Australian market. The potential loss of the XXXXX NSW business to imports represent approximately XXXXX rolls or a further XX% of the total Australian market. Combined, the awarding of the XXXXX business to imports would account for approximately XXXXX rolls or XX% of the total Australian market. This would represent a direct loss of actual and/or potential sales volume to dumped imports.

2. Use the data at appendix A2 (Australian market) to show the influence of the price of dumped and/or subsidised imports on your quarterly prices, profits and profitability provided at appendix A6.1 (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

Price undercutting

The price depression outlined above is due entirely to import price offers undercutting Cromford's comparable price offers. Over the years, Cromford's sales managers have retained records of meetings with customers which documented the price offers of imports and Cromford's comparable price offer at that time.

Scanned copies of sales manager's notes are at **Exhibit A-9.2 – Manager's notes**. The key points from these notes have been summarised in **Exhibit A-9.2 – Import price offers**. Cromford has relied on these notes and the customer feedback of import price offers to undertake a comprehensive price undercutting analysis outlined in the graph below and included in *.



The undercutting graph was prepared by comparing the relevant import price offers based on the date of the record with Cromford's weighted average unit selling price for the corresponding month. In comparing ex-GST prices for the above undercutting analysis, Cromford took into account the type of film, the roll dimensions and the relevant state in which the sale were made. This ensures an accurate like for like comparison. The price undercutting analysis reveals that the subject imports undercut Cromford's like goods by between 2%-33%.

Further, as noted earlier Cromford submitted a proposal to acquire the [REDACTED] year supply contract with [REDACTED]. The feedback from that process reveals that import tender prices substantially undercut Cromford's initial price offering. Based on this feedback, import prices undercut Cromford's prices with a range of a few percent to [REDACTED] %.

In direct response to losing the Victorian and Queensland [REDACTED] business, and upon receiving feedback that imports were between [REDACTED] %-[REDACTED] % below its initial price offering for the NSW business, Cromford submitted revised pricing for high impact black film in 4x50m rolls. Whilst the successful supplier to the [REDACTED] NSW business is not yet known, the [REDACTED] tender provides an explicit example where imports and like goods were directly competing for the same customer and same products, and where undercutting imports led directly to price depression and suppression.

Refer to **Exhibit A-9.2 – Undercutting analysis.**

Profits and profitability

As explained earlier, the subject imports were priced at dumped levels which undercut Cromford's price offering, and forced Cromford to react with aggressive price reductions at a time when it was facing cost increases for production of like goods. This has led to price suppression and a consequential impact on profits and profitability.

This is demonstrated clearly through the substantial fall in profit and profitability across all MCC indices at A-8.2 of this application. At a broader company level, total profits and profitability have fallen by [REDACTED]% and [REDACTED]% respectively, across the injury assessment period.

Given the loss of [REDACTED] sales into Queensland and Victoria, and potential lost sales to [REDACTED] NSW business, Cromford is forecasting a further substantial fall in total profits in the foreseeable period.

3. Compare the data at appendix A2 (Australian market) to identify the influence of dumped and/or subsidised imports on your quarterly costs to make and sell at appendix A6.1 (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).

As demonstrated by the indices at section A-8, Cromford has faced increasing costs across the entire range of like goods. In the face of unfair competition from dumped imports, Cromford has attempted to maintain its volume and market share by reducing its prices. Whilst unit selling prices increased marginally for M-200-B during the most recent period, the increase did not account for the full increase in costs over the same period.

Meanwhile, unit selling prices for H-200-B remained unchanged in the most recent period, but fell by three percentage points across the injury period, compared to a slight increase in costs over the same period.

It is also worth noting that these movements reflect overall actual selling prices and do not provide a true picture of the injury occurring at the customer level. For example, Cromford bid \$[REDACTED] per roll and \$[REDACTED] per roll for medium impact black and high impact black in its original tender proposal for the [REDACTED] business. This compares to actual average selling prices to [REDACTED] during the most recent period of \$[REDACTED] per roll and \$[REDACTED] per roll respectively. This highlights that the offered price reduction by Cromford does not show in its indices as the bid was rejected by [REDACTED], but more importantly that the tender offer prices were lower than the corresponding cost to make and sell for medium impact black. This confirms that the price of dumped imports from Malaysia were placing pressure on Cromford's price offering which led to clear price suppression.

4. The quantity and prices of dumped and/or subsidised imported goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped and/or subsidised imports on these factors and where applicable use references to the data you have provided at appendix A7 (other economic factors). If factors other than those listed at appendix A7 (other economic factors) are relevant, include discussion of those in response to this question.

Given the estimated nature of the economic data contained in appendix A7 with regards to like goods and other products manufactured by Cromford, it does not

observe any link between dumped imports and the other injury indicators outlined in Appendix A7.

5. Describe how the injury factors caused by dumping and/or subsidisation and suffered by the Australian industry are considered to be 'material'.

At a broader level, injury to the Australian industry is considered material when taking into account the overall reduction in local production over the past 10 years. This includes a severe erosion of local manufacturers and production including the closure of Australian Film & Pipe in 2010, Plastic Technologies in 2010 and Thoms in 2016.

At a company specific level, Cromford contends that injury suffered as a result of dumped imports has directly led to potential lost sales in the order of [REDACTED] and [REDACTED] rolls relating to the [REDACTED] Queensland and Victorian business respectively. These lost sales account for nearly a quarter of the total Australian market and at Cromford's original price offering amounts to approximately \$[REDACTED] in revenue from the Queensland business, and approximately \$[REDACTED] from the Victorian business.

The actual loss of sales and revenue is [REDACTED] is to award the NSW business to imports amounts to approximately \$[REDACTED]. This equates to a [REDACTED]% reduction in Cromford's revenue due directly to dumped imports being awarded the [REDACTED] year supply contract.

6. Discuss factors other than dumped and/or subsidised imports that may have caused or may threaten to cause injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping and subsidisation.

Sales of concrete underlay film correlate to the residential and commercial building activity. Whilst housing activity fell through to mid-2019, activity picked up in the second half of 2019 and the first quarter of 2020. The ABS' publication of Building Approvals (8731.0) shows a 1% trend increase in total dwelling units approved between March 2019 to March 2020.

There are no other known factors that have contributed to Cromford's injury, as there are no alternative or substitutable products.

7. This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped and/or subsidised imports, forecast their impact on your industry's economic condition. Use the data at appendix A2 (Australian market), appendix A6 (cost to make and sell), and appendix A7 (other economic factors) to support your analysis.

PART B

DUMPING

IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

B-1 Source of exports

1. Identify the country(ies) of export of the dumped goods.

The goods the subject of this application are exported from Malaysia.

2. Identify whether each country is also the country of origin of the imported goods.
If not, provide details.

The country of origin of the imported goods are understood to be the nominated country.

3. If the source of the exports is a non-market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.

Not applicable.

4. Where possible, provide the names, addresses and contact details of:
 - producers of the goods exported to Australia;
 - exporters to Australia; and
 - importers in Australia.

Malaysia Exporters

- **Cyclepoly Sdn Bhd**
Lot 7111, Jalan Kapar Batu Batu 5 3/4, Kampung Sementa, 42100 Klang, Selangor, Malaysia
+603 32920066
sales@cyclepoly.com.my
- **Great Cosmo Industries Sdn. Bhd.**
Lot 9674G, Batu 11, Desa Aman, 47000, Sungai Buloh, Selangor, 47000, Malaysia
+6 03 6157 7899
gcm@greatcosmo.com
- **Plastik V Sdn. Bhd.**
Lot 8595, Kampung Air Hitam, 6 1/2 Miles, Jalan Langat, 41200 Klang, Selangor, Malaysia
+(603) 3122 1111
info@plastik-v.com
- **GT-Max Plastic Industries (M) Sdn Bhd**
Lot 4971, Jalan Teratai KU/08 Kaw Perindustrian Meru Timur, 5 1/2 Miles Off, Jalan Meru, 41050, Klang, Selangor, 41050 Klang, Selangor, Malaysia
+603 – 3392 6868
info@gt-max.com.my

PUBLIC VERSION

- **Irox- Irox (M) Sdn Bhd**
50-0, Lorong Batu Nilam 21B, Bandar Bukit Tinggi 2, 41200 Klang, Selangor, Malaysia
+60 3-3326 2633
- **CY Intertrade SDN. BHD.**
Lot 6107, Jalan Haji Salleh, 5 1/2 Miles, Off Jalan Meru, Selangor, Klang, 41050 Klang, Selangor, Malaysia
+60-333926000
sales3cym@gmail.com
- **UNISTAR INDUSTRIES SDN BHD**
No 12A, Jalan Wawasan 2B/KU7, Sungai Kapar Indah, 42200, Kapar, Selangor, Malaysia
+603-3290 5556
general@unistar.my
- **Respack Manufacturing Sdn Bhd**
Kawasan Perusahaan Ringan Bakar Arang, 08000 Sungai Petani, Kedah, Malaysia
+604-423 9885
admin@respack.com.my
- **JI Plastic Industries Sdn. Bhd.**
180, Jalan Perigi Nanas 8/14, Taman Perindustrian Pulau Indah, 42920 Pulau Indah, Selangor, Malaysia
+ 603 61401913
karennmp@yahoo.com

Australian importers

- **Surepak**
19 Capital Ct, Braeside VIC 3195
Phone: 03 9068 5829
- **Allcon Group**
50 Merrindale Dr, Croydon South VIC 3136
Phone: (03) 9839 7000
- **D & K Building Supplies**
3 Abbots Rd Rd Dandenong Sth Vic 3175
PH: 03 9783 2882

PUBLIC VERSION

- **Allcraft Trade Solutions**
22 Mt Erin Rd Campbelltown NSW 2560
PH: 02 4625 7575
- **Ariston Wire**
608/9 Bronte Rd Bondi Junction NSW 2022
02 9387 4188
- **Davmar Industries**
NSW Office
Unit 11/30 Barry Rd,
Chipping Norton NSW 2170
(02) 9755 0716

VIC Office
108 Derrimut Drive,
Derrimut VIC 3026
(03) 9310 3892

QLD Office
Unit 1/2-4 Frank Heck Close,
Beenleigh QLD 4207
(07) 5628 0000
- **Homewares Pty Ltd (Trading under the Grunt brand)**
67 Gower Street Preston VIC 3072 Australia
+(61) 03 9471 0811
- **Sunrise Marketing Pty. Ltd**
1-7 Francis St Wingfield SA 5013
PH: 08 8347 4999
- **PolyPlus Solutions Pty Ltd**
8 Commercial Dr Dandenong Sth Vic 3175
PH: 03 8560 5780
- **CA Group**
32 Industrial Ave Thomastown Vic 3074
PH: 8301 7100
- **Prior Packaging**
201 Jackson Rd Sunnybank Hills Qld 4109
PH: 1300 972 559
- **Econ Global Pty Ltd**
124 Furniss Rd Lansdale WA 6065
PH: 08 9303 2757

- **L&N Group**
20-49 College St Gladesville NSW 2111
PH: 02 9604 7122
- **A.G Pulie Pty Ltd**
29 Parramatta rd
Granville Nsw 2142
PH: 02 9637 9011
- **Plascorp**
45 Chambers Rd Altona Nth Vic 3025
PH: 03 9391 4011
- **Construction Products**
6 Audsley St Clayton Sth Vic 3169
PH: 03 9544 2370
- **The Tubeworks**
6/8 Northern Rd
Heidelberg West Vic 3081
PH: 03 9457 5545
- **BIY Construction Supplies**
Cnr Albion & Havelock Sts SA 5013
PH: 08 8347 0444
- **Lyndons Pty Ltd**
37 Victoria St Windsor Qld 4030
PH: 07 3857 7788
- **Wire Industries**
182 Power St Glendenning Nsw 2761
PH: 2 8887 7777
- **Fairbanks Building & Garden Products**
66-72 Glenbarry Rd
Campbellfield Vic 3061
PH: 03 9357 8600
- **Robot Building Supplies**
326 Ferntree Gully Rd Notting Hill Vic 3168
PH: 03 9543 3666

5. If the import volume from **each** nominated country at Appendix A.2 (Australian Market) does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.

Not applicable. Whilst ABS data is not expected to accurately identify import volume

for the subject goods, Cromford has estimated import volumes based on construction activity which is the primary demand driver for concrete underlay film. It has then estimated the respective volumes for Malaysia based on market intelligence, customer offers and price quotes.

6. In the case of an application for countervailing measures against exports from a developing country, if the import volume from **each** nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application

Not applicable.

B-2 Export price

Possible sources of information on export price include export price lists; estimates from the Australian Bureau of Statistics; a deductive export price calculation from the Australian selling price of the imported goods; export sales quotations or invoices; foreign government export trade clearances.

1. Indicate the FOB export price(s) of the imported goods. Where there are different model control codes or levels of trade involved, an export price should be supplied for each.

The goods covered by the application are considered to be classified to the following tariff:

3920 - OTHER PLATES, SHEETS, FILM, FOIL AND STRIP, OF PLASTICS, NON-CELLULAR AND NOT REINFORCED, LAMINATED, SUPPORTED OR SIMILARLY COMBINED WITH OTHER MATERIALS:

- ↳ Of polymers of ethylene:
 - ↳ Exceeding 0.08mm in thickness:
 - ↳ *Printed, embossed or otherwise surface-worked, except merely polished, or*
 - ↳ *Other.*

Even if the subject imports are correctly classified to this tariff classification, the tariff description covers a far too broad category of plastic products for ABS data to be useful for identifying import volumes and/or estimating export prices. Cromford has instead relied on numerous detailed import price offers from customers and suppliers in the Australian market to estimate deductive export prices.

2. Specify the terms and conditions of the sale, where known.
Based on discussion with customers (see notes at **Exhibit A-9.2**), Cromford understands that the terms of sale for imports varied from FOB to CFR. In calculating deductive export prices, Cromford has relied on delivered prices to the customer or selling prices of the customers in Australia, and deducted relevant post-exportation expenses to derive FOB export prices.
3. If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods.

Appendix B1 (Deductive Export Price) can be used to assist your estimation.

Refer to **Appendix B1**. Deductive export prices have been estimated using identified selling prices of importers and/or wholesalers which are derived from discussions with customers. Refer to Cromford's Sales Manager notes contain at **Exhibit A-9.2**. Where relevant, deductions have been made to these selling prices for expenses relating to:

- Container unpacking = A\$ [REDACTED]/roll – based on Cromford's own experience of A\$ [REDACTED] per hour and [REDACTED] rolls per container;
- Import clearance and delivery charges = A\$ [REDACTED]/roll – based on Cromford's own previous import expenses including [REDACTED] port charges (\$ [REDACTED] per 40" container) and customs clearance fees and delivery charges (\$ [REDACTED] per 40" container) and [REDACTED] rolls per container
- Shipping = A\$ [REDACTED]/roll = based on average [REDACTED] and [REDACTED] shipping costs into Sydney (\$ [REDACTED] per 40" container).

Supporting evidence for these deductions are included at **Exhibit B-2.3**.

The table below summarises the deductive export prices for each MCC known to be sold and supplied in the Australian market by imports. Deductive export price calculations to support these FOB prices are outlined below.

MALAYSIA

Model Control Code	Size	Price USD FOB
H-200-B	4m x 200um x 50m high impact black	\$29.56
M-200-B	4m x200um x 50m medium impact black	\$24.80

4. It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.

Cromford has calculated deductive export prices using customer price offers and made deductions relevant deductions to arrive at FOB prices. Deductions were estimated based on Cromford's understanding and experience with importing relevant materials.

B-3 Selling price (normal value) in the exporter's domestic market

Possible sources of information about domestic selling prices in the country of export include: price lists for domestic sales (with information on discounts); actual quotations or invoices relating to domestic sales; published material providing information on the domestic selling prices; or market research undertaken on behalf of the applicant.

1. State the selling price for each model control code of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.

Cromford understands that there is no domestic market for concrete underlay film in Malaysia. This is based on Cromford's knowledge and understanding of Asian markets and the fact that it has never heard of concrete underlay film being used domestically in Malaysia. Therefore, domestic selling prices do not exist for establishing normal

values.

2. Specify the terms and conditions of the sale, where known.

Cromford has calculated normal values at the point of FOB at cash terms to ensure proper comparison with the export prices.

3. Provide supporting documentary evidence.

No evidence of domestic selling prices exists as like goods are not sold domestically.

4. List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.

There are no other known domestic sellers in Malaysia.

B-4 Estimate of normal value using another method

This section is not mandatory. It need only be completed where there is no reliable information available about selling prices in the exporter's domestic market. Other methods of calculating a normal value include:

- the cost to make the exported goods plus the selling and administration costs (as if they were sold in the exporter's domestic market) plus an amount for profit (if applicable);
OR
- the selling price of like goods from the country of export to a third country.

1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).

Refer to **Appendix B2 – Constructed Normal Value**.

MALAYSIA

Model Control Code	Size	Price USD FOB
H-200-B	4m x 200um x 50m high impact black	\$36.64
M-200-B	4m x200um x 50m medium impact black	\$33.95

2. Provide supporting documentary evidence.

Cromford has constructed normal values using the following cost components:

- Raw material costs - These are based on Cromford's actual product raw material costs and are considered reasonable as recycled plastic resin/pellet prices are similar within the East Asian Region.
- Labor and overheads – based on Cromford's actual costs and adjusted to reflect the difference in average manufacturing wages between Australia and Malaysia (refer to **Exhibit B-4.2 – Manufacturing wages**).
- Malaysia SG&A expenses – based on reported SG&A rates for Scientex Berhad, a leading manufacturer of industrial stretch film and industrial packaging

- products. (refer to **Exhibit B-4.2 – Scientex Berhad**).
- Malaysia profit - based on reported SG&A rates for Scientex Berhad, a leading manufacturer of industrial stretch film and industrial packaging products.

B-5 Adjustments

A fair comparison must be made between the export price and the normal value. Adjustments should be made for differences in the terms and circumstances of the sales such as the level of trade, physical characteristics, taxes or other factors that affect price comparability.

- Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.

No adjustments are required as both export prices and normal values reflect FOB delivery terms and at cash prices.

- State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.

Not applicable.

B-6 Dumping margin

- Subtract the export price from the normal value for each model control code of the goods (after adjusting for any differences affecting price comparability).

Refer to **Exhibit B-6 – Dumping margins** and the table below.

MALAYSIA

Model Control Code	Size	Price USD FOB
H-B	4m x 200um x 50m high impact black	\$7.08
M-B	4m x200um x 50m medium impact black	\$9.15

- Show dumping margins as a percentage of the export price.

Refer to **Appendix B-3 – Dumping margins** and the table below.

MALAYSIA

Model Control Code	Size	Price USD FOB
H-B	4m x 200um x 50m high impact black	24.0%
M-B	4m x200um x 50m medium impact black	36.9%

PART C

SUPPLEMENTARY SECTION

IMPORTANT

Replies to questions in Part C are not mandatory in all instances, but may be mandatory for certain applications.

C-1 Subsidy

This section must be completed where countervailing duties are sought to offset foreign government assistance through subsidies to exporters or producers.

If the application is for countervailing duty alone, the domestic price information required by Part B of the application need not be supplied.

Responses to questions A-9 will need to identify the link between subsidisation and injury.

1. Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:
 - (i) the nature and title of the subsidy;
 - (ii) the government agency responsible for administering the subsidy;
 - (iii) the recipients of the subsidy; and
 - (iv) the amount of the subsidy.

Not applicable.

C-2. Threat of material injury

You must complete this section if the application includes a claim that material injury is threatened to an Australian industry because of the exportation of goods into the Australian market.

1. Identify the change(s) in circumstances that would make material injury foreseeable and imminent unless dumping or countervailing measures were imposed, for example by having regard to:
 - (i) the rate of increase of dumped/subsidised imports;
 - (ii) changes to the available capacity of the exporter(s);
 - (iii) the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;
 - (iv) inventories of the product to be investigated;
 - (v) for applications claiming subsidisation, the nature of the subsidies in question and the trade effects likely to arise therefrom; or
 - (vi) any other relevant factor(s).
2. If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that material injury is both foreseeable and imminent.

Not applicable.

C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Commission's client support section before completing this section.**

Not applicable.

1. Fully describe the locally produced raw agricultural goods.
2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.
3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.
4. Provide information to establish **either**:
 - a close relationship between the price of the raw agricultural goods and the processed agricultural goods; **or**
 - that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.

C-4. Exports from a non-market economy

Complete this section only if exports from a non-market economy are covered by the application. The domestic price information required by Part B of the application need not be supplied if this question is answered.

Normal values for non-market economies may be established by reference to selling prices or to costs to make and sell the goods in a comparable market economy country.

1. Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.
2. Nominate a comparable market economy to establish selling prices.
3. Explain the basis for selection of the comparable market economy country.
4. Indicate the selling price (or the cost to make and sell) for each model control code of the goods sold in the comparable market economy country. Provide supporting evidence.

Not applicable.

C-5 Exports from an 'economy in transition'

An 'economy in transition' exists where the government of the country of export had a monopoly, or substantial monopoly, on the trade of that country (such as per question C-4) and that situation no longer applies.

Complete this section only if exports from an 'economy in transition' are covered by the application. **Applicants are advised to contact the Commission's client support section before completing this section**

1. Provide information establishing that the country of export is an 'economy in transition'.
2. A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.
3. Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.
4. Estimate a 'normal value' for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.

Not applicable.

C-6 Aggregation of Volumes of dumped goods

Only answer this question if required by question B-1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	Quantity	%	Value	%
All imports into Australia		100%		100%
Country A*				
Country B*				
etc*				
Total				

* Only include countries that account for less than 3% of all imports (or 4% in the case of subsidised goods from developing countries). Use the data at Appendix A.2 (Australian Market) to complete the table.

Not applicable.

APPENDICES

Appendix A1

Australian Production

PUBLIC VERSION

Appendix A2	Australian Market
Appendix A3	Sales Turnover
Appendix A4	Domestic Sales
Appendix A5	Sales of Other Production
Appendix A6.1	Cost to Make and Sell (& profit) Domestic Sales
Appendix A6.2	Cost to Make and Sell (& profit) Export Sales
Appendix A7	Other Injury Factors
Appendix A8	Authority to Deal With Representative
Appendix B1	Deductive Export Price
Appendix B2	Constructed Normal Value