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The Director - Investigations 4
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Dumping investigation into concrete undelay film from Malaysia

Dear Director,

This submission is made on behalf of LCM General Products Pty Ltd, trading as Cromford Film ("Cromford"), to the current dumping investigation into concrete underlay film exported from Malaysia. The submission presents Cromford's views in response to the Commission's Statement of Essential Facts Report No. 554.

Cromford welcomes the Commission's findings of dumping against Malaysian exporters, and that those dumped exports caused material injury to the Australian industry producing like goods. In particular, the Commission's analysis of comparative prices in the Australian market, is consistent with Cromford's supporting documentation which showed that importers of the dumped goods were driving market prices lower, which in turn led to Cromford offering lower selling price that ultimately impacted on the profitability of the business.

In the case of the referenced tender, Cromford supports the Commission's finding that but for dumping, Cromford's tender prices would have been substantially more competitive against competing import offers. In that situation, it is reasonable to conclude that Cromford would have retained a material share of the tender volumes.

Other factors – Capacity

It is noted that the Commission considered whether Cromford's production capacity contributed to the injury effects found to exist during the investigation period. The Commission observed '*...that the Australian industry has capacity limitations, in terms of its inability to supply a significant proportion of the Australian market for the goods*'. The Commission also correctly found that '*...Cromford had excess capacity throughout the period examined. Additionally, for major supply agreements that were lost, these had previously been maintained over a period of time*'.

Whilst Cromford acknowledges that it does not possess sufficient production capacity to satisfy the entire Australian market, it is important to understand that it did not bring its dumping application with a view to becoming a monopoly supplier.

As highlighted in its application, material injury has occurred to the broader Australian industry producing like goods over the past decade, evident by the closure of Australian producers such as Australian Film & Pipe in 2010, Plastic Technologies in 2010 and Thoms in 2016. In addition, there are current Australian businesses with production capabilities for manufacturing like goods, which have made the decision to not produce like goods due to the dumped low import prices and expected low/negative margins, relative to other film products where dumping is not an issue.

It is Cromford's genuine desire that the imposition of measures will bring about sufficiently improved market conditions, which would provide other local manufacturers with an opportunity to allocate some of their production capacity to concrete underlay film. This would lead to an expanded Australian industry, greater choice for customers and stable conditions for distributors.

Therefore, any suggestion that the imposition of measures will be ineffective at addressing material injury to the Australian industry given Cromford's inability to supply the whole Australian market, is short-sighted and ill-considered. Cromford fully expects the imposition of measures to stimulate and support an expanded Australian industry beyond Cromford. In fact, Cromford has contacted other potential local manufacturers about the Commission's decision, to advise them of the expected improved market conditions.

In conclusion, the Commission's recommendation and the Minister for Industry's expected decision is likely to result in a stronger expanded Australian manufacturing industry.

Yours sincerely

John Bracic