

Gross & Becroft
L A W Y E R S
International Trade • Customs • Commercial Law

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PUBLIC FILE VERSION

17 February 2012

Mr Justin Wickes
National Manager
International Trade Remedies Branch
Australian Customs & Border Protection Service
Customs House
5 Constitution Ave
CANBERRA ACT 2601

Dear Mr Wickes

Re: Trade Measures Enquiry No 176 – Structural Timber Exported from Austria, Canada, the Czech Republic, Estonia, Germany, Lithuania, Sweden and the USA

We act for Tilling Timber Pty Limited (Tilling) being an importer of structural timber from Germany and Canada to Australia.

We are instructed that Tilling is a minor importer of pine and Douglas fir timber into Australia. Tilling seeks to satisfy local market demand for the sale of specific grades and sizes which local mills find less attractive to produce from a production recovery basis. For example, the main products imported from our client's German supplier Ilim are the [TEXT DELETED -PRODUCT SIZES] sizes for use in the [TEXT DELETED- IDENTITY OF MARKET] market, which comprises [PERCENTAGE FIGURE DELETED] percent of the volume of products imported from Ilim. A similar niche product imported is [TEXT DELETED – PRODUCT SIZES] which is used in the [TEXT DELETED – IDENTITY OF MARKET]. Tilling is the major supplier of these sizes of structural timber into both these markets.

Overall Tilling's imports represent approximately [TEXT DELETED – PERCENTAGE FIGURE] percent of the structural timber imports to Australia which, in turn, represents about [TEXT DELETED- PERCENTAGE FIGURE] percent of the total market.

Given the limited quantity of structural timber imported by Tilling, and allowing for the unique nature of the products supplied, it is difficult to envisage any basis for Customs to find that

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material injury to the Australian industry is being caused by these activities.

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We also note that under s 269TAD(13) it is open to Customs to terminate an investigation where the injury to Australian industry that has been, or may have been, caused by any dumping is negligible. In this case, even if there is a positive dumping margin established, the quantity of products imported by Tilling cannot be a cause of any material injury. Further, our client's imports [TEXT DELETED - PERCENTAGE OF IMPORTS RELATIVE TO THE DE MINIMUM THRESHOLD] the de minimus threshold of 3 percent under s269TAD(4) that would deem any dumped imports to be negligible. Accordingly, the investigation in respect of Ilim's sales to Tilling should be terminated as soon as possible.

The assertion that Tilling's imports are not causing any material injury are also a logical conclusion to be drawn from the fact that Customs has not to date found any positive dumping margins in respect of various other foreign exporters whose sales have been verified. This leads to the self-evident conclusion that any material injury being suffered by the Australian industry is a result of other factors, which are likely to include the significant appreciation of the Australian dollar and the decline in the number of new Australian housing starts.

We trust these factors will be taken into account by Customs in its report to the Minister.

Yours faithfully
GROSS & BECROFT



Dr. Ross Becroft
Principal