

# ADRP Conference Summary

## Review 124 – Deep Drawn Stainless Steel Sinks exported from the People’s Republic of China

Panel Member	Paul O’Connor
Review type	Review of Minister’s Decision
Date	19 May 2020
Participants	Charles Zhan and Macky Markar (Moulis Legal)
Time opened	11:00 AEST
Time closed	11:35 AEST

### Purpose

The purpose of this conference was to obtain further information in relation to the application before the Anti-Dumping Review Panel (Review Panel) lodged by Moulis Legal (Moulis) on behalf of Zhuhai Grand Kitchenware Co., Ltd (Zhuhai Grand) in relation to Deep Drawn Stainless Steel Sinks exported from the People’s Republic of China.

The conference was held pursuant to section 269ZZHA of the *Customs Act 1901* (the Act).

In the course of the conference, I asked the representatives from Moulis to clarify an argument, claim or specific detail contained in Zhuhai Grand’s application to the Review Panel. The conference was not a formal hearing of the review.

I have only had regard to information provided at this conference as it relates to relevant information (within the meaning of section 269ZZK(6) of the Act). Any conclusions reached at this conference are based on that relevant information. Information that relates to some new argument not previously put in an application or submission is not something that the Review Panel has regard to, and is therefore not reflected in this conference summary.

At the time of the conference, I advised Moulis’ representatives:

- That the conference was being recorded and transcribed by Express Virtual Meetings Pty Ltd, and that the recording would capture everything said during the conference.
- That the conference was being recorded for the Review Panel to have regard to when preparing a conference summary. The conference summary would then be published on the Review Panel’s website.

- Any confidential information discussed during the conference would be redacted from the conference summary prior to publication.

Prior to the conference, participants were provided with a copy of the Review Panel's Privacy Statement. The Privacy Statement outlines who the conference recording and transcript may be disclosed to. The Privacy Statement is available on the Review Panel's website [here](#). The representatives from Moulis indicated that they understood the Privacy Statement and consented to:

- The recording of this conference; and
- The recording being dealt with as set out in the Privacy Statement.

Prior to the conference the Panel provided Moulis with a list of points for discussion.

## Discussion

1. The focus of the conference was upon Confidential Attachment 27 to REP 517.
2. Zhuhai Grand argues that as the accessories formed an integral part of the relevant transactions, the Anti-Dumping Commission's (Commission) approach of separating out the costs of the accessories from the cost to make is neither correct nor accurate. This is because the accessory adjustment was not done at the MCC level but on a single weighted average basis of all like goods sold. The Commission therefore did not take into account the specific differences at the MCC level which was the focus of the Commission's attempt to calculate the normal value, which in turn was to be the subject of adjustment where appropriate.
3. Zhuhai Grand noted the Commission also omitted to include a profit component for accessories notwithstanding the aim was to make a price-based adjustment for the purpose of constructing a hypothetical domestic selling price.
4. Zhuhai Grand argues that the Commission calculated a single weighted average unit accessory cost for all the exported product and a single weighted average unit cost of accessories for all the domestic products and compared the two. But this calculation and comparison was not done at the MCC level, unlike the comparison between the exported goods and the relevant domestic transactions which were done at the MCC level. Zhuhai Grand argues it would have been consistent with the MCC approach

had the comparison been done between the weighted average cost of a particular MCC for export and the weighted average cost inclusive of the accessory of the corresponding MCC sold on the domestic market.

5. To use an example to highlight the Commission's approach, although there was a recognition that at the MCC level there were physical differences between the domestic and export products, Zhuhai Grand argues the Commission identified a single weighted average cost of all chopping boards notwithstanding varying sizes of sinks across different MCCs have varying sized chopping boards. Zhuhai Grand noted it is quite artificial to single out accessories and not treat them like other physical differences between export and domestic products.
  
6. In relation to the Commission's adjustment for market specific product differences between the export model and the domestic model under the same MCC, Zhuhai Grand argue such an adjustment is irrelevant where normal value is based upon a domestic model of a surrogate MCC. If the comparison had been done between the export model costs and the surrogate model costs any further adjustment would not have been necessary.

Paul O'Connor  
Panel Member  
Anti-Dumping Review Panel  
4 June 2020