



吉龍塑膠(馬)有限公司
GT-MAX PLASTIC INDUSTRIES (M) SDN. BHD.
Company No:200201034317 (601982-K)

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Date: [10 October 2026]

To:

The Case Manager
Inquiry No. 696 – Concrete Underlay Film from Malaysia
Anti-Dumping Commission
GPO Box 2013, Canberra ACT 2601, Australia
Email: investigations3@adcommission.gov.au

Cc:

The Commissioner, Anti-Dumping Commission

Dear Case Manager,

SUBMISSION IN RESPONSE TO STATEMENT OF ESSENTIAL FACTS (SEF) NO. 696: ASSISTING THE COMMISSION IN RE-EVALUATING INJURY CAUSATION, ADDRESSING THE APPLICANT'S ADMINISTRATIVE MISDIRECTION, AND ENSURING A NON-DISCRIMINATORY OUTCOME FOR MALAYSIAN CONCRETE UNDERLAY FILM

GT-MAX Plastic Industries (M) Sdn. Bhd. ("GT-MAX") appreciates the opportunity to provide this formal submission in response to Statement of Essential Facts No. 696 (SEF 696), published on 24 September 2026.

As an established, long-standing supplier of compliant concrete underlay film manufactured to Australian Standards (AS 2870), GT-MAX holds the highest regard for the integrity, procedural fairness, and evidentiary rigor of the Australian Anti-Dumping Commission ("the Commission").

It is precisely out of respect for the Commission's independent and objective mandate that we lodge this submission: to assist the Commission in ensuring that its final recommendations are anchored in verifiable market realities and statutory causality, rather than inadvertently misdirected by the selective assertions of the sole domestic applicant, LCM General Products Pty Ltd (trading as Cromford Film).

We respectfully submit that the preliminary recommendation to extend measures and impose an extraordinary 63.6% residual rate does not reflect market causation, overlooks the decisive role of duty-free non-subject imports, and unintentionally shields the applicant from normal commercial accountability at a heavy cost to Australian builders, subcontractors, and home-building families.

1. Distinguishing Legitimate Manufacturing Efficiencies from Unfair Pricing

GT-MAX fully endorses the objective of Part XVB of the Customs Act 1901 ("the Act") and the WTO Anti-Dumping Agreement to preserve fair cross-border competition. However, sound trade administration requires a clear line between unfair pricing and legitimate factor cost efficiencies:

- **Operational & Factor Cost Realities:** Malaysian producers operate within integrated industrial clusters with access to competitive infrastructure, optimized utility inputs, and streamlined compliance overheads. Both Malaysian manufacturers and Cromford Film utilize standard blown-film extrusion technology and comparable low-density polyethylene (LDPE) polymer formulations.
- **Misdirection by the Applicant:** The applicant has persistently sought to characterize transparent, efficient overseas production economics as injurious "dumping". Trade remedies were designed to address unfair international price discrimination, not to serve as a permanent tariff shelter that insulates a domestic firm from ordinary global efficiency benchmarks.

2. Cromford Film's Pattern of Regulatory Weaponization and Public Interest Distortion

SEF 696 confirms that the Australian domestic industry effectively consists of a single corporate entity. A review of consecutive trade proceedings (INV 554, AC 606, AC 671, and now Inquiry 696) reveals an unmistakable administrative pattern:

- **Exploiting Administrative Friction:** The applicant has repeatedly leveraged the trade remedy framework to create continuous legal and logistical hurdles for Australian importers and foreign SMEs. The extensive forensic accounting demands of Exporter

Questionnaires (REQs) place disproportionate burdens on overseas manufacturers lacking dedicated multinational legal counsel, allowing the applicant to exploit procedural defaults into prohibitive residual tariffs.

- **Compounding Australia's Building and Housing Crisis:** Concrete underlay film is a mandatory component under the National Construction Code for foundation slab integrity. The Australian construction industry is currently enduring unprecedented structural distress: 3,472 construction companies entered insolvency during the 2025–26 fiscal year (representing one in four of all insolvencies nationwide), while building material prices rose 9.2% in the June 2026 quarter alone.
- **Exploiting Tariff Protection at Public Expense:** Shielding Cromford Film with an escalated 63.6% tariff will inevitably cascade into downstream construction costs, exacerbating builder insolvencies, driving project delays, and directly undermining national policy priorities aimed at housing supply and living-cost relief.

3. Absence of Causation: Price Suppression is Severed by Third-Country Imports (Section 269TAE(2A))

GT-MAX commends the Commission's factual market reporting in SEF 696, which objectively tracks the realignment of the Australian import landscape. However, the legal consequence of these findings decisively severs any causal nexus between Malaysian supply and the applicant's commercial state:

- **Market Domination by Non-Subject Countries:** The Commission's own findings in Section 4.5 (Page 28) and Figure 7 (Page 45) of SEF 696 demonstrate that Malaysian volume has contracted from 87.9% to 44.4% of total imports. Conversely, duty-free supply from third countries—predominantly the Socialist Republic of Vietnam—has expanded to command the clear majority of import volumes.

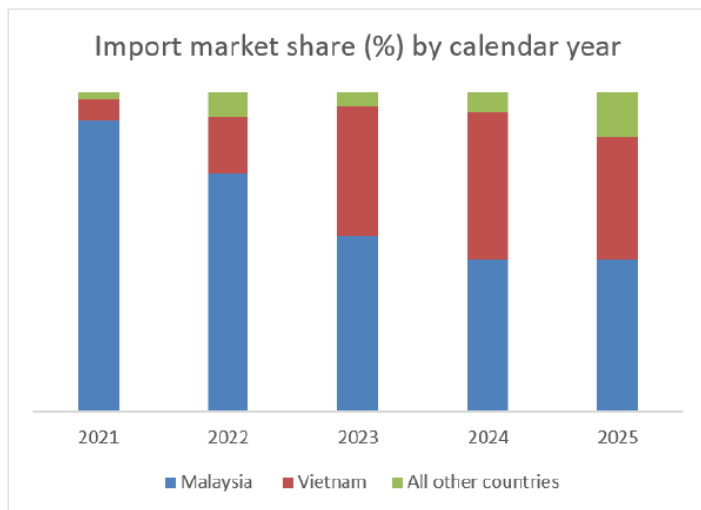


Figure 7: Import market share of the goods (%) by calendar year

- **Empirical Price Undercutting Established in SEF 696:** In Section 7.6.2 (Page 50) and Figure 10 of SEF 696, the Commission explicitly observes:

- "in one quarter of the injury analysis period, the weighted average FOB price of exports from Vietnam was lower than that of exports from Malaysia, indicating that Malaysian exporters face competition from other low-priced sources of supply."
- "despite substantial import volumes from Vietnam, FOB export prices from the non-subject countries remained broadly comparable to those of Malaysian exporters, suggesting that competition between major sources of supply is driven primarily by price regardless of the volume exported."

- **Statutory Non-Attribution:** Under Section 269TAE(2A) of the Act and Article 3.5 of the WTO Anti-Dumping Agreement, injury caused by non-subject, duty-free imports must not be attributed to Malaysian exporters. Furthermore, the Commission acknowledged that Malaysian import prices "have not materially changed" throughout five years of existing duties. Escalating duties on Malaysia will not relieve Cromford's commercial challenges; it will merely accelerate trade substitution toward Vietnam with zero remedial benefit to the local industry.

4. Exposing the Applicant's "Recycling ESG Fallacy"

Cromford Film has frequently invoked environmental stewardship and the domestic circular economy to substantiate its requests for tariff protection. A rigorous, objective assessment demonstrates that this narrative masks critical operational and environmental trade-offs:

- **Resource-Intensive Local Reprocessing:** Washing and decontaminating post-consumer waste plastic in Australia requires substantial volumes of potable water and intensive electricity drawn from domestic grids still largely dependent on fossil fuels. In addition, local mechanical recycling introduces operational risks of chemical effluent runoff and microplastic contamination.
- **Structural 50% Cost Inefficiency:** Australian recyclers confront a structural cost disadvantage of up to 50% above virgin resin benchmarks due to high local energy, processing, and regulatory compliance expenses. Invoking circular sustainability to obtain trade protection misapplies genuine ESG principles and forces Australian construction consumers to subsidize an uneconomic operational model.

5. Re-Evaluating the 63.6% Residual Rate under the Lesser Duty Rule and MAFTA Commitments

GT-MAX respectfully draws the Commission's attention to the severe disproportion between the verified benchmark and the proposed residual rate:

- **Divergence from Verified Findings:** The Commission verified an interim dumping margin of 16.7% for cooperative exporter Great Cosmo Industries Sdn. Bhd. (GCI). Because established Malaysian producers operate within identical macroeconomic parameters, source resin feedstocks at international parity, and manufacture to AS 2870 standards, there is no empirical basis to assume other Malaysian exporters operate at a margin 46.9% higher than GCI.
- **Alignment with the Lesser Duty Rule:** Under Section 269TACA of the Act and bilateral commitments under the Malaysia-Australia Free Trade Agreement (MAFTA), Australia maintains a consistent practice of applying the Lesser Duty Rule. The Commission is respectfully urged to recommend a measure that does not exceed the minimum level strictly necessary to prevent injury.

Conclusion and Constructive Relief Requested

GT-MAX submits these observations in a spirit of constructive assistance, supporting the Commission in presenting an objective, legally sound, and factually robust Final Report to the Minister.

We respectfully request that the Commission:

1. Conclude under Section 269ZHF(2) that the expiration of measures on concrete underlay film from Malaysia would not lead to the continuation or recurrence of material injury, as price conditions are governed by non-subject third-country imports (Section 269TAE(2A));
2. Prevent the Administrative Process from being leveraged to insulate domestic cost inefficiencies at the direct expense of Australian homebuilders, housing affordability, and building cost stability; or
3. In the Alternative, Apply the Lesser Duty Rule: Revoke the proposed 63.6% residual rate and cap the rate for GT-MAX and all other exporters at no higher than the contemporary verified cooperative benchmark of 16.7%, in full alignment with MAFTA commitments and established trade principles.

We thank the Case Manager and the Commission for their continued professionalism and consideration of this submission.

Yours faithfully,

Felix Ho
Executive Director

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