

I wish to make submission to the above mention study.

We do not believe that Custom's take into account all "relevant economic factors" when establishing material injury in dumping investigations.

I refer to the findings made by Customs in relation to Australian Customs Dumping Notice NO. 2004/34 - Initiation of a review of anti-dumping measures covering high density polyethylene (HDPE) from The Republic of Korea, Malaysia, Singapore and Sweden.

There is currently only one manufacturer of HDPE in Australia.

The particular grade of HDPE exported from Singapore is used solely for the production of plastic milk bottles for the Australian Dairy and Juice Industries. These bottles then end up in the fridges of families across Australia.

The Australian Dairies, under their Risk Management policies, have demanded that all suppliers who are engaged in manufacturing guarantee in writing that they have a minimum of 2 suppliers for all raw material inputs that make up the finished product. without this guarantee we (or any other manufacturer/supplier) would not be permitted to supply to the Dairies. This point alone means that there must be importation of HDPE into Australia, without importation there is no second supplier and therefore no compliance with the risk management policies of the Australian Dairy Industry.

We also do not believe that Customs take into consideration the ability of the Local Supplier to supply goods of suitable quality to Australian Industry.

Despite many years of technical development, the local manufacturer is unable to supply a grade of HDPE suitable for the efficient manufacture of plastic bottles that are acceptable to the Dairy and Juice industries in Australia. With this and our obligations to our customers under their risk management policies in mind, there is no choice but to source HDPE off-shore or go out of business.

Any market share that the manufacturer has lost to imported material is not due to lower or dumped prices but is due to risk management and to the inferior quality of the material available locally. This was pointed out quite clearly to customs during the investigation of this matter but this information appears to have been ignored with only the first of the 3 points that must be proven (was the material dumped?) taken into account.

In the case of this product there was no causal link between dumped prices and loss of market share.

The decision by Customs to impose dumping duties in the first instance, then to increase the dumping duties after this review has served only to increase the price of the acceptable material over the unacceptable material with the result being a flow on of cost from exporter to the manufacturer and ultimately

on to the consumer, which in this case is the entire Australian Public, via increased costs to the Dairies and Juice Companies.

This, we feel, is a prime example of Customs not taking into account all "relevant economic factors" when making decisions on dumping.

There is also the issue of using third country pricing when there is not a market of sufficient size in the country of export for the goods under consideration.

In the case of the grade of HDPE used in the manufacture of milk bottles there is no market in Singapore so customs used third party pricing as a means of ascertaining a fair value. This form of ascertaining prices, while commonly used, is open to personal interpretation and relies upon opinions formed by people taking data from markets other than those involved in the enquiry and penalises Australian importers who are able to negotiate better pricing than importers in a different country.