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FOLIO
No: 877

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Mr John Bracic
Director, Operations 1
International Trade Remedies Branch
Australian Customs and Border Protection Service
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

Dear Mr Bracic

Public File

Investigation into the dumping of PVC Resin exported from Korea (Investigation No. 187) – Comments on Submission by LG Chem of 3 September

I refer to the submission by LG Chem dated 3 September that provides comment on Statement of Essential Facts No. 187 ("SEF No. 187").

Australian Vinyls Corporation Pty Ltd ("AVC") provides the following comments on the matters addressed by LG Chem.

1. LG Chem's rebuttal re material injury

LG Chem's request for Customs and Border Protection to compare AVC's CTM&S with that of LG Chem is not a valid consideration as to whether LG Chem's dumped exports have caused material injury to AVC. LG's request for cost comparison must therefore be rejected.

It is asserted by LG Chem that its export prices did not contribute to a decrease in AVC's domestic prices. AVC rejects this proposition as LG Chem's export prices undercut AVC's prices to AVC's three largest customers by between 3 and 12 per cent during the investigation period. AVC reduced prices in response to LG Chem's undercutting.

AVC submits that the anti-dumping investigation does not require "reconsideration" as is proposed by LG Chem. The anti-dumping measures on PVC exported from Korea were allowed to expire in March 2010, however, LG Chem has re-commenced exports at dumped prices in 2011 resulting in material injury to AVC. The imposition of anti-dumping measures is therefore warranted.

LG Chem considers that a downturn in international prices is responsible for injury to AVC. AVC reiterates that LG Chem's exports increased over a relatively short period of time from negligible levels to account for more than 20 per cent of total imports (and approx 12 per cent of the Australian market) in 2011. Having full regard to the price impact of the dumped exports from LG Chem, it is reasonable to conclude that LG Chem's dumped exports caused material injury to AVC.

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2. LG Chem's rebuttal re Dumping Margin

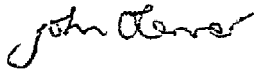
AVC does not consider that LG Chem should qualify for duty drawback for imported EDC that cannot be reliably traced to LG Chem's exports of PVC to Australia. Sufficient nexus between the imported EDC and its use in the manufacture of the goods exported to Australia is required.

AVC considers that Customs and Border Protection has correctly made an adjustment for the role of LGI in the transaction for sales to Australia. LG Chem had the opportunity to substantiate a relevant level of profit at the verification visit and failed to satisfactorily do so. Adjustments to the profit amount for LGI must be rejected.

AVC does not consider that LG Chem has provided sufficient grounds upon which Customs and Border Protection should re-consider its basis for establishing the 3.43 per cent dumping margin on PVC exported to Australia by LG Chem during 2011.

If you have any questions concerning the attached, please do not hesitate to contact me.

Yours sincerely



John O'Connor
Director

Cc: Mr Peter Flinn
Manager – Sales & Marketing
Australian Vinyls Corporation Limited