

# Pact Group cleared of dumping charges by Qenos

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JOHN DURIE SENIOR WRITER/COLUMNIST

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Ruffy Geminder's Pact Group has scored a major victory over ChemChina with the Anti-Dumping Commission finding no evidence of dumping from Singapore or Thailand.

ChemChina's Qenos subsidiary had claimed exporters from the two countries, the US and South Korea, had sold high-density Polyethylene in Australia at up to 40 per cent below normal prices and causing injury to the local manufacturer.

But in its verification report released late last week, the authority found negative 0.9 per cent margins from Singapore and 0.7 per cent margins from Thailand.

The margins are the differences between the prices of the goods in Australia and those in the country of origin.

Both findings were "de minimis", which means there was no differences in the prices paid by the Australian importers.

The findings are a boost to importers in the \$1bn local market because dumping margins would have increased domestic prices for Australian consumers. Geminder told The Australian on Sunday the dumping complaints were "complete nonsense."

He added: "I feel sorry for Qenos because it was being squeezed between falling raw material prices and rising domestic gas prices and it is producing the material in a subscale plant in Australia."

The Australian Qenos plant in Victoria is just one-fifth of the size of offshore competitors, he said.

Pact's decision two years ago to shift supply to US-based Chevron Phillips, operating from Singapore, prompted the Qenos complaints which have been under investigation since June.

But Pact and other importers are not out of the woods yet because the Anti-Dumping Authority will release its final report in February and could decide to impose a floor price on imports based on the perceived "normal" value in the country of origin. This essentially fixes prices even if global raw material prices fall.

Geminder told The Australian that “Qenos for years has had a group of lawyers looking at imported prices so you would be mad to try to dump product in this market.”

In its submission, Pact said Qenos was “seeking to use trade law to claw back volume it used to sell to Pact but lost because it was inefficient and sought to impose monopoly like terms”.

HDPE imports have increased from 30 per cent to 50 per cent of the market in the last two years.

In a submission, Iplex Pipelines said Qenos “has proved incapable of supplying the domestic market and dumping duties would devastate the Australian pipe market”.

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John Durie is the paper's senior business commentator. He has been a business reporter for 35 years, starting his career in the Canberra Press Gallery in 1980. John worked for 13 years as Chanticleer Columnist ... [Read more](#)

