
**Submission to the Productivity Commission:
Inquiry into Australia's Anti-dumping and Countervailing System.
Issues Paper April 2009.**

Comments relative to the Issue paper – April 2009.

About Huntsman:

Huntsman is a global manufacturer and marketer of differentiated chemicals. Its operating companies manufacture products for a variety of global industries, including chemicals, plastics, automotive, aviation, textiles, footwear, paints and coatings, construction, technology, agriculture, health care, detergent, personal care, furniture, appliances and packaging. Originally known for pioneering innovations in packaging and, later, for rapid and integrated growth in petrochemicals, Huntsman today has more than 12,000 employees and operates from multiple locations worldwide. The Company had 2008 revenues exceeding US\$10 billion. For more information about Huntsman, please visit the Company's website at www.huntsman.com.

Huntsman Chemical Company Australia Pty Limited (HCCA) is part of the Huntsman global company and is a manufacturer of raw materials to the Australian and New Zealand market for Styrene Monomer, Polystyrene and Expandable Polystyrene. HCCA's production facility is located at West Footscray, Melbourne Victoria employing over 200 people.

HCCA is the only local producer of Styrene Monomer, Polystyrene and Expandable Polystyrene and competes with overseas companies and suppliers of these products, predominately from the Asian region, within the Australian and New Zealand markets.

The comments in this submission relate only to HCCA and the Australian market.

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Huntsman Chemical Company Australia Pty Limited

Discussion:

- With current tariff levels applying to most locally produced chemicals and plastics as effectively zero. HCCA regards anti-dumping safeguards as an essential mechanism for the local manufacturer, as Australia pursues reduced tariffs as part of industry and trade policies.
- An effective anti-dumping regime in a low tariff environment is particularly relevant to a local producer given the high fixed costs associated with production and the volatility of markets to economic cycles. This volatility along with the changes to production capacities regionally and world demand cycles require a strong administrative architecture in order to ensure fair trade competition across industry sectors.
- Modifications under the existing system architecture would benefit from an approach to steam-line the system to avoid the current time burdens inherent in the existing arrangements. The longer timelines to investigate only serves to increase the damage to the local producer and provide income for what may be considered a “fighting fund” to the importing party.
- The time factor influences the system – often discouraging a company to lodge thus giving a skewed view of what is occurring the market with regards to hurt. Smaller companies remain silent as the cost to undertake a dumping action are often time, cost and skill prohibited.
- Improvements to administration of the existing system are again important to ensure fairness perhaps a joint ACCC and PC panel to determine final or interim penalties to enable a shorter timeframe should be considered.
- Alternative approaches - concern of an economy wide impact test, such a test must avoid interpretation that would penalise one to the benefit of another. Any test must be even handed.
- The guidelines for assessment are appropriate at present the key to any modifications are both speed and true penalties. On the question of penalties - a penalty of some later impost of costs does not penalise past damage – a better system is to impose immediate interim penalties whilst a rapid review is under way – this will minimise the hurt to the complaining party and avoid mischievous claims. Consideration to an anti dumping application fee should be assessed.
- On the question of a review of findings on existing measures. The PC should consider removal as it is better to have a finding in place for a set period. After this period a re application takes place, again as long as time and cost penalties are kept low.
- Plain English in the procedure is most important.

Summary of Key Points:

- **Anti-dumping is essential to ensure fair trade.**
- **Time and costs needs to be removed from the system.**
- **Penalties need to be immediate and effective.**
- **Economic tests must be even handed.**

HCCA wishes the Productivity Commission all goods sense in making its determination and to remember that the small amount of Australian manufacturing that remains is only staying whilst some semblance of a return can be achieved. If difficult trading parameters are enforced movement off shore or closure may become the only options. The economy wide impact of that test would be higher unemployment, lower trade skills and a threatened lower standard of living into the future. Competition is essential to a healthy market. It must however be true competition and not simply opportunistic trade.