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10th May, 2017

The Commissioner of the Anti-Dumping Commission
Anti-Dumping Commission
55 Collins Street
Melbourne VIC 3000

Dear Commissioner,

APPLICATION FOR AN ACCELERATED REVIEW
PRODUCTS: ALUMINIUM EXTRUSIONS EXPORTED BY: SKYLINE ALUMINIUM CO, LTD

I have been asked to assist Skyline Aluminium Co Ltd (Skyline) of Area C, Sansui Industrial Park, Leping, Shansui, Foshan, Guangdong, P.R. China.

Skyline is a producer of varied aluminium extrusions from the People's Republic of China, and seeks to export aluminium extrusions to Australia.

Please find enclosed an application for an accelerated review of the variable factors applying to exports of certain aluminium extrusions by Skyline, prompting an accelerated review of the current anti-dumping and countervailing duty as it applies to Skyline by the Australian Anti-Dumping Commission.

If you have any questions concerning the application, please do not hesitate to contact me on the above number.

Yours sincerely,

John George.

APPLICATION FOR ACCELERATED REVIEW FOR SKYLINE

I. Skyline seeks an accelerated review of the dumping duty and countervailing duty notices (Anti-Dumping Notice 2015/96, and Anti-Dumping Notice 2015/125).

BASIS OF APPLICATION

Skyline seeks the review on the basis that it complies with the following requirements under the Customs Act, 1901(Act):

- Section 269ZE (1) of the Act (There is a relevant duty notice).
- Section 269ZF of the Act (There must be a written application for an accelerated review addressing the type of goods, and the basis the duty doesn't apply),
- A Commission staff member doing duty must received the application for accelerated review before it is deemed to have been lodged.
- The date of lodgement must be recorded on the application.

Skyline confirms that it has not been previously investigated and is not related to an exporter whose exports have previously been examined. As a result, the conditions for rejection of the application under Section 269ZE(2) of the Act are not met and the Commissioner should not reject this application.

DESCRIPTION OF GOODS TO WHICH THE NOTICE RELATES

The Anti-Dumping Commission has described the goods as follows:

"Aluminium extrusions produced via an extrusion process of alloys having metallic elements falling within the alloy designations published by The Aluminium Association commencing with 1,2,3,5,6 or 7 (or proprietary or other certifying body equivalents), with the finish being as extruded (mill) , mechanical, anodized or painted or otherwise coated, whether or not worked, having a wall thickness or diameter greater than 0.5mm., with a maximum weight per metre of 27 kilograms and a profile or cross section which fits within a circle having a diameter of 421mm.

The goods include aluminium extrusion products that have been further processed or fabricated to a limited extent, after aluminium has been extruded through a die. Aluminium extrusion products that have been painted, anodised, or otherwise coated, or worked (e.g. precision cut, machined, punched or drilled) fall within the scope of the goods.

The goods do not extend to intermediate or finished products that are processed or fabricated to such an extent that they no longer possess the nature and physical characteristics of an aluminium extrusion, but have become a different product."

APPLICATION FOR ACCELERATED REVIEW FOR SKYLINE

The goods that Skyline seeks to export to Australia fall within the definition of the goods. In general terms, the Goods are extruded industrial products including aluminium and aluminium alloy extrusions and profiles for use in windows frames and curtain walls.

GROUNDINGS FOR REVIEW

Skyline seeks an accelerated review of the current anti-dumping and countervailing duty by the Commission in respect of the Goods exported from the People's Republic of China under subsection 269ZE(1)(a) of the Act.

Skyline as new exporter

A new exporter may request an accelerated review of a dumping duty notice, in so far as that affects that exporter.

New Exporter is defined under section 269T of the Customs Act 1901, as:

An exporter who did not export such goods to Australia at any time during the period:

- (a) Starting at the start of the investigation period in relation to the application; and
- (b) Ending immediately before the day the Commissioner places on the public record the statement of essential facts in relation to the investigation of the application.

- Skyline has not engaged in the exportation of aluminium extrusions to Australia between the relevant period 1 July 2008 to 28 February 2010. It is not required for a new exporter to have already exported a minimum quantity of the relevant goods to Australia.
- Article 9.5 of the Anti-Dumping Agreement administered by the World Trade Organisation provides that in summary:
- The authorities shall promptly carry out a review, if the exporter who has not as yet exported the goods to Australia during the investigation period, can show that they are not related to any exporters or producers in the exporting country subject to the anti-dumping duties on those goods.
- Skyline, subject to Article 9.5, complies with the two necessary conditions to seek an accelerated review. Skyline would be subject to the country-wide combined dumping and countervailing duty rate of 48.5% as per the public notice. The rate is to be applied to noncooperating exporters during the Relevant Period.
- As Skyline did not export the goods to Australia, it was not contacted and investigated by the anti-dumping commission. and as a result, did not have the opportunity to participate in the review and seek an individual determination of its ascertained variable factors. Given the methods used to determine the ascertained variable factors for non-cooperating exporters in Report 248, the imposed interim dumping and countervailing duties are not appropriate to Skyline's situation, and they hinder Skyline's ability to access the Australian market.
- Therefore, Skyline requests the determination of ascertained variable factors based on its owned predicted domestic sales, costs and relevant financial information.

Benchmark primary aluminium

In Report 248 the Commission determined a benchmark price for primary aluminium referring to the London Metal Exchange (LME) monthly cash price. This forced a re-adjustment of the primary aluminium price when calculating the normal values of the exporter's price. The LME price peaked in February 2013, then subsequently dropped to its lowest level in November 2015.

This movement in the LME price shows a 13% decline in value between the average price during the review period and the proposed contemporary review period further supporting the view that the ascertained variable factors in Report 248 were no longer relevant.

ECONOMIES OF SCALE

- Skyline's current costing methods include direct costs of production, and the average costing of administration and financing costs, depreciation and other business overheads.
- Skyline prepares its own surface treatment methods which allows it to reduce its third party costs and subsequent transport costs by performing multiple functions in one factory set up.
- Skyline is located in Guangdong province which provides beneficial costing of transport and utility infrastructure.
- Skyline does not receive any subsidies or incentives from the Chinese government or other authorities that would reduce the cost of goods.
- Skyline pays the price per ton which is referable to the spot price per ton on the Yangtze Metal Exchange (YME). The YME price is in strong correlation to the LME.

BASIS OF DUTY ASSESSMENT

Skyline requests that its exports be assessed on the basis that it accepts its inputs are strongly dependent on the prevailing aluminium prices and that it is not the recipient of any countervailing subsidy, and requests its duty rate should be ZERO.