

Anti-Dumping  
Commission 31 JAN 2017



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23 January 2016

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

Dear Commissioner,

**APPLICATION FOR ACCELERATED REVIEW**  
**PRODUCTS: ALUMINIUM EXTRUSIONS**  
**EXPORTED BY: TONGLIAO JIAOJIAN ALUMINIUM CO. LTD**

We act for Tongliao Jiaojian Aluminium Co. Ltd (**Jiaojian**) of 3519 East Mingren Road, Tongliao, Inner Mongolia. Jiaojian is a producer of certain aluminium extrusions from the People's Republic of China.

Jiaojian seeks to export aluminium extrusion products to Australia.

Please find enclosed in Annexure 1 an application for accelerated review of the current anti-dumping and countervailing duty as it applies to Jiaojian by the Australian Anti-Dumping Commission.

The following details in support and explanation of the Application are attached in the following Annexures:

Annexure 1: Application for Accelerated Review

Annexure 2: Corporate Structure

Annexure 3: Aluminium price comparisons

If you have any queries please do not hesitate to contact me.

Yours faithfully

**Macpherson Kelley**  
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## ANNEXURE 1

### APPLICATION FOR ACCELERATED REVIEW FOR JIAOJIAN

Tongliao Jiaojian Aluminium Co. Ltd (**Jiaojian**) seek an accelerated review of the dumping duty and countervailing duty notices (Anti-Dumping Notice 2015/96) and Anti-Dumping Notice 2015/125).

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

1. Section 269ZE(1) of the Act;

*"If a dumping duty notice or countervailing duty notice has been published:*

*(a) in respect of goods exported from a particular country of export;  
or*

*(b) in respect of goods exported by new exporters from a particular country of export".*

2. Section 269ZF of the Act;

*"(1) An application for accelerated review must be in writing, be lodged in the manner approved under section 269SMS, and contain:*

*(a) a description of the goods to which the dumping duty notice or countervailing duty notice relates; and*

*(b) a statement of the basis on which the exporter considers that the particular notice is inappropriate so far as the exporter is concerned.*

*(2) The application is taken to have been lodged when the application is first received by a Commission staff member doing duty in relation to applications for accelerated review.*

*(3) The day on which an application is taken to be lodged must be recorded on the application."*

3. Jiaojian has not previously been investigated and is not related to an exporter whose exports have previously been examined. As such, the conditions for rejection of the application under subsection 269ZE(2) of the Act are not met and the Commissioner should not reject this application.

4. These requirements as stated above will be addressed within this application as follows.

### DESCRIPTION OF GOODS:

5. The goods subject to anti-dumping measures (**Goods**) are:

*“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 0.5 mm., with a maximum weight per metre of 27 kilograms and a profile or cross-section which fits within a circle having a diameter of 421 mm.*

*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.”<sup>1</sup>*

6. The goods that Jiaojian 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.

## **GROUNDS FOR REVIEW**

7. Jiaojian 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.<sup>2</sup>

### *Jiaojian as a new exporter*

8. Jiaojian is a new exporter from the People's Republic of China and therefore may apply for accelerated review.<sup>3</sup>

- 8.1 A new exporter is an exporter who did not export such Goods to Australia at any time during the period:

- (i) *“Starting at the start of the investigation period in relation to the application; and*
- (ii) *Ending immediately before the day the Commissioner places on the Public Record the statement of essential facts (SEF) in relation to the investigation of the application”.*<sup>4</sup>

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<sup>1</sup> Anti-Dumping Commission Report No. 287

<sup>2</sup> Subsection 269ZE(1)(a)

<sup>3</sup> Subsection 269ZE(1)(b)

- 8.2 Jiaojian has not engaged in the exportation of the Goods between the relevant review period, being January 2015 to December 2015 (**Relevant Period**), and is therefore a new exporter.
- 8.3 Jiaojian is not related to an exporter whose exports were examined by the Commissioner<sup>5</sup>.

Grounds for review

9. It is not required for a new exporter to have already exported a minimum quantity of the Goods to Australia.
10. Jiaojian seeks an accelerated review of the notice as it would be subject to the country-wide combined dumping and countervailing duty rate of 48.5% as outlined in the public notice. This rate is to be applied to non-cooperating exporters during the Relevant Period.
11. As Jiaojian did not, nor did any of its related entities, export the goods to Australia during the Relevant Period, it was not contacted and investigated by the Anti-Dumping Commission.
12. As such it did not have the opportunity to participate in the review and seek an individual determination of its ascertained variable factors. The imposed interim dumping and countervailing duties are inappropriate for its operations and will prevent or substantially curtail Jiaojian's ability to viably export to the Australian market.
13. The variable factors that formed the basis of the review in EPR 248, that were applicable to uncooperative exporters are not relevant to Jiaojian.
14. Jiaojian requests the determination of ascertained variable factors based on its own predicted domestic sales, costs and relevant financial information.

Economies of scale

15. Jiaojian's current costing methods include direct production costs, indirect production costs (including management expenses and financial expenses), equipment depreciation, factory depreciation, land expense and other expenses.
16. Jiaojian's aluminium profile price is the sum of the aluminium alloy price, manufacturing expenses, transportation expenses and other expenses.
17. No products or Goods have been exported to Australia as the products and Goods are still in the design stage. Jiaojian will be exporting mainly aluminium extrusions and profiles for windows and curtain walls into Australia.

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<sup>4</sup> Section 269T

<sup>5</sup> Subsection 269ZE(2)(b)

18. Jiaojian achieves significant local sales of its products, and combining export orders to this existing production will allow for cost benefits arising from the economies of scale.
19. The pricing for its domestic sales of products based on the considerations listed in paragraphs 14 and 15, above, and also dependent on the different surface treatment of different processing methods. As a result of Jiaojian preparing the various surface treatments within its own facility, it is able to reduce third party costs and associated transport expenses by performing all functions at one facility.
20. Jiaojian's particular location in the People's Republic of China provides many advantages to minimise transport costs due to its close proximity to aluminium processing facilities and ease of access to a rail port that provides transport to the sea port for export. This results in gained efficiencies and a lower cost base for Jiaojian.
21. The region in which Jiaojian is based also utilises windfarms which provides competitive electricity and utility costs.
22. Neither Jiaojian nor any of its related entities receives any subsidies, grants or other financial benefits or concessions for local, provincial or national government or other authorities.
23. Jiaojian also understands that there are subsidies or other benefits provided to the producers of the ore that feed its factory, and are a key cost input to the cost of the Goods.
24. The price charged to Jiaojian is directly referable to the spot price per ton on the Yangtze Metal Exchange. The price on this exchange bears a strong correlation to the spot price on the London Metal Exchange (LME), being the exchange referred to by the Commission in Report No. 248.
25. Attached in Annexure 3 is a graph (Figure 1) for the period 1 April 2013 to date for the aluminium price on the LME.
26. As this price graph demonstrates the price for aluminium has fallen significantly from the highs in mid 2014. Accordingly, the factors the Commission took into account during the review period are not relevant to an assessment of Jiaojian now.
27. Also in Annexure 3 are two graphs (Figures 2 and 3) comparing the LME and the Yangtze Metal Exchange aluminium price for the past 30 days, highlighting the correlation between the two.

## DUTY

28. Jiaojian requests that the duty, if any, imposed on Jiaojian's exports to Australia be assessed on the basis that accepts its inputs are strongly dependent on prevailing aluminium prices and that it is not the recipient of any countervailing subsidy.

The Commissioner of the Anti-Dumping Commission

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29. Jiaojian submits that that the rate of any such duty be determined at 0%.

## **ANNEXURE 2 – CORPORATE OVERVIEW**

Zhongqi Holding Group Limited (中启控股集团股份有限公司) Chinese Company Registration No. 370200020001595) of West Side of Fuzhou Nan Road, Jiaozhou, Qingdao, People's Republic of China is the parent entity of Jiaojian.

Jiaojian is limited liability company, who's business is research, production and selling aluminium profiles and aluminium products (including windows, curtain walls) to the domestic Chinese market.

Jiaojian is not located in any Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, the Western Regions, or any other similarly designated area.

**ANNEXURE 3 - ALUMINIUM PRICE COMPARISONS**

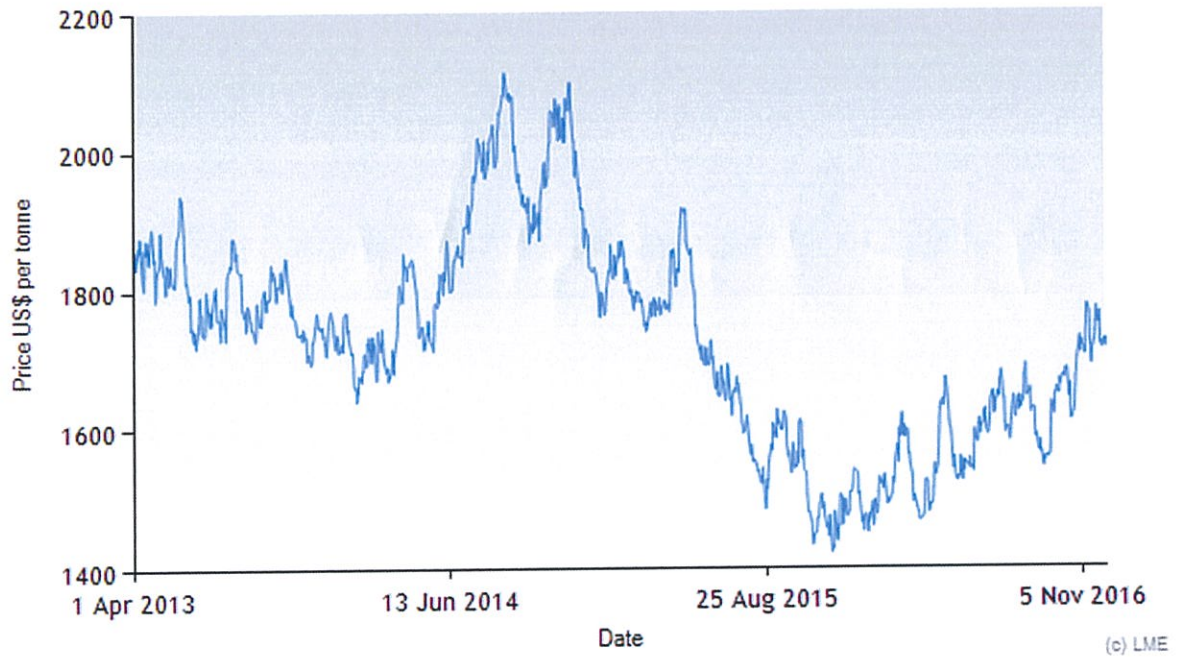


Figure 1: LME Historical price graph for Aluminium  
[www.lme.com/en-bg/metals/non-ferrous/aluminium/#tab2](http://www.lme.com/en-bg/metals/non-ferrous/aluminium/#tab2)



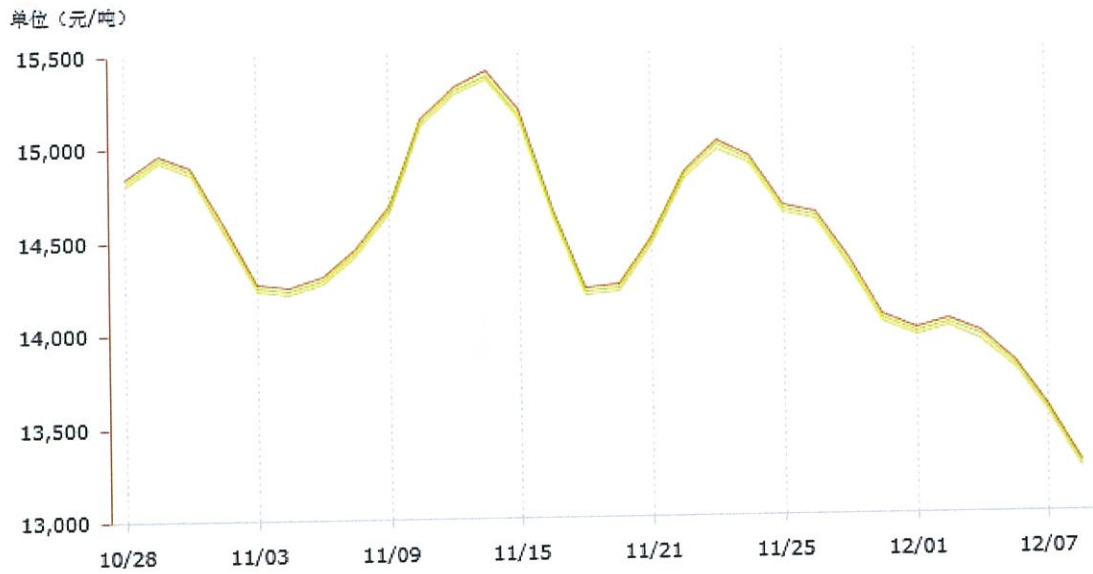


Figure 2: Yangtze metal exchange aluminium price (¥RMB/ton)  
<https://market.cnal.com/historical/search.html>

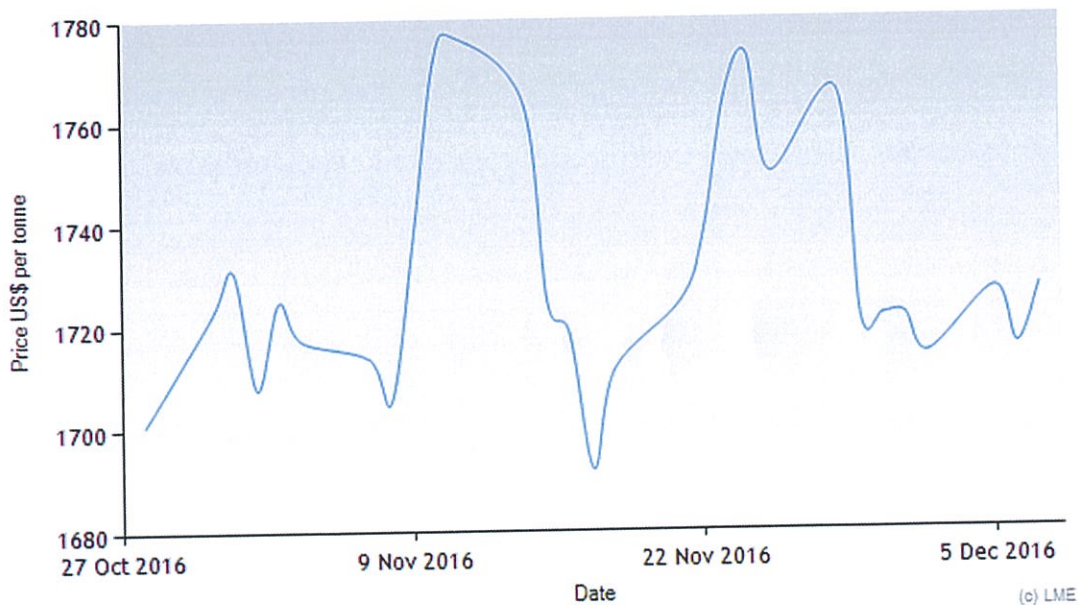


Figure 3: LME Historical price graph for Aluminium  
[www.lme.com/en-bg/metals/non-ferrous/aluminium/#tab2](http://www.lme.com/en-bg/metals/non-ferrous/aluminium/#tab2)