



Australian Government
Anti-Dumping Commission

Application for a
review of
anti-dumping measures

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APPLICATION UNDER SECTION 269ZA OF THE *CUSTOMS ACT 1901* FOR A REVIEW OF ANTI-DUMPING MEASURES

In accordance with section 269ZA of the *Customs Act 1901*, I request that the Anti-Dumping Commissioner initiate a review of anti-dumping measures in respect of the goods the subject of this application to:

1. **revise the level of the measures** because one or more of the variable factors relevant to the taking of measures have changed (a variable factors review)

In this case the factors that I consider have changed are:

- normal value
- export price
- non injurious price
- subsidy

The variable factors review is in relation to:

- a particular exporter (Producer: Jiangsu Yaozhong Aluminum Wheels Co., Ltd. and
Exporter: Shanghai Aruis Motor Co.,Ltd.)

exporters generally

2. **revoke the measures** because the anti-dumping measures are no longer warranted (a revocation review)

In this case the measure I consider should be revoked is:

- the dumping duty notice
- the countervailing duty notice
- the undertaking

The revocation review is in relation to:

- a particular exporter (*if so provide name and country details*)
- exporters generally

NOTE

Where seeking variable factors review as well as a revocation review, indicate this in *both* 1 and 2 above.

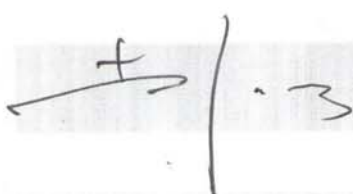
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DECLARATION

I believe that the information contained in this application:

- provides reasonable grounds for review of the anti-dumping measure; and
- is complete and correct to the best of my knowledge and belief.

Signature:



Name:

Mr Bennett Peng

Position:

General Manager

Company:

Jiangsu Yaozhong Aluminum Wheels Co., Ltd.

ABN:

N/A

Date:

4 August 2014

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Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, servant, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the '*Instructions and Guidelines for applicants: Application for review or revocation of measures*' on the Commission's website.

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 1300 884 159 or +61 2 6275 6066 (outside Australia)

Fax: 1300 882 506 or +61 2 6275 6888 (outside Australia)

Email: clientsupport@adcommission.gov.au

Other information is available from the Commission's website at www.adcommission.gov.au.

Small and medium enterprises (i.e., those with up to 200 employees) may obtain assistance, at no charge, from the International Trade Remedies Adviser, employed by Australian Industry Group and funded by the Australian government. To access this service, visit www.aigroup.com.au/traderemedies or telephone (03) 9867 0267.

Required information

1. Provide details of the name, street and postal address, of the applicant seeking the continuation.
2. Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address.
3. Name other parties supporting this application.
4. Describe your interest as an affected party (eg are you concerned with the exportation of the goods, the importation of the goods, or part of the Australian industry, or acting on behalf of the Government of an exporting country).
5. Provide details of the current anti-dumping measure(s) the subject of this review application, including:
 - tariff classification
 - the countries or companies
 - specified date of publication of the measure

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6. Provide the names, addresses, telephone numbers and facsimile numbers of other parties likely to have an interest in this matter e.g. Australian manufacturers, importers, exporters and/or users.

Applications for review of variable factors

If you are applying for a variable factors review (in box 1 above) provide a detailed statement setting out your reasons. Include information about:

- the factor(s) you wish to have reviewed;
- the amount by which that factor is likely to have changed since anti-dumping measures were last imposed, and evidence in support; and
- in your opinion the causes of the change and whether these causes are likely to persist.

Application for a revocation review

If you are applying for a revocation review (in box 2 above), provide a detailed statement setting out your reasons.

Include evidence in support of your view that there are reasonable grounds for asserting that the measures are no longer warranted. Refer to the “Guidelines for Preparing an Application for Review of Measures” as part of preparing your response. If you consider anti-dumping measures are no longer warranted because of:

- *no dumping or no subsidisation*: provide evidence that there is no dumping, or no subsidy, and why dumping or subsidisation is unlikely to recur if measures were revoked.
- *no injury*: provide evidence that there is no current injury, and there is unlikely to be a recurrence of injury if the measures were to be revoked.

Lodgement of the application

This application, together with the supporting evidence, should be lodged with:

The National Manager - Operations
Anti-Dumping Commission
Customs House
1010 Latrobe St
Docklands VIC 3008

or

Sent by facsimile to **1300 882 506**

or **+61 2 6275 6888 (outside Australia)**

Public Record

During an investigation all interested parties are given the opportunity to defend their interests, by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission’s website at www.adcommission.gov.au.

At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application must be submitted. Please ensure each page of the application is clearly marked “FOR OFFICIAL USE ONLY” or “PUBLIC RECORD”. The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the review, or, if those reasons cannot be summarised, a statement of reasons why summarisation is not possible. If you cannot provide a non-confidential version, contact the Commission’s client support section for advice.

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JIANGSU YAOZHONG ALUMINUM WHEELS CO., LTD – APPLICATION FOR REVIEW OF MEASURES

Required information

Applicant:

Jiangsu Yaozhong Aluminum Wheels Co., Ltd. (Jiangsu Yaozhong)
South Xiyuan road 2#, Guanyun economic development zone, Lianyungang, Jiansu,
P.R.China

Contact person:

Mr. Bennett Peng
General Manager
Tel: 0518-88867333
Fax: 0518-88993233
Email: bennett_peng@yohun.net

Other parties supporting this application:

Shanghai Aruis Motor Co.,Ltd. (Shanghai Aruis)
Jiahe Plaza 806 room,Wencheng road 358 street 6#,Songjiang District, Shanghai,
P.R.China

Applicant's interest:

Jiangsu Yaozhong is engaged in the production of aluminium road wheels in China.
Shanghai Aruis is engaged in the exportation of aluminium road wheels from China.

Details of current anti-dumping measures:

Goods description:

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices and in receipt of subsidies, are:

aluminium road wheels for passenger motor vehicles, including wheels used for caravans and trailers, in diameters ranging from 13 inches to 22 inches.

For clarification, the goods include finished or semi-finished ARWs whether unpainted, painted, chrome plated, forged or with tyres and exclude aluminium wheels for go-carts and All-Terrain Vehicles.

Tariff classification:

The goods are classified to the following tariff subheadings in Schedule 3 of the Customs Tariff Act 1995:

- 8708.70.91 (statistical code 78)

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- 8708.70.99 (statistical code 80)
- 8716.90.00 (statistical code 39)

Country subject to the notice:

The People's Republic of China

Date of publication of the notice:

On 5 July 2012, the Attorney-General published a dumping duty and countervailing duty notice for Aluminium road wheels exported from China.

GROUNDS FOR REVIEW

Jiangsu Yaozhong is requesting a review of the following variable factors:

- ascertained normal values
- ascertained export prices, and
- the amount of the countervailable subsidy received in respect of the goods.

ASCERTAINED NORMAL VALUE

Basis for current ascertained normal values

During the original aluminium road wheel investigation (ITR 181), Jiangsu Yaozhong was considered to be a selected non-cooperating exporter.

Customs and Border Protection examined and considered a range of options for determining normal value for selected non-cooperating exporters, including:

- normal value data from the application; and
- normal value data from the selected cooperating exporters.

The normal values submitted in the application were based on two alternatives:

1. The applicant's own research of prices in China; and
2. a constructed cost using LME prices as the basis for raw material costs, and estimates of overheads and SG&A based on the applicant's own production.

While these constructed normal values were found by Customs and Border Protection to be suitable for initiation purposes, Customs and Border Protection has since undertaken verification of exporter data in all of the nominated countries/region. As explained in Customs and Border Protection's Dumping and Subsidy Manual (the Dumping and Subsidy Manual) 31 at page 43, Customs and Border Protection considers that where there are cooperating and non-cooperating exporters, the most directly relevant and therefore best information would be that obtained from those cooperating.

After having regard to all relevant information, normal values for all selected non-cooperating exporters were established in accordance with s.269TAC(6) of the Act.

Specifically, Customs and Border Protection used the highest weighted average normal value for the entire investigation period from the selected cooperating exporters, by diameter.

Other than YHI, selected non-cooperating exporters did not make themselves known to Customs and Border Protection, and did not respond to the Exporter Questionnaire. In this context it cannot be assumed, and there is no reasonable basis to find, that the normal values of the selected cooperating exporters were any lower than those determined in the approaches described above.

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Grounds for review of ascertained normal values

The grounds are as follows:

- During the original investigation, Customs and Border Protection used the highest weighted average normal value for the entire investigation period from the selected cooperating exporters, by diameter.

That didn't reflect the actual normal value of Jiangsu Yaozhong, so it shows the normal value should be changed and lower if use the company's actual data to ascertain.

- A comparison of LME official prices during the original investigation period (July 2010 –June 2011) and the year-to-date ending July 2014 shows a significant change in prices between the periods.

Using the LME data published in REP 181, shows that the simple average price over the original investigation period was approximately \$2,385 per tonne. When compared to a simple average over the period August 2013 to July 2014 (\$1,779 per tonne), it shows that contemporary LME prices are approximately 25% lower.

The table below shows monthly LME prices for the two relevant periods.

LME Price Comparison												(Currency: USD)
Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	POI
1,989	2,110	2,171	2,342	2,324	2,357	2,440	2,515	2,556	2,667	2,587	2,558	2,385
Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	YTD Jul14
1,816	1,761	1,815	1,748	1,740	1,727	1,695	1,705	1,811	1,751	1,839	1,945	1,779

Price Decreased

Decreased %

-605 26

-25 38%

Sources: www.indexmundi.com/commodities/?commodity=aluminum&months=300;
www.lme.com/metals/non-ferrous/aluminium/#tab4

Therefore, Jiangsu Yaozhong considers that it is reasonable to expect that normal values have decreased by a minimum of 25%.

ASCERTAINED EXPORT PRICE

Basis for current ascertained export price

During the original aluminium road wheel investigation (ITR 181), Jiangsu Yaozhong was considered to be selected non-cooperating exporter.

Customs and Border Protection examined and considered a range of options for determining export price for selected non-cooperating exporters, including:

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- export price data from the Customs and Border Protection import database;
- export price data from importer visits where that data related to exports from the selected non-cooperating exporters;
- export price data from the application for a dumping duty notice and a countervailing duty notice;
- export price data from the selected cooperating exporters.

The import data from Customs and Border Protection's import database does not contain sufficient detail to establish whether the imported goods are ARWs or other types of wheels, nor does it contain information about wheel sizes. This means that unit export prices derived from that data are not a reliable basis for calculating export price by diameter.

The export price data verified in importer visits does not include broad and detailed coverage of the goods exported by the selected non-cooperating exporters. Rather, that data pertains mainly to the exports of selected cooperating exporters. While it may be possible to identify small volumes of the goods exported by some of the selected non-cooperating exporters, this would represent only a small proportion of the total volume of ARWs exported by those exporters.

Export prices submitted in the application for a dumping duty notice and a countervailing duty notice were based on individual quotes at a specific point in time and not considered as reflective of overall export prices as verified data.

Customs and Border Protection considers the most directly relevant and therefore best information available would be the export price data obtained and verified in relation to the selected cooperating exporters.

After having regard to all relevant information, export prices for all selected non-cooperating exporters were established in accordance with s.269TAB(3) of the Act.

During the original aluminium road wheel investigation (ITR 181), Customs and Border Protection used the lowest weighted average export price for the entire investigation period from the selected cooperating exporters, by diameter, excluding any part of that price that relates to post-exportation charges.

Other than YHI, selected non-cooperating exporters did not make themselves known to Customs and Border Protection, and did not respond to the Exporter Questionnaire. In this context it cannot be assumed, and there is no reasonable basis to find, that the export prices of the selected cooperating exporters were any higher than those determined in the approaches described above.

Grounds for review of ascertained export price

During the original aluminium road wheel investigation (ITR 181), Customs and Border Protection used the lowest weighted average export price for the entire investigation period from the selected cooperating exporters, by diameter, excluding any part of that price that relates to post-exportation charges.

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That didn't reflect the actual export price of Jiangsu Yaozhong, so it shows that the export price should be changed and higher if use the company's actual data to ascertain.

Please refer to the [Exhibit-1:Sample of Sales Document in July 2014](#)

【 Exhibit-1:Sample of Sales Document in July 2014 were deleted. 】

The above Exhibit is not susceptible to a meaningful non-confidential summary as it is involved with the business secrets of the company and the disclosure of this information is against to the company's interest

Basis for current amount of countervailable subsidy

During the original aluminium road wheel investigation (ITR 181), Jiangsu Yaozhong was considered to be selected non-cooperating exporter.

In the absence of relevant information to identify enterprises that had received financial contributions under each of the investigated subsidy programs, Customs and Border Protection has had regard to the available relevant facts and determines that non-cooperating exporters have received financial contributions that have conferred a benefit under all programs found to be countervailable in relation to ARWs.

The findings in relation each investigated program are outlined in the below table.

NO.	Program	Countervailable in respect of ARWs?
1	Aluminium provided by government at less than fair market value	YES
2	Transitional preferential tax policies for tax resident enterprise	NO
3	Preferential policies on Enterprise Income Tax	NO
4	Preferential income tax for hi-tech enterprises	YES
5	"Go west" strategy	YES
6	Preferential tax policies for FIEs established in the coastal economic open areas and in the economic and technological development zones	YES
7	Reduced tax rate for productive FIEs scheduled to operate for a period not less than 10 years	YES
8	Preferential tax policies for FIE export enterprises whose annual output value of all export products amounted to 70% or more	YES
9	Preferential tax policies for FIEs which are technology-intensive and knowledge-intensive	YES
10	Preferential tax policies for enterprises which provide employment to unemployed people	NO
11	Preferential tax policies for FIEs in State high- or new-technology industrial development zones, and for advanced technology enterprises invested in and operated by FIEs	YES
12	100% refund of income tax paid on direct reinvestment	NO
13	Preferential tax policies for enterprises transferring technology	YES
14	Preferential tax policies for enterprises making little profits	YES
15	Preferential tax policies for enterprises with foreign investment in the border cities	NO
16	Preferential tax policies for FIEs in central and western China	NO
17	Preferential tax policies for FIEs established in the Pudong area of Shanghai	NO
18	Preferential tax policies for domestic companies and FIEs in the western regions	NO
19	Preferential tax policies for FIEs in the Three Gorges of Yangtze River Economic Zone	NO
20	Preferential tax policies for enterprises established in poverty stricken areas	NO
21	Grants for encouraging the establishment of headquarters and regional headquarters with foreign investment	YES
22	Preferential tax treatments for new hi-tech enterprises (NHTEs) in special zones	YES

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23	Preferential policies in industrial zones in China including Economic & Technological Development Zones (ETDZ), High & New Technological Development Zones (High Tech Parks), Export Processing Zones (EPZ), Special Economic Zones (SEZ), Free Trade Cooperation Zones (FTZ), Industrial Zones (IZ) and Export Processing Zones (EPZ) - Provinces include Beijing, Dalian, Fujian, Guangdong, Guangzhou, Lianyungang, Nantong, Ningbo, Qingdao, Qinhuangdao, Shanghai	NO
24	Preferential Policies in Xinzhuang Industrial Zone, Shanghai	NO
25	Preferential policies in Shanghai	NO
26	Preferential policies in Weihai Economic Development, High-tech Industry Development and Export Processing zones, Shandong province	NO
27	Tax incentives for manufacturing FIEs in Jiangsu province	NO
28	Preferential tax rates in Guangzhou, Guangdong province	NO
29	Patent award of Guangdong Province	YES
30	Termination of tax refund policies for FIEs on their purchase of domestically manufactured equipment	NO
31	Exemption of tariff and import VAT for imported technologies and equipments	YES
32	Full refund of VAT to FIEs on purchasing unused domestic equipment with currency in China	YES
33	Preferential tax treatment for casting and forging products	NO
34	Preferential tax treatment to dies product	NO
35	Matching funds for international market development for SMEs	YES
36	"Innovative Experimental Enterprise Grant"	YES
37	Special Support Fund for non-State-owned enterprises (NSOEs)	YES
38	"Venture Investment Fund for Hi-Tech Industry"	YES
39	Superstar Enterprise Grant	YES
40	One-time awards to enterprises whose products qualify for "Well-Known Trademarks of China" or "Famous Brands of China"	YES
41	Technology assist	YES
42	Export subsidies	YES
43	SME assist	YES
44	Environmental subsidies	YES
45	New Products	NO
46	Government Incentives for the Top Taxpayer of the Year-Qinhuangdao City	YES
47	Financial Support from China Postdoctoral Science Foundation	YES
48	Foreign Trade Public Service Platform Development Fund	YES
49	SME International marketing project funds	NO
50	Patent Application Fee Subsidy	YES
51	Enterprise Development	YES
52	Economic Development Zone	NO
53	New Product Trial Production	YES
54	Patent Special Funds	NO
55	Technological innovation products funded	NO
56	Patent grants	YES

Grounds for review of the amount of countervailable subsidy.

During the original aluminium road wheel investigation (ITR 181), Jiangsu Yaozhong was determined that conferred a benefit under all programs found to be countervailable in the above table.

In fact, Jiangsu Yaozhong is a general private enterprise, not a hi-tech enterprise or FIEs. So it is not applicable for the above Program 4~7.

Jiangsu Yaozhong has not received any benefit from preferential tax policies, So it is not applicable for the above Program 8、 9、 11、 13、 14.

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Jiangsu Yaozhong has not imported technologies and equipments, and have not received benefit from government grant . and Jiangsu Yaozhong isn't "Superstar Enterprise" , "Well-Known Trademarks of China" or "Famous Brands of China. So it is not applicable for the above Program 21、 29、 31、 32、 35-44、 46-48、 50、 51、 53、 56.

In regard to the Program 1: Aluminium provided by government at less than fair market value.

A comparison of Shanghai Futures Exchange aluminium prices and LME aluminium prices over the year to date ending July 2014, shows that LME prices are significantly lower than domestic prices. It is reasonable then to conclude that Jiangsu Yaozhong is not in receipt of benefits from the provision of goods on the basis of the Commission's approach to determining benefit in the original investigation.

The table below illustrates the differences in prices and shows that it is reasonable to conclude that no benefit has been received in relation to the provision of primary aluminium.

LME Price& SHFE Price comparison

	Jul-14	Jun-14	May-14	Apr-14	Mar-14	Feb-14	Jan-14	Dec-13	Nov-13	Oct-13	Sep-13	Aug-13
SHFE Price (RMB/Ton)	13,540	13,360	13,475	13,330	13,085	13,445	13,600	13,945	14,030	14,440	14,280	14,430
Exchange Rate (USD/RMB)	6 1687	6 1601	6 1654	6 1719	6 1432	6 1089	6 1003	6 1175	6 1311	6 1298	6 1537	6 1647
SHFE Price (USD/Ton)	2,195	2,169	2,186	2,160	2,130	2,201	2,229	2,280	2,288	2,356	2,321	2,341
LME Price (USD/Ton)	1,945	1,839	1,751	1,811	1,705	1,695	1,727	1,740	1,748	1,815	1,761	1,816
Benefit	-250	-330	-435	-349	-425	-506	-502	-540	-540	-541	-559	-525

Exchange Rate Source: www.oanda.com/currency/historical-rates/

SHFE Price Source: <http://www.quandl.com/SHFE/ALN2014>

As this was the only subsidy program countervailed for Jiangsu Yaozhong, it is reasonable to conclude that the full amount of the subsidy margin would be reduced to 0% in a review.

Exhibit-1:

Sample of Sales Document in July 2014

【Exhibit-1:Sample of Sales Document in July 2014 were deleted.】