



Australian Government
Anti-Dumping Commission

Application for a
review of
anti-dumping measures

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 – PanAsia Aluminium (China) Co., Ltd
 exporters generally

or

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.

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: Ms Bonnie Ng

Position: Chief Financial Officer

Company: PanAsia Aluminium (China) Co., Ltd

ABN: N/A

Date: 1 May 2014

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

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.

PANASIA ALUMINIUM (CHINA) CO., LTD – APPLICATION FOR REVIEW OF MEASURES

Required information

Applicant:

PanAsia Aluminium (China) Co., Ltd (“PanAsia Aluminium”)
Tangerine Garden, Guangshan Road,
Licheng Town, Zengcheng, Guangzhou
Guangdong Province, PRC

Contact person:

Ms Bonnie Ng
Chief Financial Officer
Tel: +852 2972 2028/ +853 2871 7031
Fax: +852 2972 2309
Email: bonnie.ng@palum.com

Other parties supporting this application:

N/A

Applicant’s interest:

PanAsia Aluminium is engaged in the exportation of aluminium extrusions from China.

Details of current anti-dumping measures:

Goods description:

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. For example, 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.

Tariff classification:

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

- 7604.10.00 (statistical code 6),
- 7604.21.00 (statistical codes 7 and 8),
- 7604.29.00 (statistical codes 9 and 10),
- 7608.10.00 (statistical code 9),
- 7608.20.00 (statistical code 10),
- 7610.10.00 (statistical code 12) and
- 7610.90.00 (statistical code 13).

Country subject to the notice:

The People's Republic of China

Date of publication of the notice:

On 28 October 2010, the Attorney-General published a dumping duty and countervailing duty notice for aluminium extrusions exported to Australia from China. On 27 August 2011, the Attorney-General published new substituted notices following a reinvestigation.

GROUNDS FOR REVIEW

PanAsia Aluminium 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 extrusions investigation (ITR 148), the nominated investigation period was 1 July 2008 to 30 June 2009. As a result of its investigation, the Anti-Dumping Commission (Commission) made the following findings in establishing normal values:

- the combination of significant export taxes and no export VAT rebates on primary aluminium caused a significant increase in the supply of primary aluminium within China as the competitiveness of Chinese exports of primary aluminium was eroded by the export taxes and lack of VAT export rebate;
- this exerted downward pressure upon the domestic price of primary aluminium in China, and
- the degree to which the Government of China was willing to intervene in the domestic aluminium market was evidenced by the purchases of primary aluminium during the investigation period and the share of primary aluminium production by state-owned enterprises.

As a result of those findings, the Commission considered that the conditions of Regulation 180(2) had not been fulfilled, as the records of Chinese exporters did not reasonably reflect competitive market costs associated with the production or manufacture of like goods.

In determining the costs of production for Chinese exporters of aluminium extrusions, the Commission concluded that LME prices were indicative of a competitive market cost in China. This was based on selected exporters confirming that in deciding to purchase primary aluminium, they compared domestic prices quoted on the Shanghai Futures Exchange or other such exchanges, and equivalent import prices based on the LME.

For the purposes of establishing normal values and determining dumping margins, the Commission replaced exporter's primary aluminium costs with published LME prices plus additional expenses to account for trading premiums, delivery charges and interest charges.

Grounds for review of ascertained normal values

A comparison of LME official prices during the original investigation period (July 08 – June 09) and the year-to-date ending March 2014 shows a significant change in prices between the periods.

Using the LME data published in REP 148 and converted to US dollars, shows that the simple average price over the original investigation period was approximately \$1,868 per tonne. When compared to a simple average over the period April 2013 to March

2014 (\$1,774 per tonne), it shows that contemporary LME prices are approximately 5% lower.

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

LME price comparison												
Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	2008-09
3067	2763	2524	2122	1857	1504	1420	1338	1338	1432	1464	1586	1868
Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	YTD Mar 14
1862	1832	1815	1770	1818	1761	1815	1748	1740	1727	1695	1705	1774

Sources: www.indexmundi.com/commodities/?commodity=aluminum&months=300; REP 148, p44.

Therefore, PanAsia Aluminium considers that it is reasonable to expect that normal values have decreased by a minimum of 5%.

ASCERTAINED EXPORT PRICE

Basis for current ascertained export prices

In the original investigation (REP 148), the Commission found that PanAsia Aluminium was the exporter of the goods and the beneficial owner and importer of the goods at the time of their arrival into Australia was found to be PanAsia Aluminium's Australian customers.

A related trading intermediary based in Macao, OPAL (Macao Commercial Offshore) Limited (OPAL), was found to purchase the goods from PanAsia and on-sell to the Australian customers. The Commission found that the role of OPAL was to act only as a trading intermediary.

The Commission ultimately found that the export sales between PanAsia Aluminium and OPAL were not arms length transactions. Therefore, the Commission determined export prices under s.269TAB(1)(c), using the invoiced price from OPAL to the Australian importers less any prescribed deductions to arrive at a FOB price ex-OPAL.

In accordance with s.269TAF(1), the Commission used the relevant rate of exchange to convert the currency of individual export sales for the purposes of comparison with corresponding normal values. The relevant rate of exchange for conversion purposes was based on the date of sale between OPAL and the Australian customers, being the invoice date.

Grounds for review of ascertained export prices

A comparison of the average AUD:RMB exchange rate during the original investigation period of July 2008 – June 2009 and the current year to date ending March 2014, reveals that the Australian Dollar has appreciated by approximately 12.5%.

When the ascertained export price denominated in Australian dollars is converted to Chinese Renmimbi at the average rate of exchange for the two periods, contemporary ascertained export prices are approximately 12.5% higher than those during the original investigation period.

The table below shows the monthly and average rate of exchange for the two relevant periods of comparison.

COMPARISON OF RATES OF EXCHANGE FOR CURRENCY CONVERSION												
Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	2008-09
6.5752	6.0548	5.6196	4.7199	4.4745	4.5731	4.6404	4.4372	4.5319	4.872	5.1918	5.4761	5.0972
Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	YTD March '14
6.4768	6.1561	5.8252	5.6549	5.5708	5.6901	5.8284	5.7201	5.4934	5.4033	5.4651	5.5662	5.7375
												12.56%

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

Therefore, PanAsia Aluminium considers that all other things being equal, it is reasonable to expect that the appreciation of the Australian dollar between the original investigation period and the year to date March 2014 would result in an increase of ascertained export prices by approximately 12%.

Basis for current amount of countervailable subsidy

Exports of aluminium extrusions by PanAsia Aluminium are currently subject to countervailing duties. The sole subsidy program found to exist during the original investigation was the provision of goods at less than adequate remuneration (Program 15 in REP 148).

In determining whether the provision of goods conferred a benefit to Chinese exporters, the Commission found that state-owned enterprises were significant suppliers of primary aluminium in China. It also found that the prices of primary aluminium by these state-owned enterprises are likely to have influenced domestic primary aluminium prices generally.

For these reasons, the Commission concluded that privately owned supplier prices of primary aluminium were distorted and unsuitable for use as a benchmark in determining whether a benefit is conferred by the program.

In ascertaining an appropriate benchmark that reflects prevailing market conditions for like goods in China, the Commission considered that LME prices for primary aluminium (after some adjustment for delivery and other costs) were indicative of import prices into the Chinese market and as such, was a suitable benchmark for determining whether primary aluminium was provided at less than adequate remuneration and conferred a benefit in relation to the goods exported.

Grounds for review of the amount of countervailable subsidy.

A comparison of Shanghai Futures Exchange aluminium prices and LME aluminium prices over the year to date ending March 2014, shows that LME prices are significantly lower than domestic prices. It is reasonable then to conclude that PanAsia Aluminium 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.

	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
SHFE Price (RMB)	14,835	14,860	14,360	14,280	14,285	14,230	14,365	13,955	13,965	13,495	13,270	12,790
USD:RMB	6.2458	6.197	6.177	6.1775	6.1647	6.1537	6.1298	6.1311	6.1175	6.1003	6.1089	6.1432
SHFE Price (USD)	2,375	2,398	2,325	2,312	2,317	2,312	2,343	2,276	2,283	2,212	2,172	2,082
LME (USD)	1,862	1,832	1,815	1,770	1,818	1,761	1,815	1,748	1,740	1,727	1,695	1,705
Benefit	-514	-566	-510	-542	-500	-551	-529	-528	-543	-485	-477	-377

Sources: <http://www.quandl.com/SHFE/ALJ2014>; www.oanda.com/currency/historical-rates/

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