



ARROWCREST
GROUP

Received
3/3/15

24 February 2015

Ms Candy Cabellero
Director, Dumping Operations 3
Anti-Dumping Commission
1010 La Trobe Street
DOCKLANDS VICTORIA 3008

Email: operations3@adcommission.gov.au

Dear Ms Taylor,

Re: Accelerated Review Investigation No. 280 – Aluminium Road Wheels exported from P R China

Introduction

I refer to the recent initiation of an Accelerated Review of the anti-dumping measures applicable to aluminium road wheels ("ARWs") exported from the People's Republic of China ("China") as they relate to INOVIT (Suqian) Corp Ltd ("Inovit").

Anti-Dumping Notice No. 2015/06 requested submissions from interested parties by 1 March 2015. Arrowcrest Group Pty Ltd ("Arrowcrest") is an Australian producer of ARWs and is the applicant company that requested anti-dumping and countervailing measures against ARW exports from China.

Accelerated Review Applicant Company

It is understood that Inovit is not currently an exporter of ARWs to Australia. The company has made an application via the Accelerated Review inquiry for a separate normal value to be determined for future exports of ARWs.

Inovit has not provided a Public File version of its application. Arrowcrest is therefore unable to comment upon any claims that may have been made by Inovit in its application.

Accelerated Review

Arrowcrest requests that the Anti-Dumping Commission ("the Commission") consider a number of factors in its verification of the *bona fides* of the applicant company prior to establishing a separate normal value for Inovit. To this end it is important to understand the ownership and shareholding of Inovit.

As with the recent accelerated review investigation into an application by Shandong Hengyu, Arrowcrest considers that the same principles followed by the Commission will be applied in this accelerated review involving Inovit.

Subsidies

In Investigation No. 181, Customs and Border Protection was satisfied as to the existence of 28 subsidy programs of the Government of China ("GOC") that provided a benefit to manufacturers of ARWs. Customs and Border Protection quantified subsidies as follows¹:

¹ Trade Measures Report No. 181, P.49.

Exporter	Subsidy Margin (As % of Export price)
CITIC Dicastal	<2%
PDW	<2%
Pilotdoer	4.4%
Jinfei Kaida	2.8%
Yueling	5.1%
Selected Non-cooperating Exporters	58.8%

The applicant Inovit has not provided any public file information that enables Arrowcrest to readily identify programs that were highlighted in Investigation No. 181 or whether the programs continue to exist. The Commission is requested to examine each of the identified subsidy programs as detailed in Report No 181 to assess whether Inovit is in receipt of benefits from the GOC. Arrowcrest also requests that the Commission examine additional subsidy programs that may benefit Inovit as an entity that may be located in a Special Economic of High-Tech zone.

Market Situation

Inovit has not provided any public file information with its application for Accelerated Review that suggests there has been a change to the Market Situation finding for ARWs in China as outlined in Report No. 181. Arrowcrest submits that the Commission will therefore have regard to the Minister's findings in Investigation No. 181 that a market situation continues to apply for ARWs sold in China.

The full cooperation of Inovit will be required to establish the exporter's production costs, with the aluminium and alloy benchmark costs to be based upon London Metal Exchange ("LME") costs over the selected investigation period. The identified LME costs and Inovit's verified production and selling costs will therefore form the basis of a normal value for Inovit's future exports of ARWs to Australia.

Closing Remarks

Arrowcrest anticipates that the Commission will receive full cooperation of the applicant company Inovit in this Accelerated Review investigation. Full cooperation will be required to permit a separate normal value to be determined for Inovit. Similarly, full cooperation is required from Inovit to establish the extent to which subsidies received from the GOC have provided Inovit with benefits that impact the exporter's production and selling costs.

In the absence of full cooperation from Inovit, the Commission must recommend that the Parliamentary Secretary rely on information that formed the basis of Report No. 181 that was accepted by the then Minister. It can be recalled that selected non-cooperating exporters were found to have dumping margins of 29.3 per cent and countervailing margins of 58.8 per cent.

If you have any questions concerning this submission, please do not hesitate to contact me on (08) 8468 4111 or Arrowcrest's consultant, John O'Connor on (07) 3342 1921.

Yours sincerely



Bill Davidson
Director