



Australian Government
**Department of Industry,
Innovation and Science**

**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*(the Act), 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 – ***Guangdong Haomei Aluminium 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:

Mr. Wang Peng

Position:

Advisor

Company:

Beijing B&H Associates

ABN:

N/A

Date:

10 February 2017

About this form

Subsection 269ZB(1)(b) of the Act requires that an application under subsection 269ZA(1) of the Act for a review of anti-dumping measures must be in a form approved by the Commissioner for those purposes. This is the approved form.

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, employee, 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: 13 28 46 or +61 2 6213 6000 (outside Australia)

Fax: (03) 8539 2499 or +61 3 8539 2499 (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 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the *Corporations Act 2001*), may obtain assistance, at no charge, from the Department of Industry, Innovation and Science's International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone 13 28 46.

Required information

1. Provide details of the name, street and postal address, of the applicant seeking the review or revocation of measures.
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, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act. The Commissioner has approved lodgement of this application by:

- preferably, email, using the email address clientsupport@adcommission.gov.au; or
- post to:
The Commissioner of the Anti-Dumping Commission
GPO Box 1632
Melbourne VIC 3001; or
- facsimile, using the number (03) 8539 2499.

It may be possible to lodge an application in a manner not described above provided that the Commissioner’s written approval is obtained.

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.

PUBLIC RECORD

**Guangdong Haomei Aluminium Co., Ltd
Application for Review of Measures**

Required Information:

Applicant:

Guangdong Haomei Aluminium Co., Ltd (“Haomei”)
No.1 Taiji Industrial Area, Yinzhan, Qingyuan City, Guangdong, China

Contact person:

Company:

Ms. Carin Cao
Deputy Business Manager
Phone: +86 763-3699-180
Fax: +86 3699-712
Email: carinacao@hao-mei.com

Advisor:

Mr. LAN, Xiong
Phone: +86 10-8223-0597
Fax: +86 10-8223-0598
Email: lx@bohenglaw.com

Mr. WANG, Peng
Phone: +86 10-8223-0591
Fax: +86 10-8223-0598
Email: wp@bohenglaw.com

Other parties supporting this application:

N/A

Interest as an affected party

Haomei is engaged in the exportation of aluminium extrusions from China.

Details of the current measures the subject of this review application:

The Goods:

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:

7604.10.00/06

7604.21.00/07

7604.21.00/08

7604.29.00/09

7604.29.00/10

7608.10.00/09

7608.20.00/10

7610.10.00/12

7610.90.00/13

The countries subject to the notice:

People's Republic of China

Specified date of publication of the measure:

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 a new notice following a reinvestigation, replaced the dumping and countervailing duty notice published on 28 October 2010.

On 19 August 2015, the Parliamentary Secretary to the Minister for Industry and Science published a new notice following a reinvestigation, replaced the dumping and countervailing duty notice published on 27 August 2011.

On 9 February 2016, the Commissioner published a new notice following a review concerning to a specific exporter, Press Metal International Ltd.

Other parties likely to have an interest:

Capral Ltd
4/60 Phillip St
Parramatta NSW 2150
Phone + 61 2 9682 0710
Fax + 61 2 8222 0130

Reasons for a Variable Factors Review

Haomei is requesting a review of the following variable factors:

- ascertained normal values
- the amount of the countervailable subsidy received in respect of the goods

1. Ascertained Normal Values

1) Basis for current ascertained normal values

Haomei has not participated in any of the previous investigations or reinvestigations/reviews, which means that the highest uncooperative and all other exporters rate applies to Haomei. Should the AD Commission calculate the normal values according to Haomei's own records, Haomei would have received a lower dumping margin. This review opens the opportunity for verification by the Commission and calculating normal values Haomei based on its own particular different circumstances.

In addition, the most recent review (ADC 304) was only related to one specific exporter, Press Metal International Ltd. Therefore, the last full review to multiple Chinese exporter was ADC 248. The relative review period was from 1 April 2013 to 31 March 2014. As a result of that review, the AD Commission made the following findings in establishing normal values:

- After having regard to all relevant information, the Commission has found that the Government of China (GOC) has influenced the Chinese aluminium industry, and this influence is likely to have materially distorted competitive market conditions and both directly affected the price of the primary input used in the manufacture of aluminium extrusions, as well as likely affecting supply within that industry. The Commission has formed the view that it is satisfied there was a situation in the Chinese aluminium extrusions market during the review period such that sales in that market are not suitable for use to determine normal value under section 269TAC(1) of the Act.
- The Commission assessed the suitability of using third country sales of aluminium extrusions in determining normal values under section 269TAC(2)(d). The Commission determined that third country sales were not a viable option for

determining normal value in relation to the goods due to its consideration that the exporter's cost of primary aluminium does not reflect a competitive market cost (refer to section 4.7). This would in turn have affected the exporter's prices to third countries making them unsuitable for use in determining normal value.

- Consequently, the Commission has constructed normal values under section 269TAC(2)(c) of the Act, and has done so by observing the conditions of sections 43, 44 and 45 of the Customs (International Obligations) Regulation 2015 (the Regulations).
- The Commission's approach has been to construct a primary aluminium cost based on the LME benchmark cash price plus other reasonable costs and charges.

To sum up, for the purposes of establishing normal values and calculating dumping margins, the AD Commission replaced exporter's primary aluminium costs with published LME prices plus additional expenses to account for regional premiums, import costs and inland transport.

2) Grounds for review of ascertained normal values

As indicated above, the highest uncooperative and all other exporters rate applies to Haomei. Haomei would have received a lower dumping margin if the AD Commission should offer the opportunity to calculate the normal values based on Haomei's own records.

In addition, a comparison of LME official prices during the last applicable review period (1 April 2013 to 31 March 2014) and the year-to-date ending December 2016 shows a significant change in prices between the periods.

The simple average price over the last applicable review period was approximately \$1774 per tonne. When compared to a simple average over the period January 2016 to December 2016 (\$1604 per tonne), it shows that contemporary LME prices are approximately 11% lower.

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

LME Price Comparison

Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Last Review Period
1861	1833	1815	1770	1816	1761	1815	1748	1740	1727	1695	1705	1774
Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	YTD Dec 2016
1481	1531	1531	1571	1551	1594	1629	1639	1592	1666	1737	1728	1604

Sources: www.indexmundi.com/commodities/?commodity=aluminum&months=300

Therefore, Haomei submits that the AD Commission should calculate Haomei's normal

values using the contemporary LME prices.

2. Ascertained Amount of Countervailable Subsidy

1) Basis for current amount of countervailable subsidy

Same as the dumping margin, the highest countervailable subsidy rate is applied to Haomei since it has not participated in any of the previous investigations or reinvestigations/reviews. Should the AD Commission calculate the amount of countervailable subsidy according to Haomei's own records, Haomei would have received a lower subsidy margin.

In the last applicable review, the primary subsidy program was Program 15 (aluminium provided at less than adequate remuneration).

As in consistent to the original investigation, the AD Commission continues to hold the view that prices of primary aluminium supplied by SOEs or SIEs are likely to have influenced domestic primary aluminium prices generally. The large proportion of SOE and SIE sourced primary aluminium production in China is considered to drive prices down generally and influencing the prices of privately owned smelters such that their prices are also below the cost to make.

In addition, the AD Commission continues to consider that prices from privately owned suppliers of primary aluminium are distorted and unsuitable for use as a benchmark in determining whether a benefit is conferred by the program. The AD Commission considers that LME based prices for primary aluminium are 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.

2) Grounds for review of the amount of countervailable subsidy

As indicated above, the highest uncooperative and all other exporters rate applies to Haomei. Haomei would have received a lower subsidy margin if the AD Commission should offer the opportunity to calculate the amount of countervailable subsidy based on Haomei's own records.

In addition, A comparison of SHFE aluminium prices and LME aluminium prices over the year to date ending December 2016, shows that LME prices are significantly lower than domestic prices. It is reasonable then to conclude that Haomei is not in receipt of benefits from this program on the basis of the AD Commission's approach to determining benefit in the last review.

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.

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
SHFE Price (RMB)	10865	11550	11700	12450	11950	12040	12050	12115	12295	14060	13790	12805
Exchange Rate (USD:RMB)	6.5668	6.5486	6.5036	6.4772	6.5278	6.5889	6.6753	6.6494	6.6736	6.7262	6.8421	6.9308
SHFE Price (USD)	1655	1764	1799	1922	1831	1827	1805	1822	1842	2090	2015	1848
LME (USD)	1481	1531	1531	1571	1551	1594	1629	1639	1592	1666	1737	1728
Benefit (USD)	-173	-232	-268	-351	-280	-234	-176	-183	-250	-424	-278	-120

Sources: <http://www.quandl.com/SHFE/ALZ2016>; www.oanda.com/currency/historical-rates/

At least for this primary subsidy program, Haomei considers that it is reasonable to conclude that it received no benefit.