

18 April 2016

The Director
Operations 2
Anti-Dumping Commission
Level 35, 55 Collins Street
Melbourne Victoria 3000

Email: operations2@adcommission.gov.au

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Dear Sir/Madam

Re Accelerated Review Inquiry No. 347 – Aluminium extrusions exported from P R China by Goomax Metal Co., Ltd

Introduction

I refer to the Anti-Dumping Commission's ("the Commission") recently commenced accelerated review of anti-dumping and countervailing measures applicable to exports of aluminium extrusions to Australia by Goomax Metal Co., Ltd Fujian ("Goomax").

Capral Aluminium Pty Ltd ("Capral") is an Australian manufacturer of aluminium extrusions and is an interested party in relation to the accelerated review inquiry. Capral provides the following information for consideration by the Commission in establishing the appropriate variable factors for Goomax.

Goomax Metal Co., Ltd

Capral understands that Goomax was incorporated in 2003 at the Goomax Industrial Park, Meiyang Village, Dongtian Town, Nan'an, Fujian Province 362300 (refer Confidential Attachment A). Goomax is engaged in the R&D, production, processing and sales of aluminium alloys, including aluminium extrusions. In 2015, the company had a turnover of approximately US\$xxM. Capral notes that Goomax has gained the following endorsements:

- Nanan Star Enterprise;
- Fujian Province Famous TradeMark;
- Fujian Famous Brand;
- Innovative Pilot Enterprises in Fujian Province;
- National Hi-Tech Enterprise; and
- Nanan Reserve Listed Enterprise.

The honorary titles/awards bestowed upon Goomax generally attract the provision of a special grant – in certain cases the grants are countervailable subsidies. In Inquiry No. 148 the then Customs and Border Protection Service identified a number of awards that were countervailable subsidies including (refer P.3 of Confidential Attachment A):

- One-time awards to enterprises whose products qualify for 'well-known trademarks of China' and 'famous brands of China';
- Research and Development grant; and

- Innovative experimental enterprise grant.

On the basis Goomax is involved in R&D activities and is a recipient of certain awards, it is considered that there exists a strong probability that Goomax has received grants from the government of China (including at the provincial level) that may be considered countervailable subsidies.

Goomax has received a National award for its activities as an "Hi-Tech Enterprise". Report No. 181 (aluminium road wheels exported from P R China) identified preferential tax policies for so-called "Hi-Tech Enterprises". Goomax has been awarded the "National Hi-Tech Enterprise" Award, which it is anticipated provides the entity (or its associated/affiliated companies) with a benefit.

Aluminium at less than adequate remuneration

It is also understood by Capral that Goomax sources its raw materials (including aluminium) from local supply (refer P.6 of Confidential Attachment A). In Report No. 148 Customs and Border Protection determined that aluminium was provided by the government of China at less than adequate remuneration (i.e. Program 15).

As Goomax purchases aluminium locally, Capral anticipates that the Commission will examine LME aluminium pricing throughout the investigation period for substituting Goomax' raw material aluminium costs in a s.269TAC(2)(c) constructed normal value.

Tax credit

Capral is aware that Goomax received a tax credit in the 2015 year (refer P.7 of Confidential Attachment A). Capral submits that the tax credit may originate from a tax benefit received under a government of China tax reduction or exemption program.

Capral requests the Commission to investigate the origin of the tax credit to ensure that the benefit associated with the credit is fully understood (and treated appropriately if established as a countervailable subsidy).

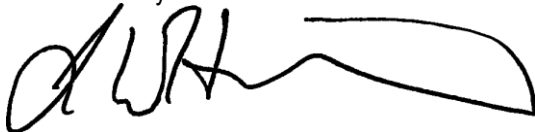
Closing Remarks

Capral has identified a number of matters requiring investigation by the Commission in the accelerated review inquiry to establish variable factors for the new exporter Goomax. Goomax is in receipt of certain awards (including "national" awards that are understood to attract financial benefits derived from the government of China. Additionally, Goomax is considered a "Hi-Tech" manufacturing entity which it is well established attracts reduced taxation liabilities from the government.

Importantly, however, Goomax sources all of its raw materials locally. This includes the purchase of primary aluminium used in the manufacture of aluminium extrusions. Primary aluminium was sold in China at less than adequate remuneration during the investigation period. Capral submits that the Commission will be required to calculate Goomax' normal value for aluminium extrusions by reference to the exporter's production costs (with a substituted LME primary aluminium raw material cost) plus amounts for selling, general administration and a reasonable level of profit.

If you have any questions concerning this submission (or the attached) please do not hesitate to contact me on (02) 8222 0113 or Capral's consultant Mr John O'Connor on (07) 3342 1921.

Yours sincerely



Luke Hawkins
General Manager – Supply and Industrial Solutions