

20 June 2017

The Director
Operations 5
Anti-Dumping Commission
Level 4, SAP House
224 Bunda Street
CANBERRA ACT 2600

Email: operations5@adcommission.gov.au

Public File

Dear Sir/Madam

Investigation No. 415 – Accelerated Review – Skyline Aluminium Co., Ltd Fujian

I refer to the application for an accelerated review by Skyline Aluminium Co., Ltd Fujian (“Skyline”) concerning exports of aluminium extrusions from the People’s Republic of China (“China”).

Skyline is a new exporter (having not exported the goods to Australia during the period 1 July 2008 to 28 February 2010 – the period from the commencement of the original investigation period to the date of publication of the Statement of Essential Facts in Inquiry No. 148) and is seeking a determination of variable factors for its own exports so that it is not subject to the country-wide rate for dumping and countervailing duties that it asserts is at 48.5 per cent. Skyline has requested that ascertained variable factors be based upon its “*owned predicted sales, costs and relevant financial information*” (sic).

Capral understands that Skyline is located in the Central Technology Industrial Zone in the Sanshui District, Foshan, Guangdong Province. The company specialises in the manufacture and sale of aluminium products. Skyline is owned by Foshan Nanhai Libei Huagang Aluminium Co., Ltd.

Normal values for Chinese aluminium extrusions exporters are based upon a constructed cost methodology (under subsection 269TAC(2)(c)). On the basis that the exporter’s production and selling costs have been validated, a benchmark aluminium price is substituted into the exporter’s cost of production.

Capral highlights with the Anti-Dumping Commission (“the Commission”) that in the first five months of 2017 the LME monthly cash price and MJP has risen considerably and it is important that any determination on variable factors applicable to Skyline reflects the higher LME and MJP cash price for aluminium.

Additionally, Capral reminds the Commission that purchased aluminium must reflect the sum of:

- Aluminium at prevailing London Metal Exchange (“LME”) cash rate; plus
- Billet premiums; plus
- Major Japanese Port (“MJP”) premium that is applicable to all aluminium purchases in South East Asia, including Chinese manufacturers.

The aluminium purchase price for Skyline should, as a minimum reflect the sum of these costs.

It is noted in Skyline's application that it purchases aluminium on the basis of pricing on the Yangtze Metal Exchange ("YME"). In Review Investigation No. 248 the Commission determined that a particular market situation exists in China for aluminium extrusions due to the Government of China's ("GOC") influence over raw material aluminium billet prices such that domestic selling prices for aluminium extrusions are unsuitable for determining normal values.

Due to this finding, the Commission determined normal values for Chinese exporters under subsection 269TAC(2)(c) of the *Customs Act* and in accordance with Regulations 43, 44 and 45 of the *Customs (International Obligations) Regulation 2015*.

In Review No. 248 the Commission surrogated the average LME price for aluminium billet plus premiums plus MJP and surrogated into the Chinese exporter's costs of production. For the purposes of this accelerated review, the same methodology followed by the Commission in Review No. 248 will apply.

In addition, Capral would draw to the attention of the Commission the experiences from Investigations 248 and 362 that confirm the higher costs incurred by manufacturers for export packaging that includes: steel trolleys, wooden crates and inter leave paper. The Commission is requested to ensure that Skyline's normal value is adjusted accordingly for the additional packing costs for exported goods.

Capral further requests that the Commission recommend to the Parliamentary Secretary that the form of measures to be applied to Skyline be based upon the combination method, consistent with all other exporters of aluminium extrusions exported to Australia from China.

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

Yours sincerely



Luke Hawkins
General Manager – Supply and Industrial Solutions