



Australian Government
Department of Industry,
Innovation and Science

Anti-Dumping
Commission

CUSTOMS ACT 1901 - PART XVB

FINAL REPORT NO. 387

**ACCELERATED REVIEW
OF THE DUMPING DUTY NOTICE AND COUNTERVAILING
DUTY NOTICE APPLYING TO**

**CERTAIN ALUMINIUM EXTRUSIONS EXPORTED FROM
THE PEOPLE'S REPUBLIC OF CHINA BY
FOSHAN SHUNDE BEIJIAO JIAWEI ALUMINIUM FACTORY**

24 MARCH 2017

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ABBREVIATIONS

ABF	Australian Border Force
accelerated review period	1 October 2015 to 30 September 2016
the Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
the applicant	Foshan Shunde Beijiao Jiawei Aluminium Factory (also referred to in this report as Jiawei)
China	the People's Republic of China
the Commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
CON 387	<i>Consideration Report No. 387</i>
CTMS	Cost to make and sell
Dumping Duty Act	<i>Customs Tariff (Anti-Dumping) Act 1975</i>
FOB	Free on board
the goods	the goods the subject of the accelerated review (also referred to as the goods under consideration)
LME	London Metal Exchange
NIP	Non-injurious price
the notices	the dumping duty notice and countervailing duty notice
OCOT	ordinary course of trade
the Parliamentary Secretary	the Assistant Minister for Industry, Innovation and Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science
the Regulation	<i>Customs (International Obligations) Regulation 2015</i>
REP 148	<i>Trade Remedies Branch Report No. 148</i>
REP 248	<i>Anti-Dumping Commission Report No. 248</i>
Review 248	<i>Review of Measures No. 248</i>
SEF	Statement of essential facts
SG&A	Selling, general and administrative costs
VAT	Value added tax

1 SUMMARY AND RECOMMENDATION

1.1 Background

This *Accelerated Review No.387* is in response to an application from Foshan Shunde Beijiao Jiawei Aluminium Factory (Jiawei) seeking an accelerated review of the dumping duty notice and countervailing duty notice (the notices) in respect of certain aluminium extrusions (aluminium extrusions) exported to Australia from the People's Republic of China (China) as they relate to the exporter, Jiawei.

Jiawei's application seeks an accelerated review on the basis that the notices are inappropriate because it is currently subject to the combined dumping duty and countervailing duty rate of 48.5 per cent, which reflects the combined rate for uncooperative exporters as determined in *Review of Measures No. 248* (Review 248).

Jiawei's application seeks an accelerated review based on the determination of variable factors relating to its own domestic sales, costs and other relevant financial information. Jiawei did not export aluminium extrusions to Australia during the investigation period for the original investigation and is therefore a 'new exporter' as defined in subsection 269T(1) of the *Customs Act 1901* (the Act).¹

1.2 Application of law to facts

Division 6 of Part XVB of the Act enables eligible parties to apply for an accelerated review of anti-dumping measures. This Division, among other matters:

- sets out the procedures to be followed and the matters to be considered by the Commissioner of the Anti-Dumping Commission (the Commissioner) in conducting accelerated reviews in respect of the exporter and the goods covered by the application for the purpose of making a report to the Assistant Minister for Industry, Innovation and Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science (Parliamentary Secretary);² and
- empowers the Parliamentary Secretary, after consideration of such reports, to leave the dumping duty notice or countervailing duty notice unaltered or to alter them as appropriate.

1.3 Findings and conclusions

Based on all relevant and available information, the Anti-Dumping Commission (the Commission) has, in relation to the variable factors for Jiawei's exports of aluminium extrusions to Australia, recommends that:

¹ All legislative references in this report are to the *Customs Act 1901* unless otherwise specified.

² On 19 July 2016, the Prime Minister appointed the Parliamentary Secretary to the Minister for Industry, Innovation and Science as the Assistant Minister for Industry, Innovation and Science. For the purposes of this accelerated review, the Minister is the Parliamentary Secretary to the Minister for Industry, Innovation and Science.

- the export price be determined under subsection 269TAB(3), having regard to all relevant information, being set equal to the normal value determined (Section 3 of this report refers);
- the normal value be constructed under subsection 269TAC(2)(c) in accordance with regulation 43, 44 and 45 of the *Customs (International Obligations) Regulation 2015* (the Regulation); and
- no countervailable subsidies have been received in respect of the goods manufactured by Jiawei.

1.4 Recommendation

Based on the above findings and conclusions, the Commissioner, pursuant to subsection 269ZG(1), recommends that the Parliamentary Secretary alter the notices so as to apply to Jiawei as if different variable factors had been fixed.³

As such, the Commissioner recommends that:

- for the purpose of this accelerated review, the Parliamentary Secretary determine that interim dumping duty be worked out on Jiawei's exports to Australia in accordance with the combination of fixed and variable duty method. The applicable fixed rate of interim dumping duty is zero per cent, meaning that Jiawei's exports of aluminium extrusions will not attract any fixed amount of interim dumping duty. However, if Jiawei's actual export prices of aluminium extrusions are less than the ascertained exported price, the variable component of interim dumping duty will be equal to the difference between the actual export price and the ascertained export price; and
- the Parliamentary Secretary determine that the countervailing duty amount be worked out as a proportion of the export prices of the goods. The applicable countervailing duty rate is zero per cent.

If the Parliamentary Secretary accepts these recommendations, to give effect to the decision, the Parliamentary Secretary must declare (by signing and publishing the notice at **Non-Confidential Attachment 1**) that, with effect from the date the application is lodged, the Act and the *Customs Tariff (Anti-Dumping) Act 1975* (Dumping Duty Act) have effect as if the dumping duty notice and countervailing duty notice had applied to Jiawei but the Parliamentary Secretary had fixed specified different variable factors relevant to the determination of duty payable by Jiawei.

If accepted by the Parliamentary Secretary, the individual rates applicable to Jiawei will take effect retrospectively from 14 December 2016 (the date the application was lodged).

2 BACKGROUND

2.1 The goods

2.1.1 Description

The goods the subject of the application (the goods) are:

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.

The table below provides guidance to assist the categorisation of aluminium extrusions into the types covered by interim duties (GUC) and those that are not covered (Non GUC).

< GUC >				< Non GUC >		
1	2	3	4	5	6	7
Aluminium extrusions	Aluminium extrusions with minor working	Aluminium extrusions that are parts intended for use in intermediate or finished products	Aluminium extrusions that are themselves finished products	Unassembled products containing aluminium extrusions, e.g. 'kits' that at time of import comprise all necessary parts to assemble finished goods	Intermediate or partly assembled products containing aluminium extrusions	Fully assembled finished products containing aluminium extrusions
< Examples >						
Mill finish, painted, powder coated, anodised, or otherwise coated aluminium extrusions	Precision cut, machined, punched or drilled aluminium extrusions	Aluminium extrusions designed for use in a door or window	Carpet liner, fence posts, heat sinks	Shower frame kits, window kits, unassembled unitised curtain walls	Unglazed window or door frames	Windows, doors

Table 1: Goods under consideration and like goods

2.1.2 Tariff classification

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

7604.10.00/06	non alloyed aluminium bars, rods and profiles
7604.21.00/07	aluminium alloy hollow angles and other shapes
7604.21.00/08	aluminium alloy hollow profiles
7604.29.00/09	aluminium alloy non hollow angles and other shapes
7604.29.00/10	aluminium alloy non hollow profiles
7608.10.00/09	non alloyed aluminium tubes and pipes
7608.20.00/10	aluminium alloy tubes and pipes
7610.10.00/12	doors, windows and their frames and thresholds for doors
7610.90.00/13	Other

Table 2: Aluminium extrusions tariff classifications

The goods exported to Australia from China are subject to a rate of Customs duty of 4 per cent.

2.2 Accelerated review process

If a dumping duty notice or a countervailing duty notice has been published in respect of certain goods, a new exporter, may request an accelerated review of that notice as it affects that particular exporter⁴. A new exporter is defined in subsection 269T(1) as an exporter who did not export the goods to Australia during the investigation period in relation to the original application for anti-dumping measures.

If an application for an accelerated review of a dumping duty notice or countervailing duty notice is received and not rejected, the Commissioner has up to 100 days after the application is lodged to inquire and report to the Parliamentary Secretary on the accelerated review (subsection 269ZG(2)).

Under subsection 269ZG(1), the Commissioner must, after considering the application and making such inquiries as the Commissioner thinks appropriate, recommend to the Parliamentary Secretary that the dumping duty notice and/or countervailing duty notice:

- remain unaltered; or
- be altered so as to apply to the applicant as if different variable factors had been fixed.

Following the Parliamentary Secretary's decision, a notice is published on the Commission's website advising of the decision.

⁴ Subsection 269ZE(1)

2.3 Existing measures

A history of the anti-dumping measures applying to aluminium extrusions exported to Australia from China is summarised below.

24 June 2009	The then Australian Customs and Border Protection Service initiated an investigation into the alleged dumping and subsidisation of aluminium extrusions exported to Australia from China following an application by Capral Limited (Capral).
28 October 2010	The then Attorney-General published a dumping duty notice and a countervailing duty notice applying to aluminium extrusions exported from China - <i>Trade Remedies Branch Report No. 148</i> refers.
27 August 2011	The then Attorney-General published new notices as a result of a reinvestigation of certain findings made in <i>Trade Remedies Branch Report No. 148</i> following a review by the former Trade Measures Review Officer. <i>International Trade Remedies Report No. 175</i> refers.
21 November 2012	Publication of the outcome of a review of the anti-dumping measures as they apply to Wuxi Xisha Photoelectric Aluminium Products Co., Ltd. <i>International Trade Remedies Report No. 186</i> refers. Anti-dumping measures applicable to Wuxi Xisha Photoelectric Aluminium Products Co., Ltd. were altered as if different variable factors applied.
30 August 2013	The Federal Court ruled that dumping duty and countervailing duty notices cannot impose different variable factors for each finish of aluminium extrusion. ⁵
8 May 2014	Publication of the outcome of a review of anti-dumping measures as they apply to Alnan Aluminium Co., Ltd. Anti-dumping measures applicable to Alnan Aluminium Co., Ltd remained unaltered. <i>Final Report No. 229</i> refers.
19 February 2015	Publication of the outcome of an anti-circumvention inquiry into the avoidance of the intended effect of duty concerning certain aluminium extrusions exported to Australia by PanAsia Aluminium (China) Co., Ltd. <i>Final Report No. 241</i> refers.
19 August 2015	The then Parliamentary Secretary to the Minister for Industry and Science published a notice declaring the outcome of Review 248. Anti-dumping measures applying to exports of

⁵ *PanAsia Aluminium (China) Limited v Attorney-General of the Commonwealth* [2013] FCA 870

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	certain aluminium extrusions from China were altered as if different variable factors had been ascertained.
20 October 2015	The then Parliamentary Secretary published a notice declaring the outcome of continuation inquiry 287. In that notice, it was declared that anti-dumping measures currently applying to aluminium extrusions exported to Australia from China (as at that date) would continue in force after 28 October 2015. Anti-Dumping Notice (ADN) No. 2015/125 refers.
9 February 2016	Publication of the outcome of a review of anti-dumping measures as they apply to Press Metal International Ltd (PMI). The anti-dumping measures were altered as if different variable factors had been ascertained in relation to PMI. <i>Final Report No. 304</i> refers.

2.4 Notification and participation

On 14 December 2016, Jiawei lodged an application for an accelerated review of the notices applying to aluminium extrusions exported to Australia from China in so far as the notices affect Jiawei.

The Commissioner considered the application to determine if it was made in accordance with sections 269ZE and 269ZF. The Commissioner was satisfied that the:

- circumstances in which an accelerated review can be sought under subsection 269ZE(1) have been satisfied;
- conditions for rejection under subsection 269ZE(2) were not satisfied; and
- application satisfies the requirements of subsection 269ZF(1).

Accordingly, the Commissioner did not reject the application. *Consideration Report No. 387* (CON 387) provides further details in relation to the Commissioner's consideration of the application. CON 387 should be read in conjunction with this report and is available on the Commission's website at www.adcommission.gov.au.

The commencement of this accelerated review was notified in ADN No. 2017/03, which was published on 10 January 2017 and made available on the Commission's website at www.adcommission.gov.au.

ADN No. 2017/03 advised that the Commissioner's recommendation to the Parliamentary Secretary will be made in a report on or before 24 March 2017.

For the purposes of the accelerated review, the period examined is 1 October 2015 to 30 September 2016 (herein referred to as the accelerated review period).

2.5 Exporter questionnaire response

2.5.1 Jiawei's exporter questionnaire response

Upon the commencement of the accelerated review, the Commission sent an exporter questionnaire to Jiawei to complete.

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On 27 February 2017, the Commission received a completed exporter questionnaire response from Jiawei. A non-confidential version of this response is available on the public record.⁶

Jiawei's response contained information and data in relation to:

- company structure and organisation chart;
- business licence registration;
- product brochure;
- turnover, audited financial statements and income tax records;
- domestic sales with supporting documentation for sales;
- purchase of raw materials;
- domestic production and selling costs for aluminium extrusions;
- fixed asset list;
- supply of inputs including water and electricity; and
- production process and production volumes.

Jiawei has co-operated with the accelerated review and has provided detailed financial data in its exporter questionnaire response within the required timeframe. The Commission elected not to conduct an on-site verification of the information and data provided in Jiawei's exporter questionnaire response.

The Commission has various other means for testing the accuracy, relevance and completeness of data to a satisfactory level. A number of tests have been undertaken on Jiawei's data for the purpose of this accelerated review. Those tests include comparison of Jiawei's data to:

- data verified in Review 248 and Accelerated Reviews 304 and 313;
- data from the Australian Border Force import database; and
- source documents including tax returns, financial statements and sales invoices.

In particular, the Commission sought clarification and further responses from Jiawei in regards to a range of topics associated with its production and sale of aluminium extrusions.

Jiawei co-operated and provided responses to the queries within the set deadlines. The Commission is satisfied as to the accuracy, relevance and completeness of the data supplied by Jiawei upon which the findings of this accelerated review are based.

2.6 Public record

There is no legislative requirement for the Commissioner to maintain a public record for accelerated reviews. However, in the interests of ensuring this process is conducted in an open and transparent manner, a public record for this accelerated

⁶ Document No. 4 on the electronic public record refers.

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review has been maintained and is accessible on the Commission's website at www.adcommission.gov.au.

3 EXPORT PRICE

3.1 Findings

The Commission has found that Jiawei did not export the goods to Australia during the accelerated review period. As such, sufficient information is not available to determine the export price of the goods under subsection 269TAB(1) for the purposes of this accelerated review. It is the Commission's view that application of subsection 269TAB(1) would require Jiawei to have exported the goods to Australia. Since Jiawei did not export the goods to Australia during the accelerated review period subsection 269TAB(1) cannot apply.

Specifically, sufficient information is not available to determine the export price of the goods using:

- the price paid or payable by the importer;⁷
- the price in Australia less prescribed deductions;⁸ or
- the price having regard to all the circumstances of the exportation.⁹

Therefore, the Commission considers it appropriate to determine an export price, for the purposes of this accelerated review, under subsection 269TAB(3) having regard to all relevant information.

Specifically, the Commission considers it appropriate to determine the ascertained export price to be the same amount as that determined to be the normal value for the purposes of this accelerated review.

7 Subsection 269TAB(1)(a).

8 Subsection 269TAB(1)(b).

9 Subsection 269TAB(1)(c).

4 NORMAL VALUE

4.1 Findings

The Commission considers that there is suitable information in Jiawei's exporter questionnaire response to allow for the calculation of a normal value.

For the purposes of this accelerated review, the normal value has been established in accordance with subsection 269TAC(2)(c), using the constructed normal value method. Relevant adjustments have been made to the normal value to ensure comparability to the export price of Jiawei's future exports to Australia.

The Commission recommends that any interim dumping duty be calculated in accordance with the combination of fixed and variable duty method. For this accelerated review, as the ascertained export price is equal to the ascertained normal value, the dumping margin and fixed component of any interim dumping duty is zero per cent. A variable component of interim dumping duty will be applicable where the actual export price is below the ascertained export price.

4.2 Particular market situation

In Review 248, it was established that, in accordance with subsection 269TAC(2)(a)(ii), a situation exists in the domestic Chinese aluminium extrusions market that renders domestic selling prices in that market unsuitable for the purpose of determining the normal value for aluminium extrusions under subsection 269TAC(1).

The reasons for this finding are contained in *Anti-Dumping Commission Report No. 248* (REP 248) at Non-Confidential Appendix 1 – Market Situation Assessment.

During this accelerated review, the Commission did not find any information to warrant departing from the finding in Review 248 on market situation. Accordingly, the Commission is of the view that this finding is still relevant, and has not departed from the finding in Review 248. Therefore, the normal value of the goods has been ascertained under subsection 269TAC(2)(c).

4.3 Constructed normal value

Subsection 269TAC(2)(c) provides that, where the normal value cannot be ascertained under subsection 269TAC(1), the normal value of the goods is to be calculated as the sum of:

- the cost of production of the goods in the country of export; and
- on the assumption that the goods, instead of being exported, had been sold for home consumption in the ordinary course of trade (OCOT) in the country of export, the selling, general and administrative (SG&A) costs associated with such a sale and the profit on that sale.

4.4 The Commission's assessment of normal value

4.4.1 Cost of production

As required by paragraph 269TAC(5A)(a), in ascertaining the normal value of the goods under subsection 269TAC(2)(c), the cost of production of the goods is to be established in accordance with regulation 43 of the Regulation.

As Jiawei has made no export sales of the goods during the review period, there is no cost to make data (CTM) relating to exports which may be used as basis to construct the normal value. As a result, the Commission considers it reasonable to use Jiawei's CTM for like goods sold domestically during the accelerated review period for the purpose of constructing normal values.

Regulation 43 of the Regulation provides that the cost of production must be worked out by using the information set out in Jiawei's records if the records are in accordance with generally accepted accounting principles in China and reasonably reflect competitive market costs associated with the production or manufacture of like goods.

In Review 248, after having regard to all relevant information, the Commission found that the Government of China (GOC) has influenced the Chinese aluminium industry, and it was concluded that, in determining the cost of manufacture of aluminium extrusions in China, the records of Chinese exporters of aluminium extrusions did not reasonably reflect competitive market costs associated with the production or manufacture of those goods, for the purposes of section 43 of the Regulation. As this is an accelerated review and the applicant has not provided any evidence to suggest that a different approach should be adopted, the Commission has not revisited its findings from Review 248 in respect of competitive market costs for aluminium in China.

As a result, the Commission has replaced Jiawei's reported primary aluminium costs relating to domestic purchases of primary aluminium. Consistent with the findings in Review 248, Jiawei's aluminium costs have been replaced with aluminium costs which are considered to be competitive market benchmark prices for aluminium. The aluminium benchmark is based on contemporaneous London Metal Exchange (LME) cash prices plus other reasonable costs, port premiums and charges related to aluminium billet.

The Commission compared Jiawei's actual aluminium costs to the competitive market benchmark price for each quarter of the review period. The variance between the actual reported costs and benchmark prices were then applied to uplift the aluminium material costs reported in Jiawei's domestic CTM by the weighted average percentage of the variance for the quarter.

The competitive market benchmark prices used for the purpose of this accelerated review are at **Confidential Appendix 1**.

4.4.2 Selling, general and administrative costs

As required by subsection 269TAC(5A)(b), in ascertaining the normal value of the goods under subsection 269TAC(2)(c), the SG&A costs are to be established in accordance with regulation 44 of the Regulation.

Jiawei provided information on SG&A costs associated with the domestic sales of the goods subject to this accelerated review.

Consistent with the requirements of subsection 44(2) of the Regulation, the Commission is satisfied that Jiawei's records are in accordance with the generally accepted accounting principles in China, and the records reasonably reflect the SG&A costs associated with the sale of like goods.

4.4.3 Profit

As required by subsection 269TAC(5B), when ascertaining the normal value of the goods under subsection 269TAC(2)(c), the amount of profit included in the normal value is to be determined having regard to section 45 of the Regulation.

Subsection 45(2) of the Regulation provides that, if reasonably practicable, profit is to be determined by using data relating to the production and sale of like goods by the exporter of the goods in the OCOT.

The Commission calculated a weighted average profit margin for the goods. The calculation of this profit margin was based on domestic sales of aluminium extrusions in the OCOT, the selling prices of which were compared to the company's domestic cost to make and sell (CTMS) for those goods as reported in the company's response to the exporter questionnaire (prior to the adjustments made to the cost of primary aluminium discussed above).

Profit applicable in the OCOT was applied to the CTMS (refer to **Confidential Appendices 3 and 4**);

4.4.4 Adjustments

As the normal value has been ascertained in accordance with subsection 269TAC(2)(c), the Commission considers the following adjustments are required to the constructed ex-works price, in accordance with subsection 269TAC(9), in order to ensure the normal value is properly comparable with the export price of the goods:

- inland freight – an upwards adjustment was made to account for export related inland transport cost to the port of export based on comparable data obtained in Review 248;¹⁰

¹⁰ REP 248 was the most contemporaneous verified data available to the Commission in absence of Jiawei having exported the goods.

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- export packaging – an upwards adjustment was made to account for export related packaging costs based on comparable data obtained in Review 248;¹¹ and
- VAT adjustment – an upwards adjustment was made to account for the difference in the amount of residual value added tax (VAT) that would apply to export sales of the goods. The residual amount has been calculated at the rate of 4 per cent, which is the full VAT rate of 17 per cent less the 13 per cent VAT rebate that applies to export sales of the goods.

Normal value and export price calculations are at **Confidential Appendices 5 and 6.**

¹¹ Ibid.

5 COUNTERAVAILABLE SUBSIDIES

5.1 Findings

The Commissioner considers that Jiawei did not receive any countervailable subsidies (as defined in subsection 269T(1)) during the accelerated review period. The countervailing margin has been calculated to be zero percent.

5.2 Programs reviewed

In Review 248, the Commission found that 19 subsidies were countervailable in respect of aluminium extrusions exported to Australia from China.

Program number	Program name (as specified in REP 248)
2	One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'
3	Provincial Scientific Development Plan Fund
4	Export Brand Development Fund
5	Matching Funds for International Market Development for SMEs
6	Superstar Enterprise Grant
7	Research & Development (R&D) Assistance Grant
8	Patent Award of Guangdong Province
9	Training Program for Rural Surplus Labour Force Transfer Employment
15	Aluminium provided at less than adequate remuneration
18	Preferential tax policies in the Western Regions
21	Tariff and VAT Exemptions on Imported Materials and Equipment
26	Innovative Experimental Enterprise Grant
29	Special Support Fund for Non-State-Owned Enterprises
32	Venture Investment Fund of Hi-Tech Industry
35	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment
47	Preferential tax policies for high and new technology enterprises
48	Provincial Government of Guangdong tax offset for R&D
56	PGOG special fund for energy saving technology reform
58	Development assistance grants from the Zhaoqing New and High-Tech Industrial Development Zone

Table 3: REP 248 Countervailable subsidy programs

The Commission requested that Jiawei provide data and information relating to all countervailable subsidies it received during the accelerated review period as part of its exporter questionnaire response.

After assessing all relevant information and the data provided by Jiawei, the Commission found that no countervailable subsidies have been received in respect of the goods manufactured by Jiawei.

5.3 Amount of countervailable subsidy received

The subsidy margin applicable to Jiawei in the review period is zero per cent and therefore an interim countervailing duty rate of zero per cent shall apply as a result.

6 EFFECT OF THE ACCELERATED REVIEW

If the Parliamentary Secretary accepts the recommendations in this report, in respect of aluminium extrusions exported by Jiawei to Australia from China:

- the *ad valorem* rate of fixed interim dumping duty will be set to zero per cent whilst the variable rate of interim dumping duty will be payable only when the actual export price is below the ascertained export price; and
- no interim countervailing duty will be payable for each consignment of the exported goods, reflecting a countervailing rate of zero per cent.

If the Parliamentary Secretary accepts the recommendations in this report, these changes will take effect retrospectively from 14 December 2016 (being the date the application was lodged). The Commission notes that if the recommendations in this report are accepted by the Parliamentary Secretary, Jiawei will no longer be eligible to seek another accelerated review at a later date.

Furthermore, the outcome of this accelerated review is subject to any future review and/or changes to the notices for aluminium extrusions from China exported to Australia.

A summary of the ascertained variable factors is provided at **Confidential Appendix 7**.

7 RECOMMENDATION

The Commissioner recommends that the Parliamentary Secretary consider this report, and if agreed, sign the attached notice (Non-confidential Attachment 1) and sign the attached schedules (Confidential Attachment 2) to declare:

- under subsection 269ZG(3)(b) of the Act, that, with effect from 14 December 2016, the Act and the Dumping Duty Act have effect as if the notices had applied to Jiawei but different variable factors had been fixed in respect of Jiawei, relevant to the determination of duty.

The Commissioner recommends that the Parliamentary Secretary be satisfied that:

- in accordance with subsection 269TAC(2)(a)(ii), the normal value of aluminium extrusions exported to Australia from China by Jiawei cannot be ascertained under subsection 269TAC(1) because the situation in the market of China is such that sales in that market are not suitable for use in determining a price under subsection 269TAC(1);
- in accordance with subsection 269TAB(3) of the Act, sufficient information is not available to enable export prices for certain aluminium extrusions exported to Australia from China by Jiawei the subject of this accelerated review to be ascertained under the preceding subsections of section 269TAB of the Act.

The Commissioner recommends that the Parliamentary Secretary determine:

- in accordance with subsection 269TAB(3) of the Act, the export price for aluminium extrusions exported to Australia from China by Jiawei is the amount as set out in **Confidential Appendix 6**, which has been determined having regard to all relevant information;
- in accordance with subsection 269TAC(2)(c) of the Act, the normal value for aluminium extrusions exported to Australia from China is the sum of Jiawei's:
 - adjusted cost of production of the goods in China as set out in **Confidential Appendix 4**; and
 - on the assumption that the goods, instead of being exported, had been sold for home consumption in the ordinary course of trade in China, the administrative, selling and general costs associated with such a sale and the profit on that sale as set out in **Confidential Appendix 5**,

as adjusted in accordance with subsection 269TAC(9) as set out in section 4.4.4 of this report, to ensure that the normal value so ascertained is properly comparable with the export price; and

- that in accordance with subsection 8(5) of the Dumping Duty Act, the interim dumping duty payable is an amount which will be worked out in accordance with the combination of fixed and variable duty method pursuant to subsection 5(2) of the *Customs Tariff (Anti-Dumping) Regulation 2013*. This is consistent with the method used in the original dumping duty notice. The dumping duty payable comprises a fixed component that is zero, and a variable component that will be payable if the actual export price is below the ascertained export price which is a specified (confidential) amount per kilogram; and

The Commissioner recommends that the Parliamentary Secretary direct:

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- in accordance with subsection 10(3B) of the Dumping Duty Act, that the amount of interim countervailing duty payable on the goods the subject of the countervailing duty notice be ascertained as a proportion of the export price which is a specified (confidential) amount per kilogram. The rate of countervailing duty applying to Jiawei's exports of aluminium extrusions shall be zero per cent.

APPENDICES AND ATTACHMENTS

Non-Confidential Attachment 1	Section 269ZG(3)(b) Notice
Confidential Attachment 2	Confidential tables
Confidential Appendix 1	Aluminium Benchmark
Confidential Appendix 2	Aluminium purchases analysis
Confidential Appendix 3	Domestic Sales OCOT and Profit
Confidential Appendix 4	Cost To Make and Sell
Confidential Appendix 5	Constructed Normal Value
Confidential Appendix 6	Ascertained Export Price
Confidential Appendix 7	Summary of Variable Factors