



SAMPLING REPORT
REVIEW NUMBER 263

Product: Certain aluminium road wheels
From: The People's Republic of China
Review period: 1 July 2013 to 30 June 2014

31 October 2014

PUBLIC RECORD

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1 Background

On 15 September 2014, the Anti-Dumping Commission (the Commission) commenced a review of the anti-dumping measures (in the form of a dumping duty notice and a countervailing duty notice) applying to certain aluminium road wheels exported to Australia from the People’s Republic of China (China).

The review is the result of an application pursuant to Division 5 of the *Customs Act 1901* (the Act) by Jiangsu Yaozhong Aluminium Wheels Co., Ltd seeking a review of the anti-dumping measures as they apply to its exports to Australia. The Parliamentary Secretary to the Minister for Industry, who is responsible for anti-dumping matters, has accepted a recommendation from the Commissioner of the Anti-Dumping Commission to extend the review to all exporters covered by the measures.

The review will examine whether the variable factors (export price, normal value, non-injurious price and the amount of countervailable subsidy received) relevant to the taking of the measures have changed.

Section 269TACAA of the Act provides that when there is an impractical number of exporters the Commission may base its findings in a review on a selected number of exporters. This report outlines the Commission’s consideration and assessment of the need to limit the examination of exportations to ‘selected exporters’.¹

1.1 Invitation to cooperate

A search of the Australian Customs and Border Protection Services’ (ACBPS) import database identified during the review period 1238 suppliers under the three tariff classifications relevant to the goods, shown below.

8708.70.91/ 78	Road wheels of a kind used as components in passenger motor vehicles;
8708.70.99/ 80	Road wheels other than of a kind used as components in passenger motor vehicles;
8716.90.00/ 39	Parts – other.

The above tariff classifications include goods other than aluminium road wheels. The Commission sought to identify possible suppliers of aluminium road wheels subject to the anti-dumping measures within these tariff classifications. The Commission identified all suppliers under the tariff classifications 8708.70.91(78) and 8708.70.99(80) as possible suppliers of aluminium road wheels. Tariff classification 8716.90.00(39) included a variety of goods, within this tariff classification the Commission identified suppliers who had imported goods with a goods description that include the word ‘wheel’ as possible suppliers of aluminium road wheels. In total the Commission identified 641 possible suppliers of aluminium road wheels from the ACBPS import database.

¹ S.269T Definitions of the *Customs Act 1901*

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On 3 October 2014, the Commission wrote to each of the 641 possible suppliers of the aluminium road wheels to Australia over the review period and invited them to complete a Preliminary Information Request (PIR). The Commission requested that the PIR be completed and returned by 17 October 2014.

1.2 PIR responses

The Commission received responses to the PIR from 38 entities by the required date. Of these, 35 entities responded to the PIR indicating that they were prepared to cooperate with the review.

1.3 Selected Exporters

Having regard to relevant import data and PIRs submitted, the Commission has decided to investigate the exportations of five 'selected exporters' of aluminium road wheels from China. These 'selected exporters' are the largest exporters, by volume of the goods to Australia during the review period who provided a response to the PIR.

SELECTED EXPORTERS
CITIC Dicastal Co., Ltd
Pilotdoer Wheel Co., Ltd
Zhejiang Dicastal Hongxin Technology Co., Ltd
Zhejiang Jinfei Kaida Co., Ltd
Zhejiang Yueling Co., Ltd

1.4 Residual exporters

The following were identified as 'residual exporters': manufacturers of aluminium road wheels who having completed a PIR and indicating to the Commission that they were prepared to cooperate with the review.

RESIDUAL EXPORTERS
Jiangsu Yaozhong Aluminium Wheels Co., Ltd
Lianyungang City Gemsy Wheel Import & Export Co., Ltd
Lioho Light Metal (Kunshan) Co., Ltd
Shandong Hengyu Auto Parts Co., Ltd
SUMEC Wheels Co., Ltd
YHI Advanti Manufacturing (Suzhou) Co., Ltd
Zhejiang Autom Aluminium Wheel Co., Ltd
Zhejiang Tailong Aluminium Wheels Co., Ltd
Zhejiang Xinghui Aluminium Wheels Co., Ltd

1.5 All other

The Commission received 14 PIR responses from entities which identified themselves as intermediaries in the exportation of aluminium road wheels to Australia (for example, traders or distributors).

Dumping and countervailing duty rates are applied to exporters of the goods. It is common for traders and other intermediaries to play a role in the exportation of the goods. These parties will typically provide services such as arranging transportation, conducting price negotiations, arrange contacts with the producer, etc.

In such cases, the trader typically acts as an intermediary who, although one of the principals, is essentially a facilitator in the sale and shipment of the goods on behalf of the manufacturer. Typically the manufacturer as a principal who knowingly sent the goods for export to any destination will be the exporter. The Commission considers that only in rare circumstances would an intermediary be found to be the exporter.

The Commission does not consider that the entities responding to PIR that indicated that they were intermediaries are likely to be the exporter of the goods and therefore are not eligible to receive a dumping and countervailing duty rates in their own right. These intermediaries required to apply the dumping and countervailing duty rates applicable to the manufacturers of the aluminium road wheels they export.

If any of the companies which responded to the PIR, indicating that they are an intermediary is able to demonstrate that it is the exporter of the goods (the exporter of the goods is defined in the Commission's Dumping and Subsidy Manual http://www.adcommission.gov.au/reference-material/manual/documents/DumpingandSubsidyManual-December2013_001.pdf), the Commission will consider amending this categorisation with respect to that entity.

The remaining 7 PIR responses indicated that the entities responding were not involved in the exportation of aluminium road wheels from China. As noted above, the Commission sought to identify possible exporters of the aluminium road wheels noting that the relevant tariff classifications included other goods.

The Commission considers that exporters not identified as a 'selected exporter' or 'residual exporter' in the above tables are uncooperative exporters for the purposes of the review.

2 Sampling - background

Section 269TACB of the Act and the Anti Dumping Agreement (Art 6.10) sets out the basic rule that an individual margin of dumping will be determined for each exporter involved in an investigation.

An exception to determining an individual dumping margin for each exporter arises when there is a large number of them – as provided for in s.269TACAA of the Act. It states that where the number of exporters from a particular country of export in relation to the investigation, review or inquiry is so large that it is not practicable to examine the exports of all of those exporters, then the investigation, review or inquiry may be carried out, and findings may be made, on the basis of information obtained from an examination of a selected number of those exporters:

- (c) who constitute a statistically valid sample of those exporters; or
- (d) who are responsible for the largest volume of exports to Australia that can reasonably be examined.

In considering whether this review should be limited to a smaller number of exporters, the Commission took into account:

- the large number of suppliers/exporters from China;
- the large number of exporters likely to submit completed questionnaires; and
- the current and foreseeable investigative workload of the Commission in other investigations and the resources available to examine exporters of aluminium road wheels.

In these circumstances, the Commission considers that it is appropriate to limit the number of exporters to a sample of exporters to ensure the review is manageable and completed within a reasonable timeframe.

In identifying the sample of exporters to be investigated, the Commission takes into account:

- the number of exporters that the Commission can practically investigate/verify; and
- the individual volume of each identified exporter and the cumulative volume of a manageable number of the largest volume exporters.

As a consequence of limiting the examination of exportations to the 'selected exporters', all remaining exporters will fall within the definitions of 'residual exporters' or uncooperative exporters. However, where a 'residual exporter' provides a completed response to the exporter questionnaire, the Commission must examine that exporter's exportations and as a result determine an individual dumping margin for them, unless to do so would prevent the timely completion of the review.

A 'residual exporter' is an exporter whose exportations were not examined as part of the review and the exporter was not an uncooperative exporter. An uncooperative exporter is defined as an exporter that did not provide information considered to be relevant to the review, or an exporter that significantly impeded the review.

3 Determination of dumping margins

For each 'selected exporter', the Commission will determine individual variable factors (export prices, normal values, non-injurious prices and amounts of countervailable subsidy) using relevant information supplied in exporter questionnaire responses. Where a 'selected exporter' refuses to provide requested information required by the exporter questionnaire, the Commission will determine individual variable factors using all relevant information.

For 'residual exporters', export prices, normal values and amount of countervailable subsidy will be calculated using the weighted average of export prices, normal values and amount of countervailable subsidy for like goods of cooperative exporters from China. In calculating the weighted average export price, normal value and amount of countervailable subsidy, the Commission will not include any export price or normal value or subsidy margin from a cooperative exporter that was found to not be dumping or in receipt of countervailable subsidies where the dumping or subsidy margin, when expressed as a percentage of the export price or weighted average of export prices used to establish that dumping or subsidy margin, is less than 2 per cent.

If information is submitted by a 'residual exporter' that was not initially selected, the review must extend to that exporter unless to so extend it would prevent its timely completion. Therefore any identified 'residual exporter' that seeks to have its own dumping margin determined, must complete and submit the exporter questionnaire by **7 December 2014**.

However, the Commission advises that by submitting a completed exporter questionnaire by the due date, 'residual exporters' are not guaranteed individual variable factors as the number of exporters that submit a completed exporter questionnaire may be so large that it is not practical to do so.

For uncooperative exporters, the Commission will establish export prices and normal values under s.269TAB(3) and s.269TAC(6) respectively, having regard to all relevant information.

4 What should exporters do now

Selected exporters

For the identified 'selected exporters', the Commission intends determining individual variable factors. Therefore each of these exporters must complete and provide a response to the exporter questionnaire by the due date of **7 December 2014**.

Where a 'selected exporter' fully cooperates with the review by providing a completed response to the questionnaire and making themselves available to allow the Commission to verify the information submitted, the Commission will determine variable factors having regard to the exporter's information. Where a 'selected exporter' does not fully cooperate with the investigation, the Commission will determine variable factors having regard to all relevant information.

Residual exporters

The identified 'residual exporters' are under no obligation to complete the exporter questionnaire. These exporters have the option of:

- a) continuing to fully cooperating with the review (including providing a completed response to the exporter questionnaire and making themselves available to allow the Commission to verify the information submitted), or
- b) not completing the exporter questionnaire.

Where an identified 'residual exporter' chooses to complete the exporter questionnaire, that information must be provided by the due date of **7 December 2014**. For identified 'residual exporters' that choose this option, the Commission must examine their exportations unless to do so would prevent the timely completion of the review.

The extent to which the Commission will be able to extend the review to these 'residual exporters' will be determined by:

- the level of cooperation from the five 'selected exporters';
- the number of 'residual exporters' seeking an individual dumping margin determination; and
- the available resources within the Commission to undertake either on-site or remote verification.

Uncooperative exporters

All exporters of aluminium road wheels from China that are not identified as either a selected or 'residual exporter' are considered to have not cooperated with the review. The exception to this is where an exporter provides a completed response to the exporter questionnaire by the due date of **7 December 2014**. The Commission will consider these parties to meet the definition of a 'residual exporter'. As a result their information will be considered in the same manner as an identified 'residual exporter' that seeks to have its individual dumping margin determined.

An exporter not identified as a 'selected exporter' or 'residual exporter' will be considered an uncooperative exporter. Given that these exporters have not provided sufficient information as requested, the Commission will determine variable factors having regard to all relevant information.

5 Anti-Dumping Commission Contact

Enquiries about this report or any aspect of the investigation may be directed to the case team at the following email – operations4@adcommission.gov.au.