

SAMPLING REPORT REVIEW NUMBER 248

Product: Certain aluminium extrusions

From: The People's Republic of China

Review period: 1 April 2013 to 31 March 2014

11 July 2014

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1 Background

On 12 June 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 extrusions exported to Australia from the People's Republic of China (China).

The review is the result of an application by PanAsia Aluminium (China) 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 Anti-Dumping Commissioner 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.

Pursuant to s.269TACAA of the *Customs Act 1901* (the Act), 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' import database identified approximately 270 possible suppliers of aluminium extrusions to Australia from China during the review period.

On or shortly after the date of initiation, the Commission contacted each identified supplier of the goods that had exported over one metric tonne (MT) of aluminium extrusions 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 27 June 2014.

1.2 PIR responses

The Commission received responses to the PIR from 25 entities.

1.3 Selected Exporters

Having regard to relevant import data and PIRs submitted, the Commission decided to investigate the exportations of five 'selected exporters' of aluminium extrusions from China. These 'selected exporters' are the largest exporters of the goods to Australia during the investigation period and represent approximately 85% of the total import volume of aluminium extrusions from China.

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

SELECTED EXPORTERS
PanAsia Aluminium (China) Co Ltd
Guangdong Zhongya Aluminium Co Ltd
Guang Ya Aluminium Industries Co Ltd
Kam Kiu Aluminium Products Sdn Bhd
Tai Shan City Kam Kiu Aluminium Extrusions Co Ltd

1.4 Residual exporters

The following were identified as 'residual exporters' having completed a PIR and indicating to the Commission that they were prepared to cooperate with the review;

RESIDUAL EXPORTERS
Air Comfort System Co
Avangarde Ceramiche
Chander Trading Co Ltd
Clenergy (Xiamen) Technology Co Ltd
Fletcher Aluminium
Foshan City Nanhai Yongfeng Aluminium Co Ltd
Foshan JMA Aluminium Co Ltd
Fujian Minfa Aluminium Inc
Guangdong Huachang Aluminium Factory Co Ltd
Guangdong Jinxiecheng Al Manufacturing Co Ltd
Guangdong JMA Aluminium Profile Factory (Group) Co Ltd
Guangdong Weiye Aluminium Factory Group Co Ltd
Guangdong Xinfa Aluminium Co Ltd
Guangzhou Jangho Curtain Wall System Engineering Co Ltd
Guangzhou Parkson Logistics Services Co Ltd
Jangho Curtain Wall Hongkong Limited
Press Metal International Ltd
Suzhou Rizhongtian Aluminium Co Ltd
Zhaoquing Jin Zhong Cai Aluminium Industrial Limited
Zhaoqing Xinlianchang Metal Corporation Ltd

1.5 Uncooperative Exporters

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

2 Sampling - background

Section 269TACB of the Act and the Anti Dumping Agreement (Art 6.10) set out a 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 extrusions.

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 and normal values will be calculated using the weighted average of export prices and normal values for like goods of cooperative exporters from China. In calculating the weighted average export price and normal value, the Commission will not include any export price or normal value from a cooperative exporter that was found to not be dumping or where the dumping margin, when expressed as a percentage of the export price or weighted average of export prices used to establish that dumping 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 the exporter questionnaire and submit it by 18 August 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 volume 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 for them. Therefore each of these exporters must complete and provide a response to the exporter questionnaire by the due date of **18 August 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 **18 August 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 extrusions 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 **18 August 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.