



Australian Government
Anti-Dumping Commission

**REVIEW OF ANTI DUMPING & COUNTERVAILING MEASURES
RELATING TO**

ALLEGED DUMPING OF ALUMINIUM EXTRUSIONS

EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

VERIFICATION VISIT REPORT - IMPORTER

Darley Aluminium Trading Pty Ltd

**THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN
WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT
THE FINAL POSITION OF THE ANTI-DUMPING COMMISSION**

June 2017

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1 BACKGROUND

On 23 March 2017, the Anti-Dumping Commissioner (the Commissioner) initiated an investigation into the alleged dumping of aluminium extrusions exported to Australia from The People's Republic of China (China). Public notification of the initiation of the investigation was published on the Commission's website. The background relating to the initiation of this investigation is contained in Consideration Report 392.

Following the initiation, the Anti-Dumping Commission (the Commission) wrote to Darley Aluminium Trading Pty Ltd (Darley) and other Importers of aluminium extrusions inviting them to cooperate with the investigation. Darley cooperated with the investigation and completed the importer questionnaire and relevant attachments.

2 AUSTRALIAN SALES

2.1 Verification of sales to audited financial statements

The verification team verified the completeness and relevance of Darley's sales listing by reconciling it to audited financial statements in accordance with ADN. No 2016/30.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

The verification team did not find any issues with the verification of the sales listing to audited financial statements.

2.2 Verification of sales to source documents

The verification team verified the accuracy of Darley's sales listing by reconciling it to source documents in accordance with ADN. No 2016/30.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

The verification team did not find any issues with the verification of the sales listing to source documents.

2.3 Related party customers

The verification team did not find evidence that Darley is related to any of its customers during the investigation period.

3 IMPORTS

3.1 Aluminium Extrusions

Darley confirmed that it imports aluminium extrusions from China during the investigation period, which matches the description of Aluminium Extrusions that are the subject of this application.

The goods subject to anti-dumping measures 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 0.5mm., with a maximum weight per metre of 27 kilograms and a profile or cross-section which fits within a circle having a diameter of 421mm.’

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

Tariff subheading	Statistical code
7604.10.00	06
7604.21.00	07,08
7604.29.00	09,10
7608.10.00	09
7608.20.00	10
7610.10.00	12
7610.90.00	13

3.2 Verification of importation and selling costs

The visit team verified the accuracy of the importation and selling costs by reconciling selected imports to the source documents in accordance with ADN 2016/30.0

Details of the verification are contained within the verification work program as **confidential attachment 1**.

The verification team did not find any issues with the verification of importation and selling costs to source documents.

3.3 Import listing

Darley conformed that the import listing extracted from the ABF import database is a complete list of imports of Aluminium Extrusions over the investigation period.

The verification team calculated the weighted average FOB export price by supplier at **Confidential Appendix 1**.

3.4 Forward orders

The verification team are satisfied that forward orders consisted of replenishing warehouse stock and as such there were no specific forward orders for customers.

3.5 The Importer

The visit team considers Darley to be the beneficial owner of the aluminium extrusions at the time of importation and therefore the importer.

3.6 The exporter

Subject to further inquiries, the verification team considers that the manufacturer of aluminium extrusions supplied to Darley to be the exporter of the aluminium extrusions¹.

3.7 Profitability of imports

The verification team calculated profit for the 12 selected shipments.

The verification team found that all 12 shipments were profitable. The assessment is at **Confidential Appendix 2**.

¹ The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where Aluminium Extrusions were shipped, that gave up responsibility by knowingly placing Aluminium Extrusions in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, Aluminium Extrusions but need not be the owner at the time Aluminium Extrusions were shipped.

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3.8 Related party suppliers

The verification team did not find any evidence that Darley is related to its supplier of the aluminium extrusions exported from China during the investigation period.

3.9 Arms length

In respect of imports of aluminium extrusions to Australia by Darley during the investigation period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, Aluminium Extrusions other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price.

Therefore, subject to further inquiries, the verification team are satisfied that import transactions between Darley and its supplier are arms length transactions.

4 RECOMMENDATIONS

The verification team are of the opinion that for aluminium extrusions imported by Darley from its Chinese supplier:

- the Aluminium Extrusions have been exported to Australia otherwise than by Darley;
- the Aluminium Extrusions have been purchased by Darley from the exporter; and
- the purchases of Aluminium Extrusions by Darley were arms length transactions.

Subject to further inquiries with the exporter, the verification team recommends that the export price for aluminium extrusions imported by Darley can be established under s.269TAB(1)(a) of the *Customs Act 1901*, using the invoiced price, less transport and other costs arising after exportation.

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5 ATTACHMENTS

Confidential Appendix 1	Export price
Confidential Appendix 2	Profitability of sales
Confidential Attachment 1	Verification Work Plan