



CUSTOMS ACT 1901 - PART XVB

STATEMENT OF ESSENTIAL FACTS

ANTI-CIRCUMVENTION INQUIRY 447

CERTAIN ALUMINIUM EXTRUSIONS
EXPORTED THROUGH ONE OR MORE THIRD COUNTRIES
FROM
THE PEOPLE'S REPUBLIC OF CHINA

22 August 2018

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ABBREVIATIONS

ABF	Australian Border Force
the Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
AI Logistics	AI Logistics Co., Ltd
the Assistant Minister	Assistant Minister for Science, Jobs and Innovation and Parliamentary Secretary to the Minister for Jobs and Innovation
AYE Global	AYE Global Sdn Bhd
Bay Enterprise	Bay Enterprise Co., Ltd
Capral	Capral Limited
CFT	Concrete Formwork Technologies Pty Ltd
China	The People's Republic of China
Combine International	Combine International Logistics Co., Ltd
the Commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
the Dumping Duty Act	the <i>Customs Tariff (Anti-Dumping) Act</i>
Eversky International	Ningbo Eversky International Forwarding Agency
FIC Logistics	FIC Logistics Group Company Limited
First Shipping International	First Shipping International Co., Ltd
Foshan ZP Aluminium	Foshan ZP Aluminium Co., Ltd
the goods	the goods the subject of the inquiry
Goodwill Yield	Goodwill Yield SDN BHD
GUC	goods under consideration
ICD	interim countervailing duty
IDD	interim dumping duty
the inquiry period	from 1 January 2015
JS Gerrard	Jiangsu Gerrard Metal Co. Ltd
KGW Logistics	KGW Logistics Sdn Bhd
Kingtrans	Kingtrans Container Line (Shenzhen) Co., Ltd
MITI	the Malaysian Ministry of Trade and Industry
the notices	the dumping duty notice and countervailing duty notice
PMAA	Press Metal Aluminium Australia Pty Ltd

PUBLIC RECORD

PMB	Press Metal Berhad, Malaysia
PMI	Press Metal International Limited, China
Qingdao ZHV	Qingdao ZHV International Logistics Co., Ltd
RESCO	Red Sea National Shipping Co., Ltd
SEF	statement of essential facts
Siam Industrial Supplies	Siam Industrial Supplies Ltd
SMC	Shanghai Metal Corporation
S-Union	S-Union Logistics and Forwarding Ltd
Sunny Worldwide Logistics	Shenzhen Sunny Worldwide Logistics (SZ) Limited
Team Well	Team Well Logistics Pty Ltd
Thailand	the Kingdom of Thailand
Top & Profit	Shenzhen Top & Profit International Forwarding Co., Ltd
US	United States of America
V-Power Biotech	V-Power Biotech Limited Partnership
Vietnam	the Socialist Republic of Vietnam
Yongya	Foshan Sanshui Yongya Aluminium Co., Ltd
Yun Sin	Yun Sin Enterprise Co., Ltd
Zinaco	Zinaco Industrial and Hardware Industries Ltd

1 SUMMARY AND RECOMMENDATIONS

1.1 Introduction

This statement of essential facts (SEF) relates to the inquiry by the Commissioner of the Anti-Dumping Commission (the Commissioner and the Commission respectively) into claims made by Capral Limited (Capral) that circumvention of measures applying to certain aluminium extrusions (the goods) exported to Australia from the People's Republic of China (China) through one or more third countries has occurred.¹

This SEF sets out the facts on which the Commissioner proposes to recommend the Assistant Minister for Science, Jobs and Innovation (the Assistant Minister) ² alter the original dumping duty notice and countervailing duty notice ('the original notices' or 'the notices').

1.2 Summary of preliminary findings and recommendations

In this SEF, the Commissioner makes the following preliminary findings:

- Exports of aluminium extrusions by Zinaco Industrial and Hardware Industries Ltd (Zinaco) originated in China and were exported through Malaysia to avoid anti-dumping measures.
- Exports of aluminium extrusions by Yun Sin Enterprise Co., Ltd (Yun Sin) originated in China and were exported through Taiwan to avoid anti-dumping measures.
- Exports of aluminium extrusions by the following exporters originated in China and were exported through the Kingdom of Thailand (Thailand) to avoid anti-dumping measures:
 - Bay Enterprise Co., Ltd (Bay Enterprise);
 - Siam Industrial Supplies Ltd (Siam Industrial Supplies); and
 - V-Power Biotech Limited Partnership (V-Power Biotech).

As such, the Commissioner concludes that circumvention activities as described in subsection 269ZDBB(4) of the *Customs Act 1901* (the Act)³ have occurred.

Based on these preliminary findings, and subject to any submissions received in response to this SEF, the Commissioner proposes to recommend the Assistant Minister alter the original notices under subsection 269ZDBH(1).

The Commissioner proposes to recommend, subject to the consideration of submissions made in response to this SEF, that the original notices be altered to include measures, at the rate applicable to uncooperative and all other exporters from China, on exports of the goods from:

- Malaysia by Zinaco;

¹ 'Exported to Australia from China through one or more third countries' may also be referred to in this SEF as 'transshipment'.

² On 19 January 2017, the then Parliamentary Secretary delegated his powers and functions under section 269ZHI of the Act to the Commissioner. See ADN No. 2017/10 for further information.

³ All legislative references in this SEF are to the Customs Act 1901, unless otherwise specified.

- Taiwan by Yun Sin; and
- Thailand by:
 - Bay Enterprise;
 - Siam Industrial Supplies; and
 - V-Power Biotech.

1.3 Application of law to facts

1.3.1 Authority to make decision

Division 5A of Part XVB of the Act describes, among other things, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to goods covered by an application under subsection 269ZDBC(1).

1.4 Comment on freight forwarders and logistics providers

The Commission notes that much of the evidence that has been provided to this inquiry is in respect of freight forwarders and logistics providers. These types of parties are intermediaries in the conduct of transshipment. They provide services such as arranging transport, arranging containerisation and repackaging as well as obtaining documentation against which import declarations may be made. The freight forwarders and logistic providers are not necessarily importers or exporters.

The use of Australian Border Force (ABF) import data has been important to this inquiry. The data is sourced from a database of information related to imports of goods. It includes a great level of detail which facilitates the pursuit of many lines of enquiry. However, the data does not include details of various service providers that importers and exporters engage with throughout the process of trade. Such service providers include road transport companies, shipping companies, fumigation service providers, containerisation service providers as well as freight forwarders and logistics providers. As such, it is not possible to determine the identity of exporters and importers from information that is limited to that of service providers.

The Commission considers that a notice imposing anti-dumping measures may only be in respect of exporters or countries. The Commission considers that it is likely that certain freight forwarders and logistic providers do facilitate and arrange transshipment in order to avoid anti-dumping measures. Several freight forwarders and logistic providers have publicly, or otherwise, stated that they provide such services. The claims made by freight forwarders and logistic providers are generally in response to procurement inquiries on whether they can provide such services or, in some cases, are present in their advertising on the internet. Such claims do not constitute proof that they have actually conducted such activities.

The information that has been provided to this inquiry, as well the Commission's analysis, does not confirm whether the named freight forwarders and logistic providers, apart from the Red Sea National Shipping Co., Ltd (RESCO), have actually performed the services they claim to be able to provide.

The Commission considers that subsection 269ZDBH(2) does not allow the Assistant Minister to alter an original notice to impose anti-dumping measures on freight forwarders and logistic providers that are not actually exporters of the goods.

1.5 Compliance processes

In this inquiry, the Assistant Minister is limited to making a declaration in response to a finding of circumvention activity as described in subsection 269ZDBB(4). Other activities, such as false import declarations, may currently be dealt with by other Commonwealth agencies under existing processes to monitor and enforce compliance with import declarations.

The Commission is cognizant of the potential for circumvention activities to occur through transshipment, and notes that under subsection 269ZDBC(2) the Assistant Minister may request that the Commissioner conduct an anti-circumvention inquiry where the Assistant Minister considers that there have been circumvention activities and, as such, that it may be appropriate to alter the notice.

2 BACKGROUND

2.1 Application

On 18 September 2017, Capral, an Australian industry member,⁴ lodged an application requesting the conduct of an anti-circumvention inquiry into the circumvention of measures applying to certain aluminium extrusions exported to Australia from China.

Capral claims that it is appropriate to alter the original notices because circumvention activities, in the form of the export of the goods through one or more third countries to avoid anti-dumping measures, within the meaning of subsection 269ZDBB(4), have occurred. Specifically, Capral claims that the goods are exported to Australia from China through one or more third countries including, but not necessarily limited to, Indonesia, Malaysia, the Philippines, Thailand and the Socialist Republic of Vietnam (Vietnam).

2.2 Initiation

On 16 October 2017, the Commissioner announced the initiation of Anti-Circumvention Inquiry 447 in *Anti-Dumping Notice (ADN) No. 2017/137*.

The inquiry examines whether circumvention activities have occurred (as outlined in section 269ZDBB), by way of exporting the goods to Australia from China through one or more third countries.

For the purposes of the inquiry, the inquiry period to determine whether circumvention activities have occurred is from **1 January 2015**.

2.3 The goods subject to the application

The goods that are the subject of the original notices and the subject of this application 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 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 meter of 27 kilograms and a profile of 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. 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.

⁴ Capral has been confirmed to be an Australian industry member in this inquiry and in various cases including cases numbered 148, 248, 287, 362 and 442.

PUBLIC RECORD

The following table provides guidance as to the categorisation of aluminium extrusions into the types captured by interim duties, being the goods under consideration (GUC) and those that are not captured (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

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

Tariff code	Statistical code	Description
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: Tariff classifications of the goods

2.4 Existing measures

The matters most relevant to this anti-circumvention inquiry are set out as follows:

2.4.1 China

Since 2009, numerous investigations, reviews and inquiries relating to aluminium extrusions have been conducted. Anti-dumping measures in the form of interim dumping duty (IDD) and interim countervailing duty (ICD) on aluminium extrusions exported to Australia from China were imposed on 28 October 2010 by the then Attorney-General.

PUBLIC RECORD

Full details can be found on the Commission's public record at www.adcommission.gov.au.

The matters most relevant to this anti-circumvention inquiry are summarised in the following table:

Date	Summary
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 (REP 148)</i> refers.
27 August 2011	The then Attorney-General published new notices as a result of a re-investigation of certain findings made in REP 148 following a review by the former Trade Measures Review Officer. <i>International Trade Remedies Report No. 175 (REP 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. Anti-dumping measures applicable to Wuxi Xisha Photoelectric Aluminium Products Co., Ltd. were altered as if different variable factors applied. <i>International Trade Remedies Report No. 186 (REP 186)</i> refers.
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>Report No. 229 (REP 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) Limited. <i>Report No. 241 (REP 241)</i> and ADN No. 2015/17 refer.
19 August 2015	The then Parliamentary Secretary to the Minister for Industry, Innovation and Science published a notice declaring the outcome of Review No. 248. The anti-dumping measures applying to exports of aluminium extrusions from China were altered as if different variable factors had been ascertained. A correction to this notice was published on 10 September 2015 with respect to six entities incorrectly identified as residual exporters. <i>Report No. 248 (REP 248)</i> and ADN No. 2015/96 refer.
20 October 2015	The findings of Continuation Inquiry No. 287 were published following an application by Capral. The then Parliamentary Secretary to the Minister for Industry Innovation and Science continued anti-dumping measures on aluminium extrusions exported from China in the forms of: <ul style="list-style-type: none"> • IDD, except for exports by Tai Ao Aluminium Tai Shan Co Ltd and Guangdong Zhongya Aluminium Company Limited; and • Interim countervailing duty (ICD), except for exports by Tai Ao Aluminium Tai Shan Co Ltd;

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

PUBLIC RECORD

Date	Summary										
	for a further five years, until 28 October 2020. <i>Report No. 287 (REP 287) and ADN No. 2015/125 refer.</i>										
9 February 2016	Publication of the outcome of a review of anti-dumping measures as they apply to Press Metal International Ltd (PMI). The review resulted in a fixed interim IDD and interim ICD of zero per cent and a variable amount of duty where the actual export price is below the ascertained export price for the aluminium extrusions exported from China by PMI. <i>Report No. 304 (REP 304) and ADN No. 2016/04 refer.</i>										
28 April 2017	Publication of the outcome of an accelerated review of the dumping duty notice and countervailing duty notice applying to Foshan Shunde Beijiao Jiawei Aluminium Factory (Jiawei). The accelerated review resulted in a fixed IDD and ICD of zero per cent and a variable amount of duty where the actual export price is below the ascertained export price for the aluminium extrusions exported from China by Jiawei. <i>Report No. 387 (REP 387) and ADN No. 2017/43 refer.</i>										
10 July 2017	Publication of the outcome of an accelerated review of the dumping duty notice and countervailing duty notice applying to Goomax Metal Co. Ltd., Fujian. The accelerated review resulted in IDD equal to the difference between the actual export price and the ascertained export price and ICD of 0.2 per cent. <i>Report No. 399 (REP 399) and ADN No. 2017/84 refer.</i>										
19 October 2017	The Commissioner initiated an investigation (Investigation 442) into alleged dumping in respect of the goods exported to Australia from China by Guangdong Jiangsheng Aluminium Co., Ltd, Guangdong Zhongya Aluminium Company Limited and all exporters from the Kingdom of Thailand (Thailand). <i>Consideration Report No. 442 and ADN No. 2017/144 refer.</i>										
10 November 2017	<p>Publication of the findings of a review of anti-dumping measures as they affect exporters from China. It was determined that the variable factors relevant to the taking of the anti-dumping measures in relation to all exporters from China had changed and the notices have effect as if different variable factors had been ascertained.</p> <p>Anti-dumping measures in the form of IDD were amended on aluminium extrusions exported from China, with the exception of exports by Guangdong Jiangsheng Aluminium Co., Ltd and Guangdong Zhongya Aluminium Company Limited.</p> <p>Further, anti-dumping measures in the form of ICD were altered on aluminium extrusions exported from China, with the exception of exports by Guangdong Jiangsheng Aluminium Co., Ltd, Guangdong Jinxiacheng AL Manufacturing Co. Ltd and Foshan Shunde Beijiao Jiawei Aluminium Factory.</p> <p>The existing measures implemented as a consequence of this review are as follows:</p> <table border="1"> <thead> <tr> <th>Exporter</th><th>Fixed rate of combined IDD and ICD</th></tr> </thead> <tbody> <tr> <td>Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd</td><td>25.5%</td></tr> <tr> <td>PanAsia Aluminium (China) Co., Ltd</td><td>41.3%</td></tr> <tr> <td>Guang Ya Aluminium Industries Co., Ltd</td><td>19.1%</td></tr> <tr> <td>Guangdong Zhongya Aluminium Company Limited</td><td>0.1%</td></tr> </tbody> </table>	Exporter	Fixed rate of combined IDD and ICD	Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd	25.5%	PanAsia Aluminium (China) Co., Ltd	41.3%	Guang Ya Aluminium Industries Co., Ltd	19.1%	Guangdong Zhongya Aluminium Company Limited	0.1%
Exporter	Fixed rate of combined IDD and ICD										
Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd	25.5%										
PanAsia Aluminium (China) Co., Ltd	41.3%										
Guang Ya Aluminium Industries Co., Ltd	19.1%										
Guangdong Zhongya Aluminium Company Limited	0.1%										

PUBLIC RECORD

Date	Summary										
	<table> <tr> <td>Guangdong Jinxiecheng AL Manufacturing Co. Ltd</td><td>3.6%</td></tr> <tr> <td>Foshan Shunde Beijiao Jiawei Aluminium Factory</td><td>3.6%</td></tr> <tr> <td>Goomax Metal Co. Ltd., Fujian</td><td>11.4%</td></tr> <tr> <td>Residual exporters</td><td>27.4%</td></tr> <tr> <td>Uncooperative and all other exporters</td><td>64.4%</td></tr> </table> <p><i>Report No. 392 (REP 392) and ADN No 2017/138 refer.</i></p>	Guangdong Jinxiecheng AL Manufacturing Co. Ltd	3.6%	Foshan Shunde Beijiao Jiawei Aluminium Factory	3.6%	Goomax Metal Co. Ltd., Fujian	11.4%	Residual exporters	27.4%	Uncooperative and all other exporters	64.4%
Guangdong Jinxiecheng AL Manufacturing Co. Ltd	3.6%										
Foshan Shunde Beijiao Jiawei Aluminium Factory	3.6%										
Goomax Metal Co. Ltd., Fujian	11.4%										
Residual exporters	27.4%										
Uncooperative and all other exporters	64.4%										
23 May 2018	<p>Publication of the outcome of an accelerated review of the dumping duty notice and countervailing duty notice applying to Foshan City Sanshui Yongya Aluminium Co., Ltd (Yongya). The accelerated review resulted in IDD equal to the difference between the actual export price and the ascertained export price and ICD of 0 per cent.</p> <p><i>Report No. 460 (REP 460) and ADN No. 2018/69 refer</i></p>										
10 July 2018	<p>The Commissioner initiated a review of the anti-dumping measures applying to the goods exported to Australia from China following a request made by the Assistant Minister pursuant to subsection 269ZA(3).</p> <p>ADN 2018/111 refers</p>										
24 July 2018	<p>Publication of the findings of Investigation 442. The investigation was terminated in relation to Guangdong Jiangsheng Aluminium Co., Ltd, Guangdong Zhongya Aluminium Company Limited and all exporters from the Kingdom of Thailand (Thailand).</p> <p><i>Termination Report No. 442 and ADN No. 2018/120 refer.</i></p>										

Table 3: Summary of Measures - China

2.4.2 Malaysia

On 28 June 2017, anti-dumping measures in the form of IDD and ICD on the goods exported to Australia from Malaysia were imposed as follows:

Exporter	Fixed rate of combined IDD and ICD
Uncooperative and all other exporters	16.2%

Table 4: Summary of Measures - Malaysia

These measures apply to all exporters from Malaysia except:

- Press Metal Berhad;
- Superb Aluminium Industries Sdn Bhd;
- LB Aluminium Berhad;
- Milleon Extruder Sdn Bhd;
- Genesis Aluminium Industries Sdn Bhd; and
- Kamco Aluminium Sdn Bhd.

Report No. 362 (REP 362) and ADN No. 2017/72 and ADN No. 2017/73 refer.

2.4.3 Vietnam

On 28 June 2017, anti-dumping measures in the form of IDD on the goods exported to Australia from Vietnam were imposed as follows:

Exporter	IDD
East Asia Aluminium Company Ltd	7.7%
Mien Hua Precision Mechanical Co., Ltd	11.6%
Global Vietnam Aluminium Co., Ltd	18.0%
Uncooperative and All Other Exporters	34.9%

Table 5: Summary of Measures - Vietnam

REP 362 and ADN No. 2017/72 and ADN No. 2017/73 refer.

Further details of the measures in place on exports from Malaysia and Vietnam are available in the *Dumping Commodity Register* on the public record.

2.5 Inquiry process

If anti-dumping measures have been taken in respect of certain goods, and a person representing a portion of the Australian industry producing like goods considers that one or more circumvention activities have occurred, that person may consider it appropriate to apply for an anti-circumvention inquiry in relation to those measures.

Accordingly, that person may request by application, or the Assistant Minister may request, that the Commissioner conduct an inquiry into the circumvention of anti-dumping measures as they apply to the goods.

If an application for an anti-circumvention inquiry is received, and not rejected, the Commissioner has up to 155 days, or such longer time as the Assistant Minister may allow, to report to the Assistant Minister.

Within 110 days of the initiation, or such longer time as the Assistant Minister may allow, the Commissioner must place on the public record a SEF on which the Commissioner proposes to base recommendations to the Assistant Minister concerning whether the notices remain unaltered or to alter the notices as appropriate.

ADN 2017/137 advised that a SEF for the inquiry would be placed on the public record by 3 February 2018. It also advised that a recommendation to the Assistant Minister would be made in a report (final report) on or before 20 March 2018. On 25 January 2018, the Commissioner, under subsection 269ZHI(3), extended the deadlines for both the SEF and the final report by 200 days. The Commissioner is now required to place the SEF on the public record by no later than 22 August 2018.⁶ The Commissioner must report to the Assistant Minister by **6 October 2018** (or such later date as the Assistant Minister may allow).

Under subsection 269ZDBG(1), the Commissioner must provide a report to the Assistant Minister recommending:

- the original notices remain unaltered; or
- the following:

⁶ ADN No. 2018/12 refers.

- the original notices be altered because the Commissioner is satisfied that circumvention activities in relation to the original notices have occurred; and
- the alterations to be made to the original notices.

In making recommendations in a final report to the Assistant Minister, subsection 269ZDBG(2) requires the Commissioner to have regard to:

- the application for an anti-circumvention inquiry;
- any submission relating generally to the inquiry to which the Commissioner has had regard for the purpose of formulating the SEF;
- this SEF;
- any submission made in response to this SEF that is received by the Anti-Dumping Commission (the Commission) within 20 days of being placed on the public record; and
- any other matter that the Commissioner considers to be relevant to the inquiry.

Subsection 269ZDBG(4) requires the final report to include the Commissioner's reasons for any recommendation contained in it that:

- sets out the material findings of fact on which that recommendation is based: and
- provides particulars of the evidence relied upon to support those findings.

Under subsection 269ZDBH(2), any alterations to the original notices may be of the following kind:

- the specification of different goods that are to be the subject of the original notices;
- the specification of different foreign countries that are to be the subject of the original notices;
- the specification of different exporters that are to be the subject of the original notices;
- in relation to existing exporters that are the subject of the original notices - the specification of different variable factors in respect of one or more of those exporters;
- in relation to exporters that are to be the subject of the original notices - the specification of variable factors in respect of those exporters.

Under subsection 269ZDBH(3), the Assistant Minister must make a declaration within 30 days after receiving the report, or due to special circumstances, such longer period as the Assistant Minister considers appropriate.

Under subsection 269ZDBH(1), after considering the final report and any other information that the Assistant Minister considers relevant, the Assistant Minister must declare by notice that:

- the original notices remain unaltered; or
- the alterations specified in the declaration are taken to have been made to the original notices, with effect on and after a day specified in the declaration.

Under subsection 269ZDBH(8), the declaration by the Assistant Minister must not take effect earlier than the day of publication of the notice under section 269ZDBE indicating the inquiry is to be conducted.

2.6 Responding to this SEF

This SEF sets out the essential facts on which the Commissioner proposes to base the Commissioner's final recommendations to the Assistant Minister.

This SEF informs interested parties of the facts established and allows them to make submissions in response to the SEF. It is important to note that the SEF may not represent the final views of the Commissioner.

Interested parties have 20 days to respond to the SEF. The Commissioner will consider these responses in making the Commissioner's final report to the Assistant Minister.

Responses to this SEF should be received by the Commission no later than **11 September 2018**. Under subsection 269ZDBF(3), the Commissioner is not obliged to have regard to any submission made in response to the SEF received after this date if to do so would, in the opinion of the Commissioner, prevent the timely preparation of the final report to the Assistant Minister.

Submissions should be emailed to investigations2@adcommission.gov.au.

Alternatively, they may be posted to:

Director Investigations 2
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

At the time of making a submission, both a confidential version (for official use only) and non-confidential version (public record) of the submission must be submitted. Interested parties must ensure each page is clearly marked '**FOR OFFICIAL USE ONLY**' or '**PUBLIC RECORD**'.

A guide for making submissions is available at the Commission's web site at www.adcommission.gov.au.

The public record contains non-confidential submissions by interested parties, the non-confidential versions of the Commission's visit reports and other publicly available documents. It is available in hard copy by request at the Commission's Melbourne office or online at www.adcommission.gov.au.

Documents on the public record should be read in conjunction with this SEF.

3 THE COMMISSION'S APPROACH

3.1 Introduction

The Commission analysed trade data and sought evidence and information from several sources including:

- the Australian industry;
- exporters;
- importers;
- freight forwarders and logistic providers;
- the ABF;
- United States of America (US) government agencies and industry associations; and
- other parties it considered relevant.

In response to Question 6 in the application form, Capral made several statements regarding its claims that circumvention activities have occurred. Capral provided twenty-three confidential attachments as evidence to support its claim. The Commission has analysed each of these statements and attachments.

Capral subsequently provided a further twenty-one confidential documents to support its claims. The Commission has analysed each of these documents.

The Commission also received thirteen submissions to this inquiry which have been addressed at section 5 of this SEF.

3.2 Evidence available to the Commission

3.2.1 Trade data

The Commission analysed ABF import data from 2012.

The Commissioner also sent invitations to the following foreign governments to provide detailed and pertinent trade data:

- Malaysia;
- The Philippines;
- Thailand;
- Indonesia; and
- Vietnam.

The Commissioner recognises that the data requested may be confidential, which limits the nature and scope of any information that may be made available by foreign governments. The responses received by the Commissioner were welcome, but did not provide details of exporters, importers, other parties involved, or of individual shipments.

3.2.2 Australian Industry

In its application, Capral provided documents as evidence to support its claims that circumvention activities have occurred and continue to do so. Capral subsequently provided further documents to support its claims. These documents included correspondence between certain parties that Capral claims to being involved in circumvention activity to avoid measures.

The Commission visited all nine Australian industry members to seek further information, conduct plant tours and to gain knowledge on market and industry practices that may be of assistance in obtaining evidence from importers and exporters. The Australian industry members are as follows:

Australian Industry Members – Aluminium Extrusion
Almax Aluminium Pty Ltd
Aluminium Shapemakers Pty Ltd
Aluminium Profiles Australia Pty Ltd
Capral Limited
Extrusions Australia Pty Ltd.
G James Extrusion Co Pty Ltd
Independent Extrusions Pty Ltd
Olympic Aluminium Co Pty Ltd
Ullrich Aluminium Pty Ltd

Table 6: Australian industry members

The Commission observed aspects of the production of aluminium extrusions at the premises of all Australian industry members. These observations confirmed that the applicant and the other Australian industry members together represent the entire industry producing like goods in Australia.

All Australian industry members expressed their support of the inquiry and their belief that circumvention activities in the form of exporting aluminium extrusions manufactured in China through one or more third countries is occurring.

Apart from Capral, Australian industry members were unable to provide documentary evidence that clearly named exporters in third countries or importers that may have conducted circumvention activities in the inquiry period.

All Australian industry members were invited to provide information, including the names of exporters and importers who may be involved in circumvention activities, at any time prior to the publication of this SEF and to forward the contact details of the Case Manager to any other party who may be able to provide relevant information.

The Commission received no contact from other parties that indicated that an Australian industry member had passed on the Case Manager's contact details.

3.2.3 Exporters

The Commission distributed questionnaires to almost one hundred exporters of aluminium extrusions in China and third countries including Indonesia, the Philippines, Malaysia, Thailand and Vietnam. The selection of exporters included those which had

exported the largest volumes of the goods as well as those that were purportedly party to exporting aluminium extrusions from China through one or more third countries.

The Commission received responses from the following exporters:

Returned Exporter Questionnaires	
Country	Exporter
China	Aerotech Industrial Co., Ltd
	Press Metal International Ltd (PMI)
Indonesia	P.T. Alexindo
	P.T. Alfo Citra Abadi
	P.T. Calindo Damai Sejahtera Abadi
	P.T. Indal Aluminium Industry
	P.T. Interbrucke Perkasa
	P.T. Superex Raya
Malaysia	Alumac Industries SDN BHD
	New Age Aluminium Industries SDN BHD
	Press Metal Berhard (PMB)
	Milleon Extruder SDN BHD
Thailand	Schimmer Metal Standard Co., Ltd
	Thai Metal Aluminium Co., Ltd
	United Aluminium Industry Co., Ltd
Vietnam	Global Vietnam Aluminium Company Limited

Table 7: Returned exporter questionnaires

3.2.4 Importers

The Commission distributed questionnaires to over one hundred importers of aluminium extrusions from China and third countries including Indonesia, the Philippines, Malaysia, Thailand and Vietnam.

The selection of importers included those which had imported the largest volumes of the goods as well as those that were purportedly party to importing aluminium extrusions from China through one or more third countries.

The Commission received responses from the following importers:

Returned Importer Questionnaires
Abra Metals Pty Ltd
Bradnam's Windows and Doors Pty Ltd
Concrete Formwork Technologies Pty Ltd
PanAsia Aluminium Pty Ltd
Press Metal Aluminium (Australia) Pty Ltd

Table 8: Returned importer questionnaires

3.2.5 Freight forwarders and logistics providers

From the Commission's examination of the evidence presented before it and additional research procedures undertaken throughout the course of this inquiry, freight forwarders and logistics providers have come to its attention as intermediary parties potentially engaged in circumvention activity.

The Commission contacted the following intermediary parties either by telephone or email:

Freight forwarder/Logistics provider	Place of business
3L-Leemark Logistics Ltd.	Taiwan
AI Logistics	China
Combine International Logistics	China
Diversified International Transportation (Shanghai) Co. Ltd.	China
FIC Logistics Group Company Limited	China
First Shipping International Co Ltd.	China
KGW Logistics (M) Sdn Bhd (Malaysia)	China
Kingtrans Container Line(Shenzhen) Co. Ltd.	China
KS Group Logistics	India
Qingdao ZHV International Logistics Co. Ltd.	China
Red Sea National Shipping Co Ltd.	China
Shenzhen Top & Profit International forwarding Co. Ltd.	China
S-Union Logistics and Forwarding Ltd	China
Team Well Logistics (Team Well).	Hong Kong
Zhejiang Settle Logistic Co. Ltd	China

Table 9: Freight forwarders and logistics providers

3.2.6 The Australian Border Force

The Commission maintained contact with the ABF throughout the conduct of this inquiry, noting that the roles of the two agencies are distinct. The ABF administers a compliance regime in respect of declarations related to imported goods. The Commission's role is to conduct an inquiry to determine whether it may be appropriate to alter the notices in respect of aluminium extrusions exported to Australia from China.

Where appropriate, market intelligence and other information obtained by either party was exchanged and verified.

3.2.7 US government agencies and industry associations

The Commission held telephone conferences with several agencies and associations of the US government that have experience in the conduct of anti-circumvention inquiries as well as knowledge of the international aluminium extrusions market. These parties include:

- enforcement and compliance officers of the US Department of Commerce;

- anti-dumping and countervailing duty officials from US Customs and Border Protection; and
- the US Aluminium Extruders' Association.

These parties provided information on matters of concern to the US industry and on the conduct of anti-circumvention inquiries in the US. However, evidence or intelligence beyond what their respective organisations were able to make publicly available could not be provided.

3.2.8 Other parties

The Commission sent invitations to provide evidence or submissions to other parties that may have knowledge of aluminium extrusions exports from China through one or more third countries. These other parties include the:

- Australian Logistics Council;
- Australian Federation of International Forwarders;
- Customs Brokers and Forwarders Council of Australia;
- Freight & Trade Alliance;
- International Cargo Handling Coordination Association;
- International Chamber of Commerce; and
- International Federation of Freight Forwarders Associations.

No evidence or submissions were received as a result of these requests.

3.2.9 Domestic and international visits

The Commission conducted several domestic and international visits. The selection of parties to visit was based on the relevance and strength of the evidence made available to the Commission and their willingness to cooperate with the inquiry. The parties visited are indicated in the following table.

Entity type	Entity name
Importer	Concrete Formwork Technologies
	MYW Logistics
	Press Metal Aluminium Australia
	Renma Australia
Exporter	Press Metal International (China)
	Press Metal Berhad (Malaysia)
Freight forwarder/Logistics Provider	Team Well Logistics (Hong Kong)

Table 10: Domestic and international visits

All parties that were visited were invited to provide information at any time prior to the publication of this SEF and to forward the contact details of the Case Manager to any other party who may be able to provide relevant information.

PUBLIC RECORD

The Commission received no contact from other parties that indicated that an exporter, importer, freight forwarder or logistics provider had passed on the Case Manager's contact details.

4 THE COMMISSION'S ANALYSIS

4.1 Trade data

The Commission analysed import data from 2012 to determine the volume, movement and origin of the goods exported to Australia throughout the inquiry period and to distinguish anomalous patterns and behaviours within the dataset for further investigation. The analysis showed that shipments from Brunei and Bangladesh were not of a material volume during the inquiry period. The Commission considers that more detailed analysis of exports from these countries is not warranted.

The Commission examined the volume of aluminium extrusions imported by country from 2012, the results of which are shown in the following chart:

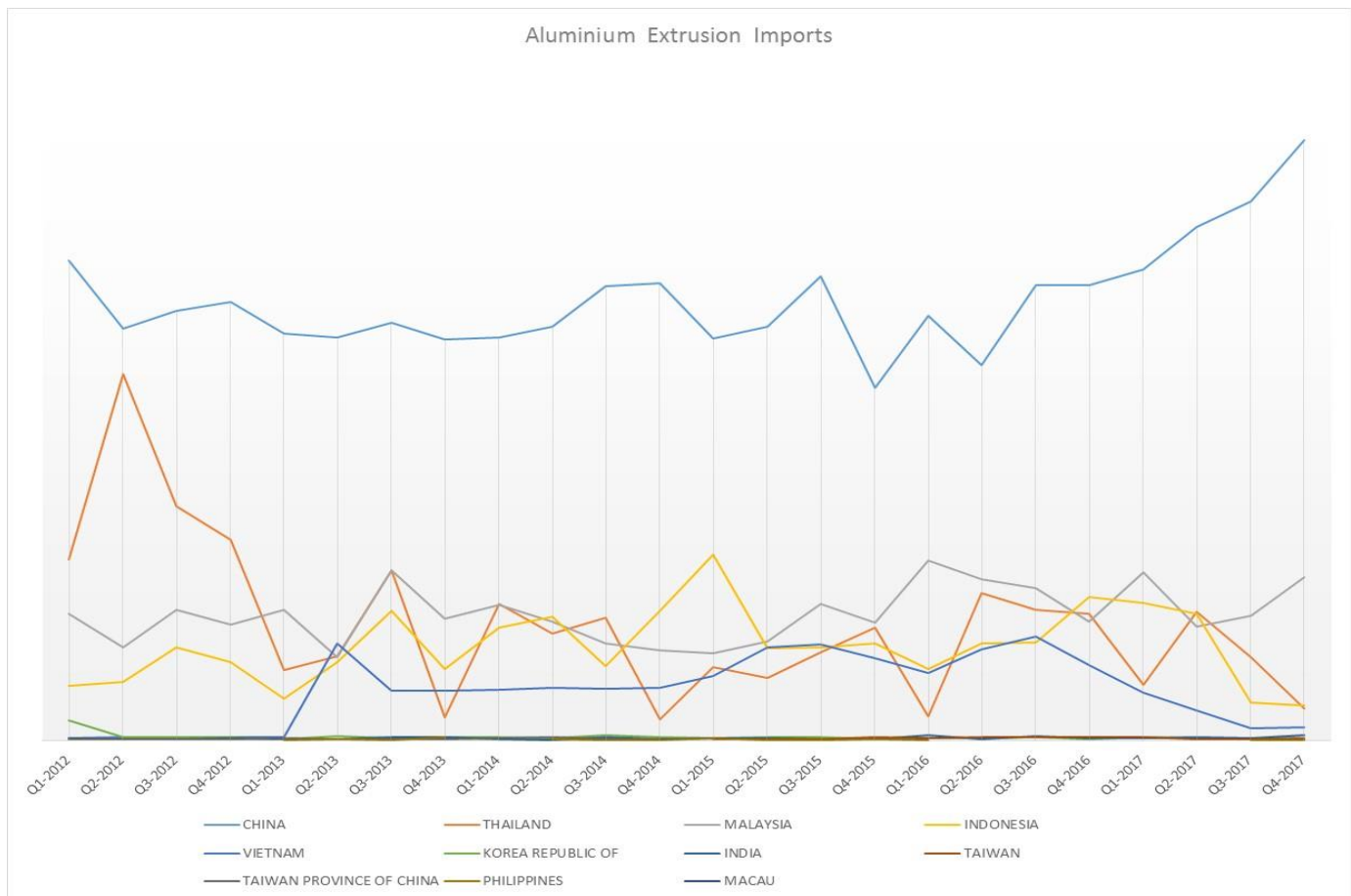


Chart 1: Aluminium extrusion imports by country since Q1 2012

Chart 1 indicates that exports of aluminium extrusions from:

- China increased overall since Q1 2012;
- China fell in Q4 2015, but increased significantly from Q1 2016;
- Malaysia fluctuated, but overall increased slightly since Q1 2012;
- Malaysia increased since Q1 2015;
- Thailand, decreased since Q1 2012;
- Thailand fluctuated from Q1 2015;

- Indonesia fluctuated since Q1 2012;
- Indonesia decreased since Q1 2015;
- Vietnam fluctuated since Q1 2012;
- Vietnam decreased since Q1 2015.

The Commission also analysed the total volume of aluminium extrusions imported since 2012, the results of which are shown in the following chart:

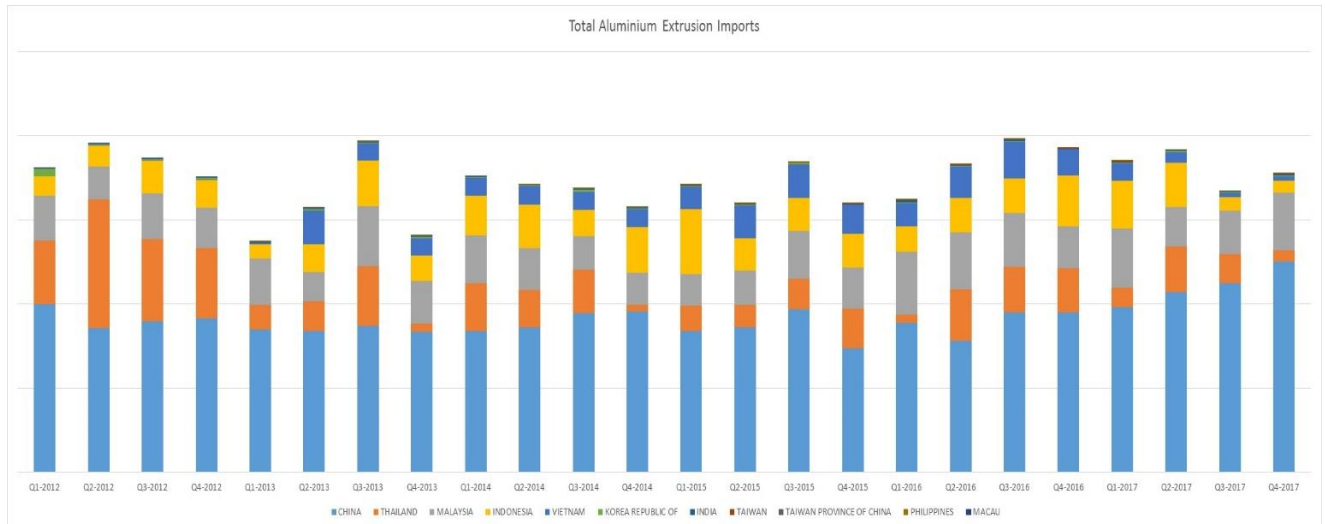


Chart 2: Total aluminium extrusion imports since Q1 2012

Chart 2 indicates that the volume of imports of aluminium extrusions:

- fluctuated since Q1 2012, but had a slight decline overall;
- increased slightly since Q1 2015.

The Commission's analysis of trade data indicates a reduction in the volume of imports of aluminium extrusions from China from Q4 2014 to Q2 2016, but an increase thereafter. Imports of aluminium extrusions from Malaysia were generally declining until around Q2 2015, with fluctuations noted since, but an overall increase. The level of increase is not comparable to that of China. The pattern of trade from Q3 2014 from Malaysia is contrary to that of Thailand.

The Commission's analysis of trade data does not indicate any pattern or change in the volumes of aluminium extrusions imported that leads to conclusive evidence of the goods being exported to Australia from China through third countries.

Further analysis on confidential trade data is at **Confidential Appendix 1**.

4.2 Claims submitted in Capral's application

In its application, Capral provided information related to various entities that it alleges participate in circumvention activities. These entities include freight forwarders, logistics providers and exporters of aluminium extrusions.

The Commission has analysed all Capral's claims and the information that it has provided as follows.

4.2.1 Kingtrans Container Line (Shenzhen) Co., Ltd

In Confidential Attachments 1 to 11 of its application, Capral provided documents pertaining to (Kingtrans Container Line (Shenzhen) Co., Ltd (Kingtrans), a freight forwarding company based in Shenzhen, China. In these documents, Kingtrans states that it can coordinate the transshipment of aluminium extrusions to Australia via Malaysia or Thailand to avoid anti-dumping measures.

These documents include:

- copies of various emails from Kingtrans, describing the issuance of documentation (such as a certificates of origin) to show that products have originated in Malaysia. Kingtrans states that it can also provide transshipment services through other countries such as Thailand, Philippines or Bangladesh;
- copies of email communication that reveal that an exporter in Thailand involved in the production and issuance of relevant shipping documentation to Kingtrans is Siam Industrial Supplies, a trading company and not a manufacturer of aluminium extrusions. Further, Kingtrans states that it has agreements in place with Australian customers to safeguard their confidentiality and identity in respect of transshipment arrangements;
- operational instructions that explain the process of transshipment, the labelling requirements for goods originating from China and timeframes for re-packaging and acquiring new documentation in respect of the shipped goods. Sample images and texts accompany the operational instructions to guide the transshipment process;
- copies of certificates of origin from Thailand and Malaysia which Kingtrans states that it is able to obtain; and
- quotations for the transshipment of aluminium extrusions to Australia from China via Thailand (Port Laem Chabang).

Capral's claims in respect of Kingtrans are included in Confidential Attachments 1 to 11 of its application and can be found at **Confidential Appendix 2**.

Kingtrans states that it is capable of arranging the transshipment of aluminium products through Thailand to avoid anti-dumping measures and has done so for eleven years. In the information provided by Capral, precise details of shipments that identify exporters or importers have not been provided.

Kingtrans states that its contractual partner in Thailand for transshipment activity is Siam Industrial Supplies, a trading company. Kingtrans also states that Guangdong Zhonglian Aluminium Co., Ltd is a Chinese supplier of aluminium extrusions with which it can arrange contact for the manufacture of the goods.

4.2.1.1 Certificates of origin

Examples of certificates of origin ostensibly from Thailand and Malaysia at Confidential Attachments 7 and 8 to Capral's application respectively are heavily redacted. Information as to the consignor and consignee (e.g. name and address), invoice specifications, reference numbers, package details (e.g. weight and number of packages) and the requisite authorised signatories are not apparent. Other shipping documents related to the certificates of origin have not been provided to the Commission by the applicant or other parties.

The Commission provided the Thai certificate of origin to the agency stated to have issued it to verify its authenticity and to attempt to obtain the redacted information. The Commission did not receive a response. As such, the Commission is unable to determine whether the document is a copy of a genuine or false Thai certificate of origin.

The Malaysian certificate of origin pertains to a shipment destined for Canada. However, the Commission considers it necessary to establish its authenticity and to obtain further details to comprehensively analyse the claims made by the applicant. The Commission provided the certificate of origin to the relevant agency, requesting confirmation of its legitimate issuance and to obtain the redacted information. The Commission did not receive a response. As such, the Commission is unable to determine whether the document is a copy of a genuine or false Malaysian certificate of origin.

4.2.2 The Commission's conclusion

The Commission's examination of the information provided by Capral concerning Kingtrans indicates the willingness of Kingtrans to offer transshipment services and to obtain false certificates of origin and other documentation to facilitate such a process. The information does not indicate or suggest that Kingtrans itself is an exporter of aluminium extrusions. However, the Commission considered that the reference by Kingtrans to Siam Industrial Supplies warranted further analysis.

Further information and analysis of the information in respect of Kingtrans is at **Confidential Appendix 3**.

4.3 Siam Industrial Supplies

The Commission has obtained further evidence related to Siam Industrial Supplies which include:

- a commercial invoice from Siam Industrial Supplies to an Australian importer dated January 2017;
- a bill of lading dated 14 February 2017, a Thai certificate of origin and a customs broker summary sheet for a shipment of aluminium extrusions in February 2017;
- letters detailing the outcomes of an ABF compliance assessment undertaken on importations of aluminium extrusions by two Australian importers that had purchased from Siam Industrial Supplies; and
- correspondence from the Pathumthani Chamber of Commerce, Thailand as to its findings on the verification of certificate of origins.

4.3.1 Analysis of evidence

The Commission compared unique identifiers such as the date of shipment, bill of lading, container reference numbers, quantity of the goods and container volumes and considers that the commercial invoice, bill of lading, Thai certificate of origin and customs broker cover sheet are in reference to the same shipment of aluminium extrusions.

To verify that the shipping documents pertained to a genuine shipment of aluminium extrusions to Australia, the Commission reviewed ABF import data and noted that the quantity of the consignment and the approximate date of shipment could be matched to an importation record. This importation record ascribes the shipment of aluminium profiles to Siam Industrial Supplies and the principal country of origin as Thailand.

The commercial invoice, bill of lading and Thai certificate of origin indicated the exporter/consignor of the goods is Siam Industrial Supplies and that the goods were collected from Port Laem Chabang, Thailand, destined for Sydney, Australia. However, the customs broker summary sheet prepared for the Australian importer, names the consignor as Foshan ZP Aluminium Co., Ltd (Foshan ZP Aluminium), located in China. This document also establishes the place of collection and loading for the shipment of aluminium extrusions as Foshan Railway Station, China and the final destination as Sydney, Australia.

ABF compliance assessments on importations of aluminium extrusions by two Australian importers concluded that goods declared as originating from Siam Industrial Supplies, Thailand were actually of Chinese origin.

The Commission understands that the Pathumthani Chamber of Commerce, Thailand, has revoked certificates of origin that it had issued to Siam Industrial Supplies.

Siam Industrial Supplies was issued an exporter questionnaire but the Commission did not receive a response. The Commission did not find evidence that Siam Industrial Supplies is a manufacturer of aluminium extrusions from its internet searches.

4.3.1.1 Meeting with an Australian importer

The Australian importer the subject of the shipping documents at section 4.3.1 of this report declared in its returned importer questionnaire that while the manufacturer of its aluminium extrusions is Siam Industrial Supplies, its supplier is Foshan ZP Aluminium.

The Commission met with representatives of the importer, where it was explained that invoices for the importer's aluminium extrusions are raised by, and payment is made to, Foshan ZP Aluminium. During this visit, the importer commented that while Foshan ZP Aluminium was its principal supplier of aluminium extrusions, the effect of increasing dumping and countervailing duties on aluminium extrusions produced in China from 2015, rendered the business association financially unviable. The importer subsequently acquired the goods from Siam Industrial Supplies through an arrangement facilitated by Foshan ZP Aluminium.

The information and commentary presented by the importer in its importer questionnaire and during its meeting with the Commission are misaligned with the additional evidence compiled during this inquiry. More specifically, the invoice from Siam Industrial Supplies addressed to the importer conflicts with the importer's statement that all invoices are raised by and payments made to Foshan ZP Aluminium.

The Commission attempted to contact Foshan ZP Aluminium via email. The Commission received no response. Commission staff also attempted to contact Foshan ZP Aluminium by telephone to arrange a visit but received no answer.

4.3.2 The Commission's conclusion

The Commission considers that aluminium extrusions originating from China have been exported to Australia through Thailand using documents in which the manufacturer has been erroneously declared as Siam Industrial Supplies. The basis for the Commission's conclusion being:

- for a specific shipment of aluminium extrusions to Australia in the inquiry period, shipping documentation (customs broker summary sheet) indicates that the

manufacturer was Foshan ZP Aluminium of China and not Siam Industrial Supplies of Thailand;

- ABF compliance assessments have found that for importations of aluminium extrusions with which Siam Industrial Supplies is declared as the exporter, the goods are in fact of Chinese origin;
- the failure of one importer to dispute the findings of the ABF compliance assessment that goods declared as being sourced from Siam Industrial Supplies were actually of Chinese origin;
- the admission by Kingtrans that Siam Industrial Supplies is a trading company that it uses for its transshipment activities;
- the lack of evidence that Siam Industrial Supplies manufactures aluminium extrusions; and
- the revocation of certificates of origin issued for Siam Industrial Supplies.

The Commissioner makes the following preliminary findings in relation to aluminium extrusions exported by Siam Industrial Supplies:

- the goods were exported to Australia from a foreign country in respect of which the notices do not apply (Thailand);⁷
- before that export, there was another export of the goods from a foreign country (China) to another foreign country (Thailand);⁸
- the first of those other exports was from a foreign country in respect of which the notices apply (China);⁹
- the goods would be the subject of the notices if they were exported to Australia by an exporter in respect of which the notice applies;¹⁰ and
- sections 8 and 10 of the *Customs Tariff (Anti-Dumping) Act* (the Dumping Duty Act) do not apply to the export of the goods to Australia.¹¹

Further information and analysis of the information in respect of Siam Industrial Supplies and Foshan ZP Aluminium is at **Confidential Appendix 4**.

Copies of the ABF compliance assessments on the two importers' transactions are at **Confidential Appendix 5** and **Confidential Appendix 6**.

4.4 Shenzhen Top & Profit International Forwarding Co., Ltd

In Confidential Attachments 12 to 14 of its application, Capral provided documents pertaining to Shenzhen Top & Profit International Forwarding Co., Ltd (Top & Profit). Top & Profit is based in Shenzhen, China.

⁷ Subsection 269ZDBB(4)(a)

⁸ Subsection 269ZDBB(4)(b)

⁹ Subsection 269ZDBB(4)(c)

¹⁰ Subsection 269ZDBB(4)(d)

¹¹ Subsection 269ZDBB(4)(e)

In these documents, Top & Profit states that it provides transshipment services for exports to Australia via Malaysia and reissues the associated documentation under a Malaysian company name to avoid anti-dumping measures.

In these documents, Top & Profit states that it is able to identify aluminium mills in China, but that its function is limited to that of a freight forwarder. Further, Top & Profit states that its services are legal and safe and that it has previously provided such services in respect of aluminium products destined for Australia, but will not provide the names of companies for which it has done so.

Confidential Attachments 12 to 14 of Capral's application are at **Confidential Appendix 7**).

4.4.1 Analysis of claims and evidence

Top & Profit did not provide the names of entities or agents potentially party to its transshipment services. The Commission has been unable to obtain further documentation for analysis. On its website, Top & Profit indicates that it has provided transshipment services to avoid anti-dumping measures for 12 years.

The Commission wrote to Top & Profit, as it did to other freight forwarders and logistics providers, and made contact by telephone. Top & Profit did not respond to the Commission's letter. However, in a telephone call with the Commission, Top & Profit stated that it was able to organise transshipment to avoid anti-dumping measures. The Commission subsequently requested by email details of the precise method by which transshipment could be organised and the names of companies for which it has provided such services. Top & Profit did not reply.

4.4.2 The Commission's conclusion

The Commission's examination of the information provided by Capral concerning Top & Profit, as well as information obtained by the Commission, indicates the willingness of Top & Profit to offer transshipment services and to obtain false certificates of origin and other documentation to facilitate such a process. The information does not indicate or suggest that Top & Profit itself is an exporter of aluminium extrusions.

The information provided by Capral and obtained by the Commission does not include sufficient evidence to precisely identify shipments of aluminium extrusions from China through third countries to Australia that have been facilitated by Top & Profit.

Further information and analysis of the information in respect of Top & Profit is at **Confidential Appendix 8**.

Capral has tendered a submission concerning the involvement of Top & Profit, which is addressed at section 5.2.4 of this report.

4.5 Press Metal Group

In Confidential Attachment 15 of its application, Capral made claims concerning the Press Metal Group.

According to the Press Metal Berhad (PMB) *2016 Annual Report*, there are several entities within the Press Metal Group. The entities of most relevance to this inquiry are:

- PMB, which:
 - is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad;
 - owns various subsidiaries including but not limited to Press Metal International Ltd (PMI), Press Metal (HK) Limited; Press Metal Aluminium Australia Pty Ltd (PMAA), Press Metal UK Limited (PM UK) and Press Metal North America Inc. (PM USA);
 - owns part shares in aluminium smelter companies in Malaysia; and
 - has an extrusion capacity of 40,000 tonnes per year at its plant in Kapar, Selangor in Malaysia;
- PMI, which:
 - is a manufacturer and trader of aluminium products located in Guangzhou, China;
 - is 100 per cent owned by Press Metal (HK) Limited, which is an investment holding that is 100 per cent owned by PMB; and
 - has an extrusion capacity of 120,000 tonnes per year;
- Hubei Press Metal Huasheng Aluminium & Electric Co. Ltd which:
 - is an investment holding that is 100 per cent owned by PMB; and
 - owns 100 per cent of a dormant company: Press Metal International (Hubei) Ltd (PM Hubei);
- PMAA, which focuses on sales in the Australian market;
- PM UK, which focuses on sales in the European region; and
- PM USA, which focuses on sales in the American region including Brazil and Mexico.

4.5.1 Details of claims

Capral provided a copy of email correspondence in which a representative of an Australian importer states that during a visit to a PMB factory in Kuala Lumpur, Malaysia, aluminium extrusions affixed with Chinese origin labels and destined for another aluminium distributor in Australia were sighted. The importer commented in this email that PMB stated that it could facilitate such trade if required and had been doing so for other companies for some time.

Confidential Attachment 15 of Capral's application is at **Confidential Appendix 9**.

4.5.2 Analysis of claims and evidence

4.5.2.1 Importer statement

The account of the Australian importer's visit to a PMB factory is stated to have taken place during the inquiry period (being the fourth quarter of 2016). The importer and the exporter potentially associated with circumvention activity and the approximate time period with which the activity occurred as per the Australian importer appears consistent with ABF data.

The Australian importer claims to have terminated business dealings with PMB upon suspecting that it had engaged in a transshipment scheme and the Commission's evaluation of ABF data is aligned to this statement. The Commission contacted the Australian importer who verified the observations of its factory visit.

The Commission did not receive a response to the importer questionnaire from the other aluminium distributor in Australia and made further attempts to contact it to arrange a visit, but did not receive a response.

4.5.2.2 Verification visits to Press Metal Group companies

The Commission sent a verification team to visit PMAA, PMI and PMB. The verification team conducted analysis over the entire inquiry period of production, purchases and sales volumes of aluminium extrusions and of aluminium billet from which extrusions are made. The verification team also examined other matters such as warehouse procedures, packaging, labelling and product despatch processes.

The verification team considered that if sales of aluminium extrusions exceed production and inventory, a portion of aluminium extrusions in respect of sales must have been sourced elsewhere. As such, to determine whether PMB had exported aluminium extrusions manufactured in China to Australia through Malaysia, it was necessary to quantify PMB's sales, production, purchases and stock of aluminium extrusions over the inquiry period.

The verification team also considered that if production and inventory of aluminium extrusions exceed production, purchases, consumption and sales of aluminium billet,¹² (less wastage), a portion of aluminium extrusions must have been sourced elsewhere. Therefore, quantification of production, purchases, consumption and sales of aluminium billet was required.

It was also necessary to understand other factors concerning PMB's related entities, PMI and PMAA as set out below:

- in respect of PMI, it was necessary to determine PMI's precise exports of aluminium extrusions in volume terms to Malaysia and Australia over the inquiry period; and
- in respect of PMAA, it was necessary to determine details of purchases of aluminium extrusions.

4.5.3 The Commission's conclusion

The verification team found:

- no evidence related to packaging or labelling that indicated that goods were exported to Australia from China through Malaysia;
- no packages of aluminium extrusions for export to Australia, either directly from China or through a third country at PMI;
- no material discrepancies in PMB's, PMI's or PMAA's records related to sales, purchases, stock and production of billet or aluminium extrusions;

¹² Aluminium extrusions are made from aluminium billet. The correlation between the quantity of billet available and the quantity of extrusions produced provides information to verify production levels of aluminium extrusions.

- no documentary evidence of aluminium extrusions being exported to Australia from China through Malaysia or other third countries; and
- no physical or other evidence of aluminium extrusions being exported to Australia from China through Malaysia or other third countries.

Reports on verification visits to PMB, PMI and PMAA are on the public record.

4.6 Team Well Logistics Limited

In Confidential Attachments 16 to 18 of its application, Capral provided documents pertaining to Team Well Logistics Limited (Team Well).

Team Well is a freight forwarding company based in Hong Kong. Team Well states in an email that it can arrange for the transshipment of goods to Australia via Malaysia to avoid dumping and countervailing duties. Team Well also describes the process of issuing relevant documentation to show that the goods are of Malaysian origin and the re-packing and re-labelling services it offers to remove evidence that the goods were manufactured in China.

Team Well states that it cannot disclose the details of its Australian customers. However, Team Well did state that its Malaysian partner had consented to provide the company name of an Australian consignee.

A Malaysian certificate of origin pertaining to an exportation to Australia was furnished as part of the application. It is observed that the importer's name had been redacted in the certificate of origin. Notwithstanding, sufficient details are visible such that the identity of the Australian importer is decipherable. The shipper according to this certificate of origin was Zinaco, Malaysia.

Confidential Attachments 16 to 18 of Capral's application are at **Confidential Appendix 10**.

4.6.1 Analysis of claims and evidence

To verify that the certificate of origin pertained to a genuine shipment of aluminium extrusions to Australia, the Commission reviewed ABF import data, noting that the quantity of the consignment, approximate date of shipment and vessel reference could be matched to an importation record.

The Commission sought confirmation from the Malaysian Ministry of Trade and Industry (MITI) as to the authenticity of the certificate of origin. The Commission was advised by MITI that it did not issue the certificate of origin in question.

4.6.1.1 Team Well Logistics contact and international visit

The Commission communicated with a representative of Team Well by telephone. Team Well maintained that it provides a legal transshipment service. When asked if Team Well offers transshipment services via Malaysia, it was stated that Team Well's Malaysian business partner could not provide the requisite documents to facilitate transshipment services and their business arrangement had ceased.

A confirmatory and more expansive response to this conversation was subsequently sought from Team Well by the Commission in an email which requested that the third countries and entities engaged in transshipment services with Team Well be disclosed.

The response from Team Well did not contain details of such a kind and indicates that it merely promoted, but has not actively partaken in, transshipment services.

Representatives of the Commission met with the Director of Team Well at its Hong Kong premises. Team Well explained that it had previously been in contact with a Malaysian company that may facilitate the transshipment of goods manufactured in China to Australia through a third country and could produce relevant documentation to avoid anti-dumping measures. During this meeting, Team Well indicated that upon becoming aware that the transshipment of goods from China to Australia through third countries may not be lawful, it ceased advertising transshipment services.

Team Well stated that it continues its relationship with the Malaysian company that indicated that it was capable of aiding the transshipment process, solely for the purposes of exporting general cargo from Malaysia to Hong Kong. Team Well indicated that the only service it provided in respect of aluminium products was for aluminium sheets exported to Vietnam from China for further processing.

The Commission requested that the identity of the Malaysian company as well as the entities engaged in the trading of aluminium sheets be disclosed. However, Team Well was not forthcoming in this regard. Further, the Commission questioned Team Well on its knowledge of or affiliation with several entities the subject of this inquiry, including but not limited to, Zinaco and an Australian importer. Team Well stated that it was not familiar with the entities.

A file note on the visit to Team Well is on the public record.

4.6.2 The Commission's conclusion

The Commission's examination of the information provided by Capral concerning Team Well and the Commission's communication with Team Well indicates the willingness of Team Well to offer transshipment services and to obtain certificates of origin and other documentation to facilitate such a process. The information does not indicate or suggest that Team Well itself is an exporter of aluminium extrusions.

The information provided to the Commission by Capral includes evidence that clearly identifies a shipment of aluminium extrusions from China through Zinaco of Malaysia to Australia that, according to its own admission, has been facilitated by Team Well.

The Commission considered that the activities of Zinaco warranted further analysis.

Capral has tendered a submission concerning the involvement of Team Well, which is addressed as section 5.2.4 of this report.

4.7 Zinaco Industrial and Hardware Industries Ltd

The Commission acquired additional information in respect of Zinaco which comprises of the following:

- a commercial invoice from Foshan ZP Aluminium for aluminium extrusions addressed to an Australia importer. The invoice shows that Foshan ZP Aluminium is an entity based in China;
- a commercial invoice and packing list from Zinaco to a foreign overseas entity that is related to the Australian importer;

- a Malaysian certificate of origin, being a non-redacted copy of that provided at Confidential Attachment 18 to Capral's application in which the exporter is declared as Zinaco; and
- a letter detailing the outcomes of an ABF compliance assessment undertaken on importations by the Australian importer the subject of the additional evidence obtained.

4.7.1 Analysis of evidence

The Commission compared the unique identifiers and goods specifications across the documents and considers that the two commercial invoices and certificate of origin are in reference to the same shipment of aluminium extrusions. The shipping documents correspond to an importation record within the ABF import database.

The Commission observes that the two commercial invoices are addressed to related entities and that there is a distinct similarity in the contents, font type and layout of the invoices. All model codes and physical characteristics of the aluminium profiles between the two invoices are identical. The invoices can be differentiated by the supplier, one being from Zinaco of Malaysia and the other Foshan ZP Aluminium of China.

An ABF compliance assessment undertaken on importations of aluminium extrusions by the Australian importer as per the invoices and certificate of origin concluded that goods declared as originating from Zinaco, Malaysia, were actually of Chinese origin.

The Commission did not find evidence that Zinaco is a manufacturer of aluminium extrusions from its internet searches.

4.7.1.1 Meeting with Australian importer

In its response to the importer questionnaire, the Australian importer declared that:

- Foshan ZP Aluminium was its supplier of aluminium extrusions with the goods being manufactured in China; and
- Foshan ZP Aluminium was its Malaysian supplier of aluminium extrusions.

The Commission met with representatives of the importer who explained that invoices are raised by, and payment is made to, Foshan ZP Aluminium. During this visit, the importer stated that while Foshan ZP Aluminium was its principal supplier of aluminium extrusions, the financial implications of increasing dumping and countervailing duties on aluminium extrusions produced in China from 2015 led to the need to source the goods from Malaysia. It was indicated that Foshan ZP Aluminium arranged the supply of the goods by Zinaco. It was indicated that the goods imported from Malaysia were of poor quality and Foshan ZP Aluminium subsequently arranged the supply of the goods from Siam Industrial in Thailand.

The information and commentary presented by the importer in its importer questionnaire is inconsistent with the evidence examined by the Commission in this inquiry. More specifically, the Commission has obtained two invoices for the same shipment of aluminium extrusions, addressed to the importer or its related entity, one of which is from Foshan ZP Aluminium, China and the other from Zinaco, Malaysia. This conflicts with the importer's statement that all invoices are raised by, and payments made to, Foshan ZP Aluminium.

Further, the information and commentary presented in the importer questionnaire is misaligned to the commentary the importer provided during the Commission's onsite visit. The importer asserted in its importer questionnaire that it had no knowledge of its Malaysian supplier, yet during the visit it had named Zinaco as its Malaysian supplier, arranged through Foshan ZP Aluminium.

The Commission attempted to contact Foshan ZP Aluminium via email. The Commission received no response. Commission staff also attempted to contact Foshan ZP Aluminium by telephone to arrange a visit but received no response.

4.7.2 The Commission's conclusion

The Commission considers that aluminium extrusions originating from China have been exported to Australia through Malaysia using documents in which the manufacturer has been erroneously declared as Zinaco. The basis for the Commission's conclusion being:

- for a shipment of aluminium extrusions, the Commission has obtained two commercial invoices, one commercial invoice indicating that the supplier of the goods was Foshan ZP Aluminium, China and not Zinaco, Malaysia. A reasonable explanation for the two commercial invoices has not been provided to the Commission;
- the Malaysian MITI has confirmed with the Commission that it did not issue the Malaysian certificate of origin in respect of the above mentioned shipment of aluminium extrusions;
- an ABF compliance assessment undertaken has determined that for importations of aluminium extrusions with which Zinaco is declared as the exporter, the goods are in fact of Chinese origin; and
- the lack of evidence that Zinaco manufactures aluminium extrusions.

The Commissioner makes the following preliminary findings in relation to aluminium extrusions exported by Zinaco:

- the goods were exported to Australia from a foreign country in respect of which the notices do not apply (Malaysia);
- before that export, there was another export of the goods from a foreign country (China) to another foreign country (Malaysia);
- the first of those other exports was from a foreign country in respect of which the notices apply (China);
- the goods would be the subject of the notices if they were exported to Australia by an exporter in respect of which the notice applies; and
- sections 8 and 10 of the Dumping Duty Act do not apply to the export of the goods to Australia.

Further information and analysis of the information in respect of Zinaco and Foshan ZP Aluminium is at **Confidential Appendix 11**.

4.8 Settle Logistics

In Confidential Attachments 19 to 23 of its application, Capral provided documents pertaining to Settle Logistics.

Settle Logistics is a freight forwarding company based in Zhejiang, China. In the documents, Settle Logistics states that it can arrange transshipment of aluminium products to Australia via Malaysia or Thailand.

The documents include:

- a Thai certificate of origin dated May 2014, for a shipment of stainless steel sinks. The consignee is a US based company but the exporter cannot be identified (Confidential Attachment 22 to the application); and
- a blank Malaysian certificate of origin in which the port of loading is indicated as Port Klang, Malaysia with no other details, except for certification stamps.

Confidential Attachments 19 to 23 of Capral's application are at **Confidential Appendix 12**.

4.8.1 Analysis of claims and evidence

In the email communication provided by Capral, Settle Logistics does not provide any details of specific shipments, importers or exporters related to the transshipment services that it states that it can provide.

The Commission conducted internet searches on Settle Logistics and found that Settle Logistics offers to arrange transshipment to avoid anti-dumping measures through various countries including Malaysia, Thailand, Taiwan, Indonesia and India.

4.8.1.1 Certificates of origin

The Commission provided the Thai Chamber of Commerce with the Thai certificate of origin associated with Settle Logistics to verify its authenticity and to obtain the redacted information. The Commission received no response.

The Commission provided the Malay Chamber of Commerce with the Malaysian certificate of origin associated with Settle Logistics to verify its authenticity and to obtain the redacted information. The Commission received no response.

No other documents related to the shipments have been made available to the Commission.

4.8.1.2 Contact with Settle Logistics

In a telephone call with the Commission, Settle Logistics stated that it was able to prepare a plan to organise transshipment to avoid anti-dumping measures.

The Commission then sent an email to Settle Logistics requesting details of how such an arrangement would be made and the name of the exporter that would appear on the shipping documentation.

Settle Logistics replied to that email stating that it would forward it to its partner in '*Malaysia/Thailand*'.

The Commission subsequently received an email from an unidentified source requesting confirmation that the Commission was an agency of the Australian Government. This was confirmed by the Commission. No further contact by Settle Logistics was received by the Commission.

4.8.2 The Commission's conclusion

The Commission's analysis of the information provided by Capral concerning Settle Logistics and the Commission's inquiries indicate the willingness of Settle Logistics to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that Settle Logistics itself is an exporter of aluminium extrusions.

The information does not include sufficient evidence to precisely identify shipments of aluminium extrusions from China through third countries to Australia that have been facilitated by Settle Logistics.

4.9 Claims of circumvention presented subsequent to inquiry initiation

Subsequent to lodging its application, Capral provided further information to support its claims in the application and to provide details of alleged circumvention activity by parties not previously identified.

4.9.1 Combine International Logistics Co., Ltd

Capral provided documents that include email correspondence from Combine International Logistics Co., Ltd (Combine International), a logistics provider based in Taipei and that has various branches in Hong Kong and mainland China.

These documents include a dialogue by email in which Combine Logistics is requested to provide details of transshipment services that it can arrange to avoid anti-dumping measures and the names of companies for which it has done so.

The documents do not provide any evidence that Combine Logistics has provided such services. Nor do they provide the names of any companies for which Combine Logistics has provided any services.

The Commission has examined ABF data and found no exports to Australia of aluminium extrusions by Combine Logistics.

4.9.1.1 The Commission's conclusion

The Commission's analysis of the information provided by Capral concerning Combine Logistics does not confirm the willingness of Combine Logistics to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that Combine Logistics itself is an exporter of aluminium extrusions.

The information provided by Capral does not include sufficient evidence to identify shipments of aluminium extrusions from China through third countries to Australia that have been facilitated by Combine Logistics.

Capral has also made a subsequent submission in respect of Combine international which is discussed at section 5.2.4 of this report.

4.9.2 3L-Leemark Logistics

Capral indicated to the Commission that it had email correspondence from 3L-Leemark Logistics in which it states that it is able to provide services to facilitate transshipment.

3L-Leemark Logistics is a logistics provider based in Taipei and has various branches in Hong Kong and mainland China.

No supporting documents were provided by Capral.

The Commission contacted 3L-Leemark Logistics by email and by telephone to request further information. 3L-Leemark Logistics provided no information to the Commission.

The Commission has no evidence that 3L-Leemark Logistics has provided transshipment services for the purposes of avoiding anti-dumping measures.

The Commission has examined ABF data and found no exports to Australia of aluminium extrusions by 3L-Leemark Logistics.

4.9.2.1 The Commission's conclusion

The information provided by Capral does not include sufficient evidence to identify shipments of aluminium extrusions from China through third countries to Australia that have been facilitated by 3L-Leemark Logistics. The information does not indicate or suggest that 3L-Leemark Logistics itself is an exporter of aluminium extrusions.

4.9.3 Qingdao ZHV International Logistics Co., Ltd

Capral provided documents that include email correspondence from Qingdao ZHV International Logistics Co., Ltd (Qingdao ZHV), a logistics provider based in Shandong, China.

These documents include a dialogue by email in which Qingdao ZHV is requested to provide details of transshipment services that it can arrange to avoid anti-dumping measures and the names of companies for which it has done so.

In the documents, Qingdao ZHV indicates that it offers transshipment arrangements via Port Kelang (Malaysia). Qingdao ZHV states that it has effectively transshipped products exported to the US, but has no prior experience with Australian exports.

The documents do not provide any specific evidence that Qingdao ZHV actually has provided such services. Nor do they provide the names of any companies for which Qingdao ZHV has provided any services.

The Commission has examined ABF data and found no exports to Australia of aluminium extrusions by Qingdao ZHV.

4.9.3.1 The Commission's conclusion

The information provided by Capral concerning Qingdao ZHV indicates the willingness of Qingdao ZHV to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that Qingdao ZHV itself is an exporter of aluminium extrusions.

The information provided by Capral does not indicate that any shipments of aluminium extrusions from China through third countries to Australia have been facilitated by Qingdao ZHV.

4.9.4 KGW Logistics (M) Sdn Bhd

Capral provided documents that include email correspondence from KGW Logistics Sdn Bhd (KGW Logistics), a logistics provider based in Malaysia.

These documents include a dialogue by email in which KW Logistics is requested to provide details of transshipment services that it can arrange to avoid anti-dumping measures and the names of companies for which it has done so.

In the documents, KGW Logistics indicates that it has provided transshipment services from China via Malaysia.

The documents do not provide any specific evidence that KGW Logistics actually has provided such services. Nor do they provide the names of any companies for which KGW Logistics has provided any services.

The Commission has examined ABF data and found no exports to Australia of aluminium extrusions by KGW Logistics.

4.9.4.1 The Commission's conclusion

The information provided by Capral concerning KGW Logistics indicates the willingness of KGW Logistics to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that KGW Logistics itself is an exporter of aluminium extrusions.

The information provided by Capral does not indicate that any shipments of aluminium extrusions from China through third countries to Australia have been facilitated by KGW Logistics.

4.9.5 S – Union Logistics and Forwarding Ltd

Capral provided documents that include email correspondence from S-Union Logistics and Forwarding Ltd (S-Union), a logistics provider based in China.

These documents include a dialogue by email in which S-Union is requested to provide details of transshipment services that it can arrange to avoid anti-dumping measures and the names of companies for which it has done so.

In the documents, S-Union indicates that it can make transshipment arrangements from China via Malaysia or Singapore. S-Union indicates that it has previously handled aluminium products and has provided transshipment services to avoid anti-dumping measures in respect of shipments to the US and Argentina, but not to Australia.

The documents do not provide any specific evidence that S-Union actually has provided such services. Nor do they provide the names of any companies for which S-Union has provided any services.

The Commission has examined ABF data and found no exports to Australia of aluminium extrusions by S-Union.

4.9.5.1 The Commission's conclusion

The information provided by Capral concerning S-Union indicates the willingness of S-Union to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that S-Union itself is an exporter of aluminium extrusions.

The information provided by Capral does not indicate that any shipments of aluminium extrusions from China through third countries to Australia have been facilitated by S-Union.

4.9.6 AI Logistics Co., Ltd

Capral provided documents that include email correspondence from AI Logistics Co., Ltd (AI Logistics), a logistics provider based in China.

These documents include a dialogue by email in which AI Logistics is requested to provide details of transshipment services that it can arrange to avoid anti-dumping measures and the names of companies for which it has done so.

In the documents, AI Logistics indicates that it arranged for the transshipment of steel pipe from China via Singapore to the USA to avoid anti-dumping measures. AI Logistics also indicates that it has arranged for the transshipment of products from China via Hong Kong to Egypt to avoid *extreme measures*.

The documents do not provide any specific evidence that AI Logistics actually has provided such services. Nor do they provide the names of any companies for which AI Logistics has provided any services.

The Commission has examined ABF data and found no exports to Australia of aluminium extrusions by AI Logistics.

4.9.6.1 The Commission's conclusion

The information provided by Capral concerning AI Logistics indicates the willingness of AI Logistics to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that AI Logistics itself is an exporter of aluminium extrusions.

The information provided by Capral does not indicate that any shipments of aluminium extrusions from China through third countries to Australia have been facilitated by AI Logistics.

4.9.7 First Shipping International Co., Ltd

Capral provided documents that include email correspondence from First Shipping International Co., Ltd (Hong Kong) (First Shipping International), a logistics provider based in China.

These documents include a dialogue by email in which First Shipping International is requested to provide details of transshipment services that it can arrange to avoid anti-dumping measures and the names of companies for which it has done so.

In the documents, First Shipping International indicates that it has provided services to arrange for the transshipment of products to avoid anti-dumping measures for over 15 years.

The documents do not provide any specific evidence that First Shipping International actually has provided such services. Nor do they provide the names of any companies for which First Shipping International has provided any services.

The Commission has examined ABF data and found no exports to Australia of aluminium extrusions by First Shipping International.

4.9.7.1 The Commission's conclusion

The information provided by Capral concerning First Shipping International indicates the willingness of First Shipping International to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that First Shipping International itself is an exporter of aluminium extrusions.

The information provided by Capral does not indicate that any shipments of aluminium extrusions from China through third countries to Australia have been facilitated by First Shipping International.

4.9.8 FIC Logistics Group Company Limited

Capral provided documents that include email correspondence from FIC Logistics Group Company Limited (FIC Logistics), a logistics provider based in China.

These documents include a dialogue by email in which FIC Logistics is requested to provide details of transshipment services that it can arrange to avoid anti-dumping measures and the names of companies for which it has done so.

In the documents, FIC Logistics indicates that it has provided services to arrange for the transshipment of products to avoid anti-dumping measures for over 10 years. FIC Logistics provides details of its suggested process of transshipment from China to Australia through Thailand, the acquisition of documents and a quotation to do so.

The documents do not provide any specific evidence that FIC Logistics actually has provided such services. Nor do they provide the names of any companies for which FIC Logistics has provided any services.

The Commission has examined ABF data and found no exports to Australia of aluminium extrusions by FIC Logistics.

4.9.8.1 The Commission's conclusion

The information provided by Capral concerning FIC Logistics indicates the willingness of FIC Logistics to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that FIC Logistics itself is an exporter of aluminium extrusions.

The information provided by Capral does not indicate that any shipments of aluminium extrusions from China through third countries to Australia have been facilitated by FIC Logistics.

4.9.9 Bay Enterprise Co., Ltd and Red Sea National Shipping Co., Ltd

Capral provided documents that include email correspondence from RESCO. RESCO provides a number of services related to shipping, including logistics services. RESCO is based in China and describes itself on its website as an affiliate of Yemen's largest conglomerate, the Hayel Saeed Anam Group of Companies.

These documents include a dialogue by email in which RESCO is requested to provide details of transshipment services that it can arrange to avoid anti-dumping measures and the names of companies for which it has done so.

In the documents, RESCO claims to have performed transshipments via Thailand, Malaysia and Taiwan. In respect of aluminium products exported to Australia, the company proposes that cargo can be transported from Foshan, China to Laem Chabang, Thailand. RESCO states the container change will occur in Laem Chabang, where all shipping and loading documents can be acquired. RESCO also provides a quotation to arrange transshipment from China to Australia through Thailand.

In the documents, RESCO was asked to confirm its prior experience with transshipment of goods from China for the purposes of avoiding Australian anti-dumping duties. In

response, RESCO provided a bill of lading and accompanying Thai certificate of origin. These shipping documents show aluminium alloy profiles being loaded in Laem Chabang, Thailand in February 2017 and destined for Melbourne Australia. RESCO stated that the bill of lading is in respect of transshipment.

The sample bill of lading and certificate of origin are heavily redacted. However, unique identifiers such as the place and date of issue of the bill of lading and the description of the packages are still visible. The visible details in these documents match an importation of aluminium alloy profiles that is recorded in ABF data. The exporter is recorded as Bay Enterprise.

4.9.9.1 Commission visit with importer

The Commission visited the importer where un-redacted versions of the bill of lading and Thai certificate of origin supplied by RESCO were provided to the Commission. These documents confirmed that the exporter of a shipment of aluminium extrusions from Laem Chabang, Thailand to Australia was Bay Enterprise.

The importer explained during its meeting with the Commission that its function is confined only to that of a freight forwarder. The importer stated that on this occasion it imported aluminium extrusions on behalf of another importer.

The importer stated that it no longer conducts business with this other importer and that it has no knowledge of the company RESCO. The Commission understands that the other importer is no longer in operation.

4.9.9.2 Further information compiled by the Commission

The Commission did not find evidence that Bay Enterprise is a manufacturer of aluminium extrusions from its internet searches.

An ABF compliance assessment undertaken on importations of aluminium extrusions by the Australian importer visited by the Commission concluded that the goods declared as originating from Bay Enterprise, Thailand were actually of Chinese origin. The importer did not dispute this finding.

4.9.9.3 The Commission's conclusion

In this inquiry, several freight forwarders and logistics providers have stated that they have facilitated transshipment in order to avoid anti-dumping measures. In respect of RESCO, its admission is supported by the provision of the sample bill of lading and Thai certificate of origin. The Commission has found that the export was conducted by Bay Enterprise. The Commission has examined ABF data and found no exports to Australia of aluminium extrusions by RESCO.

The Commission considers that aluminium extrusions originating from China have been exported to Australia through Thailand using documents in which the manufacturer has erroneously been declared as Bay Enterprise. The basis for the commission's conclusion being:

- the admission by RESCO that it facilitates transshipment to avoid anti-dumping measures;
- the documents provided by RESCO as evidence of its transshipment of the goods to Australia;

- an ABF compliance assessment that has found that for an importation of aluminium extrusions with which Bay Enterprise was declared as the exporter, the goods are in fact of Chinese origin;
- the acceptance of the outcomes of the ABF compliance assessment by the importer; and
- the lack of evidence that Bay Enterprise manufactures aluminium extrusions.

The Commissioner makes the following preliminary findings in relation to aluminium extrusions exported by Bay Enterprise:

- the goods were exported to Australia from a foreign country in respect of which the notices do not apply (Thailand);
- before that export, there was another export of the goods from a foreign country (China) to another foreign country (Thailand);
- the first of those other exports was from a foreign country in respect of which the notices apply (China);
- the goods would be the subject of the notices if they were exported to Australia by an exporter in respect of which the notice applies; and
- sections 8 and 10 of the Dumping Duty Act do not apply to the export of the goods to Australia.

Further information and analysis of the information in respect of Bay Enterprise and RESCO is at **Confidential Appendix 13**.

A copy of the ABF compliance assessment on the importer's transactions is at **Confidential Appendix 14**.

4.9.10 Yun Sin Enterprise Co. Ltd

The Commission has found that an ABF compliance assessment on an importer's transactions has been completed and found that for aluminium extrusions imported in the inquiry period and declared as from Yun Sin, Taiwan, were actually of Chinese origin.

The Commission understands that the importer has acknowledged that the goods originated in China and not Taiwan.

The Commission did not find evidence that Yun Sin is a manufacturer of aluminium extrusions in its internet searches.

4.9.10.1 The Commission's conclusion

The Commission considers that aluminium extrusions originating from China have been exported to Australia through Taiwan where the manufacturer has erroneously been declared as Yun Sin. The basis for the Commission's conclusion being:

- an ABF compliance assessment undertaken has determined that for an importation of aluminium extrusions with which Yun Sin was declared as the exporter, the goods are in fact of Chinese origin;
- the payment of outstanding IDD, ICD and GST by the importer after being notified of the ABF compliance assessment finding; and
- the lack of evidence that Yun Sin manufactures aluminium extrusions.

The Commissioner makes the following preliminary findings in relation to aluminium extrusions exported by Yun Sin:

- the goods were exported to Australia from a foreign country in respect of which the notices do not apply (Taiwan);
- before that export, there was another export of the goods from a foreign country (China) to another foreign country (Taiwan);
- the first of those other exports was from a foreign country in respect of which the notices apply (China);
- the goods would be the subject of the notices if they were exported to Australia by an exporter in respect of which the notice applies; and
- sections 8 and 10 of the Dumping Duty Act do not apply to the export of the goods to Australia.

Further information and analysis of the information in respect of Yun Sin is at **Confidential Appendix 15.**

A copy of the ABF compliance assessment on the importer's transactions is at **Confidential Appendix 16.**

4.9.11 V-Power Biotech Limited Partnership

The Commission has found that an ABF compliance assessment on an importer's transactions has been completed and found that for aluminium extrusions imported in the inquiry period and declared as from V-Power Biotech, Thailand, were actually of Chinese origin.

The Commission understands that the importer has acknowledged that the goods originated in China and not Thailand.

The Commission searched the internet and cannot find any evidence that V-Power Biotech manufactures aluminium extrusions.

4.9.11.1 The Commission's conclusion

The Commission considers that aluminium extrusions originating from China have been exported to Australia through Thailand where the manufacturer has erroneously been declared as V-Power Biotech. The basis for the Commission's conclusion being:

- an ABF compliance assessment undertaken has determined that for importations of aluminium extrusions with which V-Power Biotech is declared as the exporter, the goods are in fact of Chinese origin;
- the payment of outstanding IDD, ICD and GST by the importers after being notified of the ABF compliance assessment finding; and
- the lack of evidence that V-Power Biotech manufactures aluminium extrusions.

The Commissioner makes the following preliminary findings in relation to aluminium extrusions exported by V-Power Biotech:

- the goods were exported to Australia from a foreign country in respect of which the notices do not apply (Thailand);

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- before that export, there was another export of the goods from a foreign country (China) to another foreign country (Thailand);
- the first of those other exports was from a foreign country in respect of which the notices apply (China);
- the goods would be the subject of the notices if they were exported to Australia by an exporter in respect of which the notice applies; and
- sections 8 and 10 of the Dumping Duty Act do not apply to the export of the goods to Australia.

Further information and analysis of the information in respect of V-Power Biotech is at **Confidential Attachment 17.**

A copy of the ABF compliance assessment on the importer's transactions is at **Confidential Attachment 18.**

5 SUBMISSIONS RECEIVED

The Commission has received a number of submissions in relation to this inquiry. Non-confidential versions of these submissions are on the public record. The submissions tendered and the Commission's assessment thereof are as follows.

5.1 RCR International Submission¹³

In its submission dated 14 November 2017, RCR International, an importer of aluminium extrusions, maintains that its importations are sourced from a longstanding Thai supplier, and that it is confident that the country of origin of these goods is Thailand. Evidence to substantiate assertions as to the origins of its importations have been provided by RCR International. Further, RCR International submits that while its Thai supplier may source aluminium extrusions that it is unable to produce itself, the sale of such extrusions is confined exclusively to the Thai market.

Refer to **Confidential Appendix 19** of this report for the full submission.

Commission's Assessment

The Commission has not obtained evidence to invalidate RCR International's claims. ABF import data indicates RCR International has been importing from its Thai supplier prior to the imposition of dumping and countervailing duties on Chinese aluminium extrusions exported to Australia.

5.2 Capral's submissions

Capral made several submissions throughout the conduct of the inquiry:

5.2.1 Identification of further parties (29 November 2017)¹⁴

Capral provided the names of several parties that it stated may be involved in transshipment of aluminium extrusions to Australia. The named parties are:

- FIC Logistics;
- RESCO; and
- 3L-Leemark Logistics.

Capral provided the names of other parties that it stated may be involved in transshipment of aluminium extrusions to other countries. The named parties are:

- Qingdao ZHV International Logistics Co., Ltd;
- S-Union Logistics and Forwarding Ltd; and
- First Shipping International Co., Ltd.

Refer to **Confidential Appendix 20** of this report for the full submission.

¹³ Public Record No. 6 refers

¹⁴ Public Record No. 18 refers

5.2.1.1 The Commission's assessment

All the parties named in Capral's submission are freight forwarders and logistics providers. The information provided by Capral concerning these parties indicates their willingness to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that they are themselves exporters of aluminium extrusions. The information does not include any specific evidence that these companies actually have provided such services. The information does not include the names of any exporters or other companies for which these logistics providers have provided services.

The Commission has analysed ABF data and has not found evidence of exports of aluminium extrusions to Australia by these companies in the inquiry period.

The Commission's analysis of these companies and their alleged practices is included in chapter 4 of this SEF.

5.2.2 Identification of Chinese aluminium extruder engaged in transshipment (11 January 2018)¹⁵

Capral's submission included a copy of email correspondence where an Australian importer had been approached by Jiangsu Gerrard Metal Co. Ltd (JS Gerrard), a Chinese aluminium extruder, that suggested to the Australian importer that anti-dumping duties could be avoided by transshipping goods from China through Malaysia to Australia.

Refer to **Confidential Appendix 21** of this report for the full submission.

5.2.2.1 The Commission's assessment

The information provided by Capral concerning JS Gerrard indicates the willingness of JS Gerrard to offer transshipment services to avoid anti-dumping measures.

The information provided by Capral does not provide any details of the party in Malaysia.

The Commission has analysed ABF data and has not found evidence of exports of aluminium extrusions to Australia by JS Gerrard in the inquiry period. The Commission has attempted to contact JS Gerrard in order to obtain more information and the name of the Malaysian party but has received no reply.

The Commission has does not have sufficient information from which it can draw conclusions in respect of JS Gerrard.

5.2.3 Proposed method to obtain direct evidence (5 February 2018) ¹⁶

Capral submitted that it seeks the Commission to prioritise and fully investigate its allegations of transshipment by a certain exporter. Capral also submitted that that is of the belief that the best method by which the Commission could obtain direct evidence to support its claims is for the Commission to covertly conduct a specific activity in collaboration with two organisations that it has nominated.

Refer to **Confidential Appendix 22** of this report for the full submission.

¹⁵ Public Record No. 34 refers

¹⁶ Public Record No. 37 refers

5.2.3.1 The Commission's assessment

The Commission has considered all the information provided to it by Capral in respect of that certain exporter. Further, the Commission has conducted a thorough investigation and on-site verification of that exporter and its affiliated companies. The Commission found no evidence of exports to Australia through third countries in order to avoid anti-dumping measures in respect of that certain exporter.

The Commission considers that the specific arrangement proposed by Capral exposes the Commonwealth to several distinct risks. Further, it is the discretion of the Commissioner to ascertain the nature and scope of evidence warranted to make a positive finding of circumvention activity. As such, a spectrum of approaches can be feasibly adopted to obtain relevant evidence and the Commission does not concur with Capral's position that the suggested approach is the best available option.

5.2.4 Information on freight forwarders and logistic solution providers (27 April 2018) ¹⁷

In its submission of 27 April 2018, Capral named four logistics providers that have promoted services to tranship goods from China through third countries in order to avoid anti-dumping measures. The named parties are:

- Team Well Logistics;
- Top & Profit;
- Settle International; and
- Combine International Logistics.

Capral also named two companies that have proposed to circumvent anti-dumping measures by describing the goods as some other product in its documentation or by modifying the goods description on the bill of lading.

Refer to **Confidential Appendix 23** of this report for the full submission.

5.2.4.1 The Commission's assessment

All four companies that Capral submits promote services to tranship goods from China through third countries in order to avoid anti-dumping measures are freight forwarders and logistics providers.

The information provided by Capral concerning these parties indicates their willingness to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that they are themselves exporters of aluminium extrusions. The information does not include any specific evidence that these companies actually have provided such services. The information does not include the names of any exporters or other companies for which these logistics providers have provided services. The Commission has analysed ABF data and has not found evidence of exports of aluminium extrusions to Australia by these companies in the inquiry period.

The submission by Capral does not provide further information that allows the Commission to draw conclusions beyond those discussed in chapter 4 of this report.

¹⁷ Public Record No. 42 refers

In respect of the other two companies named in Capral's submission, the Commission notes that this inquiry is limited to an examination of whether anti-dumping measures applying to aluminium extrusions have been circumvented by export of the goods through one or more third countries. The Commission considers that false goods descriptions and such false import declarations are not circumvention activities as described in subsection 269ZDBB(4) and are thereby beyond the scope of this inquiry. Such activities may currently be dealt with by other Commonwealth agencies under existing processes to monitor and enforce compliance with import declarations.

5.2.5 Information on freight forwarders and logistic solution providers (28 April 2018)¹⁸

In its submission of 28 April 2018, Capral named one logistics provider and one manufacturer of metal products that have indicated their willingness and ability to provide services to tranship goods from China through third countries in order to avoid anti-dumping measures. The named parties are:

- Goodwill Yield SDN BHD (Goodwill Yield); and
- Shanghai Metal Corporation (SMC).

Refer to **Confidential Appendix 24** of this report for the full submission.

5.2.5.1 Goodwill Yield SDN BHD

Goodwill Yield is a Malaysian company that supplies various consumer products as well the provision of logistics services that include transshipment.

Capral provided documents that include email correspondence from Goodwill Yield. These documents include a dialogue by email in which Goodwill Yield is requested to provide details of transshipment services that it can arrange to avoid anti-dumping measures and the names of companies for which it has done so.

In the documents, Goodwill Yield indicated that it can provide such services and provided a quotation to do so. Goodwill Yield provided details of its suggested process of transshipment from China to Australia through Malaysia, the acquisition of documents and a quotation to do so.

The documents do not provide any specific evidence that Goodwill Yield actually has provided such services in respect of exports to Australia. Nor do they provide the names of any companies for which Goodwill Yield has provided any services.

The Commission has examined ABF data and found no exports to Australia of aluminium extrusions by Goodwill Yield.

The documents also include examples of transshipment that Goodwill Yield claims to have facilitated. Goodwill Yield indicated that it was unwilling to provide such documents in respect of shipments to Australia due to confidentiality requirements. The documents include:

- Bill of Lading;
- Packing List; and

¹⁸ Public Record No. 43 refers

- Certificate of Origin.

These documents pertain to a shipment by AYE Global Sdn Bhd (AYE Global) of Malaysia to the US. The shipment occurred in 2013 which is prior to the inquiry period. Capral did not provide any documents that connect AYE Global to Goodwill Yield. Capral did not provide any evidence that indicates that AYE Global or Goodwill Yield have exported aluminium extrusions from China to Australia through a third country to avoid anti-dumping measures in the inquiry period. The Commission has been unable to acquire any such evidence.

The Commission has analysed ABF data and has not found evidence of exports of aluminium extrusions to Australia by AYE Global in the inquiry period.

5.2.5.2 The Commission's assessment

The information provided by Capral indicates the willingness of Goodwill Yield to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that Goodwill Yield itself is an exporter of aluminium extrusions.

The information provided by Capral does not indicate that any shipments of aluminium extrusions from China through third countries to Australia have been facilitated by Goodwill Yield.

Capral did not provide any evidence that indicates that AYE Global or Goodwill Yield have exported aluminium extrusions from China to Australia through a third country to avoid anti-dumping measures in the inquiry period.

5.2.5.3 Shanghai Metal Corporation

SMC is a Chinese company that supplies a broad range of metal products, including aluminium extrusions.

Capral provided a copy of email correspondence in which SMC is requested to provide details of transshipment services that it can arrange to avoid anti-dumping measures and the names of companies for which it has done so.

In the documents, SMC indicates that it can provide such a service if products are purchased from it.

The document does not provide any specific evidence that SMC actually has provided such services in respect of exports to Australia. Nor does it provide the names of any companies for which SMC has provided any services.

The Commission has examined ABF data and found no exports to Australia of the goods under consideration by SMC. ABF data indicates that exports by SMC were of other products and were declared as of Chinese origin.

5.2.5.4 The Commission's assessment

The information provided by Capral indicates the willingness of SMC to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that SMC itself is an exporter of aluminium extrusions to Australia.

The information provided by Capral does not indicate that any shipments of aluminium extrusions from China through third countries to Australia have been conducted by SMC.

The Commission has no evidence that indicates that SMC has exported aluminium extrusions from China to Australia through a third country to avoid anti-dumping measures in the inquiry period.

5.2.6 Circumvention by transshipment and misclassification of aluminium extrusions (4 May 2018)¹⁹

In its submission of 4 May 2018, Capral named a Chinese manufacturer of fabricated aluminium products that indicated its willingness to avoid anti-dumping measures by describing the goods as some other product in its documentation. In an email, the Chinese manufacturer stated that it could include aluminium extrusions with other products in a container to avoid anti-dumping duties and that it has done so before.

Refer to **Confidential Appendix 25** of this report for the full submission.

5.2.6.1 The Commission's assessment

The Commission notes that this inquiry is limited to an examination of whether anti-dumping measures applying to aluminium extrusions have been circumvented by export of the goods through one or more third countries. The Commission considers that false goods descriptions and false import declarations are not circumvention activities as described in subsection 269ZDBB(4) and are thereby beyond the scope of this inquiry. Such activities may currently be dealt with by other Commonwealth agencies under existing processes to monitor and enforce compliance with import declarations.

5.2.7 Information on freight forwarders and logistic solution providers (31 May 2018)²⁰

In its submission of 31 May 2018, Capral named two parties which it believes have engaged in the circumvention of aluminium extrusions produced in China to Australia. The named parties are:

- Ningbo Eversky International Forwarding Agency (Eversky International); and
- Shenzhen Sunny Worldwide Logistics (SZ) Limited (Sunny Worldwide Logistics).

The parties are listed on a shipping web site.

Refer to **Confidential Appendix 26** of this report for the full submission.

5.2.7.1 Ningbo Eversky International Forwarding Agency

On the web site, Eversky International indicates that it can arrange the export of aluminium extrusions from China through a third country to avoid anti-dumping measures.

5.2.7.2 The Commission's assessment

The information provided by Capral indicates the willingness of Eversky International to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that Eversky International itself is an exporter of aluminium extrusions.

The information provided by Capral does not indicate that any shipments of aluminium extrusions from China through third countries to Australia have been conducted by

¹⁹ Public Record No. 44 refers

²⁰ Public Record No. 47 refers

Eversky International. The Commission has examined ABF data and found no exports to Australia of the goods under consideration by Eversky International.

The Commission has no evidence that indicates that Eversky International has exported aluminium extrusions from China to Australia through a third country to avoid anti-dumping measures in the inquiry period.

5.2.8 Shenzhen Sunny Worldwide Logistics (SZ) Limited

On the web site, Sunny Worldwide Logistics indicates that it can provide transshipment, documentation and repacking service. It also indicates that it can use its name on export documentation to maintain the secrecy of business relationships.

5.2.8.1 The Commission's assessment

The information provided by Capral indicates the willingness of Sunny Worldwide Logistics to offer transshipment services. However, it does not indicate that such services are provided in order to avoid anti-dumping measures.

The information provided by Capral does not indicate that any shipments of aluminium extrusions from China through third countries to Australia have been conducted by Sunny Worldwide Logistics. The Commission has examined ABF data and found no exports to Australia of the goods under consideration by Sunny Worldwide Logistics.

5.2.9 Suspected circumvention by Foshan Sanshui Yongya Aluminium Co., Ltd (6 June 2018, 8 June 2018 and 31 July 2018)²¹

Capral has made three submissions to this inquiry (dated 6 June 2018, 8 June 2018 and 31 July 2018) concerning the alleged involvement of Yongya, a Chinese aluminium extrusions manufacturer, in the circumvention of anti-dumping measures via transshipment. Capral noted to the Commission that Yongya was the applicant of a completed accelerated review of the notices on aluminium extrusions in so far as it was affected by the notices.

Refer to **Confidential Appendices 27, 28 and 29** of this report for the respective full submissions.

5.2.9.1 Submission of 6 June 2018

In the submission of 6 June 2018, Capral provided documents that include a dialogue by email in which Yongya is requested to provide details of transshipment services that it can arrange to avoid anti-dumping measures and the names of companies for which it has done so. In the documents, Yongya indicates that it has exported aluminium profiles to Australia and to Canada for eight years. Yongya states that it can arrange the transshipment of products to Australia and the US to avoid anti-dumping measures.

The documents provided in the submission include:

- no names of companies for which Yongya has provided transshipment services;
- a quotation for transshipment of goods from Malaysia to Canada on the letterhead of Kingtrans addressed to Yongya and stated to be in response to a request for a quotation for transshipment of goods from China to Canada through Malaysia;

²¹ Public Record 48, 49 and 52 refer

- email communication in which Yongya claims that it can provide transshipment solutions to avoid anti-dumping duties and that it has exported to Australia and Canada for the past eight years;
- email communication dated 5 June 2018 with which Yongya stated that it was unable to disclose its Australian customers;
- redacted shipping documentation for aluminium products shipped from Malaysia to Canada;
- a redacted certificate of origin for aluminium plates ²² shipped from Taiwan to India;
- a redacted certificate of origin for aluminium wands ²³ shipped from Thailand to the US;
- a document that purportedly indicates that goods shipped to the US have been cleared by customs;
- a photograph of packages of aluminium extrusions being stored in a warehouse; and
- a photograph of packages of aluminium extrusions either being loaded or unloaded into a container.

5.2.9.2 Submission of 8 June 2018

In the submission of 8 June 2018, Capral provided documents that include:

- a dialogue by email in which Yongya suggests transshipment from China to Australia through Singapore with the company recorded as from Indonesia;
- Yongya's provision of some details of costs involved in transshipment;
- no names of companies for which Yongya has provided transshipment services;
- a redacted bill of lading dated 14 February 2017 for goods shipped from Thailand to Sydney;
- a redacted certificate of origin dated 3 November 2017 for aluminium profiles shipped from Thailand to Perth;
- a redacted bill of lading dated 29 October 2017 for aluminium profiles shipped from Thailand to Perth that includes a note that goods will be transhipped in Malaysia;
- a document that purportedly indicates that goods shipped to the US have been cleared by customs;
- various photographs of packages of aluminium extrusions; and
- a photograph of packages of aluminium extrusions either being loaded or unloaded into a container.

²² This document includes an HS code of 84425010 and together with the description of 'plates' it appears that this document does not relate to the goods under consideration.

²³ 'Wands' appear to be components of vacuum cleaners and may not be the goods under consideration.

5.2.9.3 Submission of 31 July 2018

In its submission of 31 July 2018, Capral provided further information in respect of Yongya as well as Top & Profit:

The documents include:

- a dialogue by email in which Yongya provides various details of the arrangements for transshipment;
- no names of companies for which Yongya has provided transshipment services;
- a redacted bill of lading dated 24 May 2017 for aluminium profiles shipped from Thailand to Canada;
- a redacted bill of lading dated 14 February 2017 for goods shipped from Thailand to Sydney;
- a document that purportedly indicates that goods shipped to the US have been cleared by customs;
- a dialogue by email in which Top & Profit offers to transshipment services;
- no names of companies for which Top & Profit has provided transshipment services;
- a quotation for transshipment of goods from China to the US through Malaysia provided by Top & Profit; and
- a redacted certificate of origin for steel strip shipped from Thailand to the US.

5.2.10 The Commission's assessment

Capral has submitted that the redacted bill of lading dated 14 February 2017 was provided by Yongya as evidence to support its claims that it is able to facilitate transshipment. Details in the bill of lading dated 14 February 2017 match ABF data which indicates that the Thai exporter was Siam Industrial Supplies. It is also the same bill of lading which is referred to in section 4.3 of this report whereby it was concluded that the manufacturer of the goods was Foshan ZP Aluminium and not Siam Industrial Supplies. Further, it is the same bill of lading in the ABF compliance assessment that has found that importations of aluminium extrusions where Siam Industrial Supplies is declared as the exporter are of goods that are actually of Chinese origin.

The quotation for transshipment of goods from Malaysia to Canada on the letterhead of Kingtrans addressed to Yongya appears to indicate that Yongya engages Kingtrans to facilitate transshipment. At section 4.2 of this report, it was found that Kingtrans is willing to offer transshipment services and to obtain false documentation to facilitate such a process and that the Commission considered that a reference by Kingtrans to Siam Industrial Supplies warranted further analysis.

The Commission's analysis of the information provided by Capral indicates the willingness of Yongya to be involved in transshipment of aluminium extrusions. It also suggests that Yongya may engage Kingtrans to facilitate such transshipment. The bill of lading dated 14 February 2017, the Commission's analysis of Kingtrans and the ABF compliance report all suggest that such transshipment may list Siam Industrial Supplies as the exporter of goods that actually originate in China.

However, the information does not allow the Commission to definitively conclude that Yongya has actually exported aluminium extrusions from China to Australia through a

third country to avoid anti-dumping measures in the inquiry period. In accelerated review 460, the Commission examined ABF data and found no exports to Australia of the goods under consideration by Yongya. The review found that Yongya was a new exporter.

The Commission considers that the evidence related to Yongya warrants further inquiry. The Commission has attempted to contact Yongya to discuss the claims made by Capral and has not received any response. The Commission will continue to analyse the activities of Yongya in the course of this inquiry.

The other documents provided by Capral in these submissions relate to exports of goods between countries other than Australia, include exports of products that are not the goods under inquiry, include non-definitive images or have a great deal of missing information. The Commission considers that these particular documents do not allow it to further analyse possible transshipment of the goods under inquiry exported from China to Australia through one or more third countries.

Further information and analysis of the information in respect of Yongya and Siam Industrial Supplies is at **Confidential Appendix 4**.

The documents provided by Capral in relation to Top & Profit provide no further information that allows the Commission to draw any further conclusion than that discussed at section 4.4 of this report.

5.2.11 Submission of 9 July 2018²⁴

In its submission of 9 July 2018, Capral stated that Kingtrans continues to promote its transshipment services to avoid anti-dumping measures.

Refer to **Confidential Appendix 30** of this report for the full submission.

5.2.11.1 The Commission's assessment

The information in this submission concerning Kingtrans indicates its willingness to offer transshipment services to avoid anti-dumping measures. The information does not indicate or suggest that Kingtrans is an exporter of aluminium extrusions. The information does not include any specific evidence that Kingtrans has actually provided such services. The information does not include the names of any exporters or other companies for which Kingtrans may have provided services. The Commission has analysed ABF data and has not found evidence of exports of aluminium extrusions to Australia by Kingtrans in the inquiry period.

The submission by Capral does not provide further information that allows the Commission to draw conclusions beyond those discussed in section 4.2 of this report.

5.2.12 Submission of 15 August 2018²⁵

In its submission of 15 August 2018, Capral states that the findings of the Commission's verification visits of PMI and PMB are contrary to Capral's understanding that importations of aluminium extrusions from Malaysia by PMAA, originated in China. In its submission, Capral states that it anticipates that the Commission will fully investigate the information that it had provided the Commission in respect of the Press Metal Group.

²⁴ Public record 51 refers

²⁵ Public record 56 refers

Refer to **Confidential Appendix 31** of this report for the full submission.

5.2.12.1 The Commission's assessment

The findings of the Commission's verification visits to PMI, PMB and PMAA are set out at section 4.5 of this report and are available on the public record.

The Commission had contacted a representative of an importer who had made statements to Capral alleging circumvention activity being conducted by the Press Metal Group. This statement was confirmed to the Commission, but no further evidence was provided.

The Commission had also attempted to contact certain individuals suggested by Capral but received no answer.

The Commission considers that its preparation for verification visits to PMI, PMB and PMAA was thorough and that it had obtained the necessary information to properly conduct its verification visits and to investigate all relevant matters.

At the visits, the Commission considered all the particular matters that Capral had raised with the Commission. These matters related to various processes and practices related to production, sales, warehousing, packaging, dispatch, product labelling and payment. The Commission conducted its verification and investigation of all the relevant activities of PMI, PMB and PMAA in the investigation period thoroughly.

The Commission found no evidence of exports of aluminium extrusions from China to PMAA through Malaysia, or any other country, to avoid measures.

6 PRELIMINARY FINDINGS

The Commissioner makes the following preliminary findings in relation to aluminium extrusions exported by:

- Zinaco from Thailand;
- Yun Sin from Taiwan;

and by the following exporters from Thailand:

- Bay Enterprise;
- Siam Industrial Supplies; and
- V-Power Biotech;

that

- the goods were exported to Australia from a foreign country in respect of which the notices do not apply;
- before that export, there was another export of the goods from a foreign country (China) to another foreign country;
- the first of those other exports was from a foreign country in respect of which the notices apply (China);
- the goods would be the subject of the notices if they were exported to Australia by an exporter in respect of which the notice applies; and
- sections 8 and 10 of the Dumping Duty Act do not apply to the export of the goods to Australia.

As such, the Commissioner concludes that circumvention activities as described in subsection 269ZDBB(4) have occurred.

7 PROPOSED ALTERATIONS TO NOTICES

Based on the preliminary findings described in this SEF, and subject to any submissions received in response to this SEF, the Commissioner proposes to recommend the Assistant Minister alter the original notices under subsection 269ZDBH(1).

Under subsection 269ZDBH(8), the Assistant Minister's declaration that the original notice be altered may take effect from the day the notices under subsection 269ZDBE(4) or (5) was published. The Commission considers that in this inquiry it is appropriate to recommend that the alterations to the notices take effect from that day.

The Commissioner proposes to recommend, subject to the consideration of submissions made in response to this SEF, that the original notices be altered to include measures, at the rate applicable to uncooperative and all other exporters from China, on exports of the goods from:

- Malaysia by Zinaco;
- Taiwan by Yun Sin; and
- Thailand by:
 - Bay Enterprise;
 - Siam Industrial Supplies; and
 - V-Power Biotech.

8 APPENDICES AND ATTACHMENTS

Confidential Appendix 1	Trade flow monitoring – aluminium extrusions
Confidential Appendix 2	Kingtrans – claims in application
Confidential Appendix 3	Kingtrans analysis
Confidential Appendix 4	Siam Industrial Supplies analysis
Confidential Appendix 5	ABF compliance assessment – Importer 1 (in relation to Siam Industrial Supplies)
Confidential Appendix 6	ABF compliance assessment – Importer 2 (in relation to Siam Industrial Supplies)
Confidential Appendix 7	Top and Profit - claims in application
Confidential Appendix 8	Top and Profit analysis
Confidential Appendix 9	Australian importer comments on PMB group – claims in application
Confidential Appendix 10	Team Well Logistics – claims in application
Confidential Appendix 11	Zinaco analysis
Confidential Appendix 12	Settle Logistics – claims in application
Confidential Appendix 13	Bay Enterprise analysis
Confidential Appendix 14	ABF compliance assessment (in relation to Bay Enterprise)
Confidential Appendix 15	Yun Sin analysis
Confidential Appendix 16	ABF compliance assessment (in relation to Yun Sin)
Confidential Appendix 17	V-Power Biotech analysis
Confidential Appendix 18	ABF compliance assessment (in relation to V-Power Biotech)
Confidential Appendix 19	RCR International 14 November 2017 Submission
Confidential Appendix 20	Capral 29 November 2017 Submission
Confidential Appendix 21	Capral 11 January 2018 Submission
Confidential Appendix 22	Capral 5 February 2018 Submission
Confidential Appendix 23	Capral 27 April 2018 Submission
Confidential Appendix 24	Capral 28 April 2018 Submission
Confidential Appendix 25	Capral 4 May 2018 Submission
Confidential Appendix 26	Capral 31 May 2018 Submission
Confidential Appendix 27	Capral 6 June 2018 Submission
Confidential Appendix 28	Capral 8 June 2018 Submission
Confidential Appendix 29	Capral 31 July 2018 Submission
Confidential Appendix 30	Capral 9 July 2018 Submission
Confidential Appendix 31	Capral 15 August 2018 Submission