

13 September 2017

Mr Reuben McGovern
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Anti-Dumping Commission
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Public File

Dear Mr McGovern

Investigation No. 392 – Statement of Essential Facts – Review of measures applicable to aluminium extrusions exported from P R China

I. Introduction

I refer to Statement of Essential Facts No. 392 (“SEF 392”) concerning the review of measures applicable to exports of aluminium extrusions from the People’s Republic of China (“China”).

Capral Limited (“Capral”) welcomes the findings of the Anti-Dumping Commission (“the Commission”) that is proposing to recommend to the Parliamentary Secretary that the dumping duty notice and countervailing duty notice have effect as if different variable factors have been ascertained for all exporters generally. The Commission’s findings confirm that all Chinese exporters of aluminium extrusions to Australia exported aluminium extrusions at dumped prices during the investigation period 1 January 2016 to 31 December 2016.

II. Review

The review investigation follows applications made by:

- Guangdong Haomei Aluminium Co., Ltd (“Haomei”);
- Guangdong YaoYinShan Aluminium Co., Ltd (“YaoYinShan”);
- PanAsia Aluminium (China) Co., Ltd (“PanAsia”); and
- Guangdong Jinxiecheng AL Manufacturing Co., Ltd (“Jinxiecheng”).

The Commissioner (in accordance with subsection 269ZC(4)(b)) decided to extend the review investigation to all exporters the subject of the measures due to the basis upon which the applications were made – that raw material inputs used in the manufacture of aluminium extrusions had changed.

Due to the large number of exporters of aluminium extrusions (“the goods”) and exporter questionnaire responses received, the Commission has undertaken a sampling approach for cooperative exporters. Exporters considered ‘selected’ exporters include:

- Tai Shan City Kam Kui Aluminium Extrusion Co., Ltd (“Kam Kui”);
- Guangdong Zhongya Aluminium Company Limited (“Zhongya”);

- PanAsia;
- Guang Ya Aluminium Industries Co., Ltd (“Guang Ya”); and
- Jinxi Cheng.

Each of the five selected exporters cooperated with the review. The Commission included a further two non-selected exporters – Goomax Metal Co., Ltd, Fujian (“Goomax”), and Foshan Shunde Beijiao Jiawei Aluminium Factory (“Jiawei”) in the review.

Residual exporters were identified by the Commission as follows:

- Foshan Guangcheng Aluminium Co., Ltd (“Guangcheng”);
- Foshan JMA Aluminium Co., Ltd;
- Foshan Yatai PVC and ALU Co., Ltd;
- Guangdong Jiahua Aluminium Co., Ltd;
- Guangdong JMA Aluminium Profile Factory (Group) Co., Ltd;
- Guangdong Xingfa Aluminium Co., Ltd;
- Haomei;
- JiangYin East China Aluminium Technology Co., Ltd;
- JMA (HK) Company Limited;
- PMI; and
- Suzhou Union Metal Co., Ltd.

The Commission conducted on-site verification visits with Kam Kui, PanAsia, Guang Ya and Jinxi Cheng.

III. Review findings

In earlier investigations (most recently Investigation No. 287) the Commission has found that a particular market situation for aluminium extrusions is evident in China. In the absence of cooperation from the Government of China (“GOC”) the Commission has again determined that the GOC continues to influence the primary aluminium and aluminium extrusions sectors in China, resulting in “*significantly different aluminium extrusion prices, compared to what would have been the case if the relevant markets operated without significant GOC intervention.*”

Further, the Commission stated:

“The Commission recognises that the impact of these GOC influences on supply are extensive, complex and manifold, and their resulting impact on the price of aluminium extrusions is not able to be easily quantified. However, available information and the Commission’s analysis indicates that these influences are likely to have had a material impact on the domestic price of aluminium extrusions in the review period, such that prices of aluminium extrusions are no longer suitable for determining normal value under subsection 269TAC(1).”¹

In light of the particular market situation finding applicable to aluminium extrusions sold in China, the Commission has determined normal values for Chinese exporters under subsection 269TAC(2)(c) on a constructed cost basis, and has done so in accordance with sections 43, 44 and 45 of the *Customs (International Obligations) Regulation 2015* (“the Regulations”).

Capral supports the Commission’s finding that a particular market situation applies to aluminium extrusions sold domestically in China.

In determining that a particular market situation applies for aluminium extrusions sold in China, the Commission has established that the exporters’ records do not reasonably reflect competitive market costs for the production or manufacture of the goods. In particular, the cost of aluminium in China, which accounts for a major proportion of total manufacturing costs for aluminium extrusions, is influenced by the GOC and does not reflect competitive market costs.

¹ Statement of Essential Facts No. 392, P. 57.

The Commission has therefore surrogated aluminium costs into the exporter's manufacturing costs. The benchmark aluminium cost comprises:

- A published price for primary aluminium (LME cash price);
- A regional premium (MJP premium);
- Inland transport costs;
- A billet premium reflecting the additional cost to convert an ingot to a billet for use in the production of aluminium extrusions.

A level of profit has been determined by reference to the exporter's records (in accordance with Regulation 45(2)).

The Commission determined that all exports of aluminium extrusions during the investigation period were at dumped prices. The dumping margins determined were as follows:

Exporter	Dumping margin
Kam Kui	21.0%
Pan Asia	46.1%
Guang Ya	18.8%
Jinxiecheng	3.6%
Jiawei	3.6%
Goomax	11.1%
Residual exporters	28.6%
Uncooperative and all other exporters	64.4%

In respect of countervailing, the Commission determined the following margins:

Exporter	Subsidy margin
Kam Kui	6.7%
Zhongya	0.1%
Pan Asia	2.4%
Guang Ya	0.3%
Jinxiecheng	0.0%
Jiawei	0.0%
Goomax	2.3%
Residual exporters	2.0%
Uncooperative and all other exporters	10.8%

The Commission's findings confirm that even with anti-dumping and countervailing measures in place, the exporters have not raised export prices to reflect increases in raw material input costs to ensure that injury from dumping and subsidisation does not re-occur.

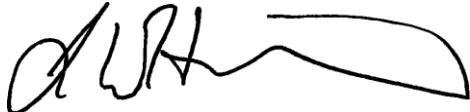
IV. Conclusions

Capral welcomes the Commission's findings in SEF 392. The findings confirm Capral's view that exports of aluminium extrusions from China have continued to cause injury that is material to the Australian industry manufacturing like goods. The proposed revised variable factors reflect contemporary prices and will assist the industry's competitiveness against Chinese exports.

Capral supports the Commissioner's assessment that subsections 8 (5BAAA(a) and 10 (3DA)(c) of the Dumping Duty Act apply, and the Parliamentary Secretary, therefore, is not mandated to consider the lesser duty rule for the purposes of subsections 8 (5BA) and 10 (3D) of the Dumping Duty Act. On this basis, Capral supports the Commissioner's proposed recommendation to the Parliamentary Secretary that the full dumping and subsidy margins be applied to interim dumping duty ("IDD") and interim countervailing duty ("ICD") taken in relation to aluminium extrusions exported to Australia from China.

If you have any questions concerning this letter, please do not hesitate to contact me on (02) 8222 0113 or Capral's representative Mr John O'Connor on (07) 3342 1921.

Yours sincerely

A handwritten signature in black ink, appearing to read 'LHAWKINS', followed by a long, sweeping horizontal flourish.

Luke Hawkins
General Manager – Supply and Industrial Solutions