

22 May 2023

Case Manager
Investigations 4
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Dear Sir/Madam

Public File

Accelerated Review investigation No. 619 – Qingyuan XinYueYa Aluminium Industry Co., Ltd

I. Introduction

Capral Limited (“Capral”) refers to the Exporter Questionnaire Response (“EQR”) for Qingyuan XinYueYa Aluminium Industry Co., Ltd (XinYueYa”) placed on the EPR in Accelerated Review Investigation No. 619 on 22 May 2023.

We seek to address a number of matters concerning the exporter’s EQR.

II. XinYueYa Exporter Questionnaire Response

XinYueYa confirms in its application that it has not exported aluminium extrusions (“the goods”) previously to Australia.

XinYueYa is seeking to have individual measures based upon its own normal values and export prices applied to its future exports of the goods to Australia. As XinYueYa has not exported to Australia in the investigation period, the Commission should determine an export price for XinYueYa under subsection 269TAB(3) having regard to all relevant information.

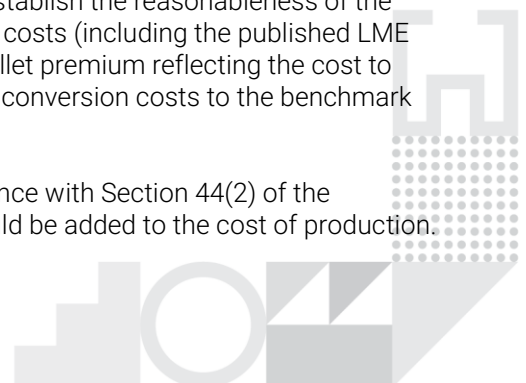
In Accelerated Review Investigation No. 530, the Commissioner recommended that the ascertained export price for the applicant – Foshan Lvqiang Metal product Co., Ltd “be set at the same amount as that determined to be the normal value”. Capral anticipates that in determining the ascertained export price for XinYueYa in this investigation, it is also determined at the level applicable to the exporter’s normal value.

III. Normal value

The Commission has maintained its view that a particular market situation continues to apply in China for aluminium extrusions (Report 543).

The Commission has therefore determined normal values for the exporter based upon the constructed normal value methodology under subsection 269TAC(2)(c). The Commission will need to establish the reasonableness of the exporter XinYueYa’s production costs, make an adjustment for the aluminium costs (including the published LME price for primary aluminium, the MJP premium, inland transport costs and a billet premium reflecting the cost to convert ingots to a billet in the manufacture of the goods) and add XinYueYa’s conversion costs to the benchmark aluminium price.

Amounts for selling, general and administrative expenses (“S,G&A”) in accordance with Section 44(2) of the Regulations, and profit in accordance with Section 45(2) of the Regulation would be added to the cost of production.



In examining relevant adjustments to the exporter's normal value, we highlight with the Commission the finding in Report 530 that "*the findings in previous aluminium extrusion cases generally support that the cost of packaging for export sales was generally higher than for domestic packaging*". This is due to the cost of trolleys used in storing the goods in containers and additional packaging costs to protect the goods during transportation. As such, we anticipate the Commission will make upwards adjustments for export packaging costs to XinYueYa's normal value.

I. Subsidies

XinYueYa's EQR response confirms that the company is considered a "High Tech Enterprise" and as such receives a concessional rate of taxation for a period of time. The normal rate of company tax in China is 25 per cent. The concessional rate is understood to be 15 per cent.

XinYueYa also indicates it has received grants from the Government of China ("GOC") that are not listed at Section I – Countervailing in the Exporter Questionnaire. Capral requests the Commission to separately identify the unnamed subsidy programs and establish the benefit that has passed to XinYueYa during the investigation period.

It is also noted that XinYueYa is located in Guangdong Province. It is recalled that the Guangdong provincial government has historically provided grants to companies located within the province. For example, the government of Guangdong province administers the Grant that provides "Awards to Enterprises of Guangdong province Whose Products Qualify for the Title 'China Worldwide Famous Brand', 'China Famous Brand', or 'China Well-Known Brand'". The Commission is urged to investigate with XinYueYa all grants that it may be in receipt of during the investigation period.

The Commission must be satisfied that XinYueYa has not received benefits under any other program (whether identified or otherwise) in its assessment of the ICD to be applied to the exporter.

II. Non-Injurious price

Consistent with Accelerated Review Investigation 530, Capral recommends that the Commissioner be satisfied that as the situation in the Chinese aluminium market is such that sales are not suitable for normal value purposes (i.e. a particular market situation exists), and the Minister is therefore not required to consider the lesser duty rule.

As the lesser duty would not be considered, Capral proposes that the full dumping margin be applied to any IDD in respect of XinYueYa's exports to Australia.

III. Form of measures

XinYueYa's exports to Australia would be subject to the "all other exporters" effective rate of duty. Capral recommends that in respect of any IDD that becomes payable by XinYueYa that the duty method payable is based upon the combination method (i.e. the fixed and variable components).

Additionally, in the event there is an ICD payable, the duty collected is the sum of the IDD and ICD on XinYueYa's exports to Australia.

IV. Closing remarks

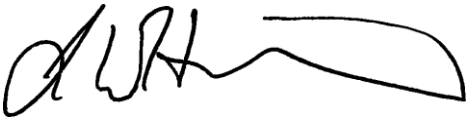
It is apparent that there is an increase in the number of applications for accelerated reviews for aluminium extrusions and that this places pressures on an already resourced-constrained Commission.

It is therefore important that the Commission is diligent in requiring full compliance by exporters in providing adequate supporting evidence to permit the determination of normal values and export price. Where sufficient supporting information has not been furnished, Capral requests that the investigation be terminated.



If you have any questions concerning this submission 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



Luke Hawkins
General Manager – Supply and Industrial Solutions

