

15 December 2022

[REDACTED]
Case Manager
Investigations 3
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Dear Mr Hawke

Public File

investigation No. 609 – Review of variable factors – Tai Shan Kam Kiu Aluminium Extrusions Co., Ltd Exporter Questionnaire Response

I. Exporter Questionnaire

We refer to the recently published Tai Shan Kam Kiu Aluminium Extrusions Co., Ltd (“Kam Kiu”) Exporter Questionnaire Response (“EQR”) in review of variable factors investigation No. 609 (“Invest 609”).

Capral Limited (“Capral”) has reviewed the Kam Kiu EQR. A number of matters within the EQR requires a response.

II. Export price

Capral identified in its exporter briefing for Chinese exporters (EPR Document No. 013) in Invest 543 the Commission again determined that the selling price between the parties involved in the export of aluminium extrusions to Australia – being Kam Kiu the Chinese manufacturer, Kam Kiu (Hong Kong) as the selling agent and Kam Kiu Australia – was influenced by the relationship of the parties.

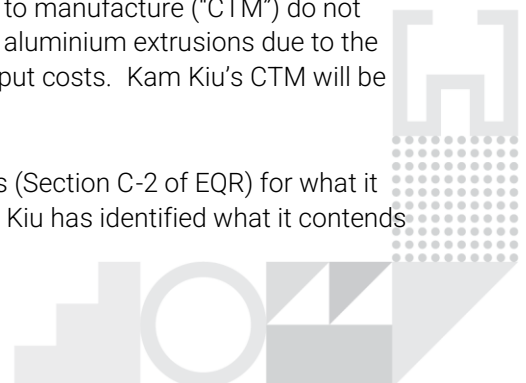
The non arms-length manner of the export sales was also confirmed in earlier investigations (Including Invest 482).

Capral’s examination of the EQR (Section B-1) confirms that three related parties are again involved in the export sales for aluminium extrusions to Australia. Capral urges the Commission to examine the profitability of the export transactions and, as in earlier investigations, determined export price for Kam Kiu’s export sales to Australia in accordance with subsection 269TAA(1)(b) based upon the invoice price from Kam Kiu Australia to its Australian customers (less prescribed deductions).

III. Normal value

Capral anticipates that the Commission will again confirm that Kam Kiu’s cost to manufacture (“CTM”) do not reasonably reflect competitive market costs associated with the production of aluminium extrusions due to the influences of the Government of China (“GOC”) over raw material aluminium input costs. Kam Kiu’s CTM will be determined in accordance with section 43(2) of the Regulation.

Kam Kiu has again sought profit to be excluded from normal value calculations (Section C-2 of EQR) for what it describes as “high-end products” sold on the Chinese domestic markets. Kam Kiu has identified what it contends are high-end products in its spreadsheet of domestic sales.



Capral requests that the Commission examine specification data for each of the claimed “high-end” models to validate whether these goods can be correctly claimed as specialized goods that involve:

- (a) Tighter manufacturing tolerances;
- (b) Higher grades of alloy (i.e. would be identified in a product brochure);
- (c) Additional processing (examine standard costs);
- (d) Additional preparation prior to coating; and
- (e) Detailed finished (confirm type of finish).

It is not acceptable for Kam Kiu to merely identify sales that it considers are “high-end” models and the profit on these products is routinely excluded from Kam Kiu’s normal value calculations.

IV. Packaging

Section E-2 of Kam Kiu’s EQR states that Kam Kiu does not show “differences between domestic sales and export sales to Australia” for packaging costs.

Capral has raised this matter in each of its recent exporter briefings with the Commission. The Commission has established that there exist differing packaging costs between domestic and export sales of aluminium extrusions. Certain exporters elect not to identify the differing costs and dismiss by stating there is no difference in packaging costs between domestic and export sales.

Capral urges the Commission to utilise information verified with another Chinese exporter of the goods to Australia to accurately apply adjustments to Kam Kiu’s normal value.

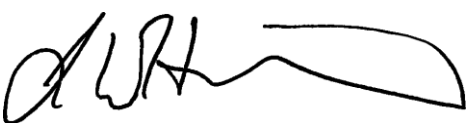
V. Other matters

Capral has also identified higher costs to the Chinese aluminium extruders during the investigation period including for a billet premium as charged by the aluminium smelters (China is not different to aluminium smelters in other countries). The premiums apply to the base billet and added into the purchase price.

Additionally, aluminium extruders incurred higher billet and energy costs than as was experienced in early investigation periods examined by the Commission. Premiums for aluminium ingot and energy costs were higher in the 2021/22 investigation period than in earlier investigations and should be reflected in the Kam Kiu CTM.

If you have any questions concerning the items raised in this submission in respect of relevant consideration to the Kam Kiu EQR 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

