SUBMISSION TO THE ANTI-DUMPING COMMISSION

Investigation 691

Aluminium Windows and Doors from China

Domestic Industry Structure as an Alternative Cause of Price and Cost Disadvantage

Submitted by	EcoEco Windows & Doors Pty Ltd
Date	26 August 2026
Subject	Alternative causation - Australian system-owner/manufacturer/fabricator structure

1. Purpose of this submission

EcoEco submits that, before any price disadvantage suffered by Australian window manufacturers is attributed to alleged distortion in China, the Commission should examine whether the structure of the Australian aluminium window industry itself has materially contributed to the domestic cost base.

This submission does not presently seek to quantify that effect. It raises a serious alternative causation issue which EcoEco believes should be considered before the Statement of Essential Facts.

If the Commission is examining whether Chinese input costs reflect competitive market conditions, should it not also examine whether the Australian industry's own supply structure produces competitive manufacturing costs?

2. The issue is particularly relevant now

The Commission's recently published comparative assessments of Altop Facade Co., Ltd and Zhuhai Yipeng Technology Co., Ltd confirm that the alleged particular market situation in China remains unresolved.

In the Altop assessment, the Commission states that it has not fully considered whether the exporter's production records reasonably reflect competitive market costs because the investigation includes a particular market situation claim. It specifically identifies aluminium extrusions and glass as inputs under consideration and says the matter will be addressed in SEF 691.

Reference: EPR 691, document 457, Altop Facade Co., Ltd, sections 1.3.3-1.3.4.

The Zhuhai Yipeng assessment reaches the same point. The Commission records that the investigation includes a claim that inputs including aluminium extrusions and glass do not reasonably reflect competitive market costs and states that this question will be considered further in the SEF.

Reference: EPR 691, document 458, Zhuhai Yipeng Technology Co., Ltd, sections 1.3-1.3.4.

EcoEco accepts that this is a legitimate matter for investigation. However, the analysis should not stop at China.

If an Australian finished window is materially more expensive than an equivalent imported finished window, there are at least two possible explanations:

1. the overseas product is being sold at an unfairly low price; or
2. the Australian product is being produced through a higher-cost domestic industry structure.

Those possibilities must be distinguished.

3. The Australian system-owner/manufacturer/fabricator model

A significant part of the Australian aluminium window industry operates through proprietary window systems.

Historically, some system owners were principally system suppliers, supplying aluminium extrusions, hardware and associated components to independent fabricators which manufactured the finished windows and doors.

EcoEco's industry experience is that, over approximately the last two decades, there has been substantial growth in a different model: system owners which both manufacture finished windows themselves and supply proprietary systems and components to networks of independent downstream fabricators.

This creates an important economic relationship.

The system owner may earn margin from supplying aluminium, hardware and proprietary components to an independent fabricator while also competing with that fabricator in the market for finished windows.

The commercial incentive for the upstream system owner is readily understandable. A system owner can earn substantial margin from the sale of aluminium and proprietary components without necessarily carrying all of the costs and risks associated with manufacturing every finished window sold through its system.

The downstream fabricator must then carry, among other things:

- factory occupancy
- machinery and maintenance
- fabrication labour
- supervision
- administration
- wastage
- production inefficiency
- capacity utilisation risk
- quality control
- warranty exposure
- its own required profit margin

The result can be multiple layers of cost and margin before the finished window reaches the market.

4. A possible structural consequence

EcoEco submits that this model raises a serious economic question.

Where a system owner can profit both from manufacturing finished windows itself and from supplying aluminium and components to independent fabricators, it may have a commercial incentive to expand the downstream fabrication network even where that is not necessarily the lowest-cost method of producing the finished product.

The Australian industry may consequently contain significant fragmented manufacturing capacity, with numerous individual fabricators each supporting their own factory, equipment, management, labour and overhead base.

That structure may be commercially rational for the upstream system owner. It does not necessarily follow that it produces the lowest-cost finished window.

By contrast, an integrated manufacturer may procure raw materials at scale, manufacture or source key inputs efficiently, fabricate complete windows in larger production runs and absorb overhead across substantially greater output.

The resulting lower finished-window price may therefore reflect industrial organisation, scale, integration and productivity, rather than dumping.

That distinction is fundamental to causation.

5. The empirical question

There is a straightforward way to test the issue.

> **What did a system owner that also manufactured finished windows charge for a completed window, compared with the price charged by an independent downstream fabricator manufacturing substantially the same window from that system owner's proprietary aluminium and components?**

A matched comparison could consider:

- the same window system
- the same or substantially similar size
- the same glazing
- the same hardware
- the same finish
- the same performance specification
- the same period

If the vertically integrated system owner was capable of manufacturing and selling the finished window materially below the downstream fabricator's selling price, that would be relevant evidence concerning the cost consequences of the domestic industry structure.

It would also permit examination of the relationship between the system owner's margin on aluminium and components and the downstream fabricator's additional manufacturing cost and margin.

This comparison may be particularly informative where the system owner is simultaneously the downstream fabricator's supplier and its competitor in the finished-window market.

EcoEco does not presently advance a numerical conclusion because it has not yet assembled a sufficiently controlled matched-price dataset. That absence of quantification does not make the question irrelevant. It means the issue should be investigated before conclusions are drawn.

6. Why this matters to injury and causation

Anti-dumping measures are intended to remedy injury caused by dumped goods.

They should not protect a domestic cost structure from competition where that cost structure itself materially contributes to the alleged injury.

If Australian producers suffer from:

- fragmented production
- duplicated overhead
- under-utilised plant
- small production runs
- higher labour intensity
- upstream margins embedded in proprietary systems
- inefficient allocation of manufacturing capacity

those are relevant non-dumping causes of price and profitability pressure.

The Commission should therefore be cautious about treating the difference between an Australian selling price and a Chinese selling price as evidence that the distortion necessarily lies in China.

A high domestic price is not, by itself, evidence of an unfairly low import price.

7. The relevance of the Commission's current exporter findings

The recent Altop and Zhuhai Yipeng assessments make this issue particularly important.

The Commission has found that both exporters produced and sold like goods in China and that their domestic products were manufactured using the same facilities, raw material inputs and production processes as their Australian export goods.

References: EPR 691, document 457, section 1.3.1; EPR 691, document 458, section 1.3.1.

The Commission also found their Chinese domestic sales were made at arm's length and that their accounting records complied with Chinese generally accepted accounting principles.

References: EPR 691, document 457, sections 1.3.2-1.3.3; EPR 691, document 458, sections 1.3.2-1.3.3.

The unresolved question is whether those actual Chinese production costs and domestic market prices should nevertheless be displaced or adjusted because of the alleged particular market situation.

EcoEco submits that this makes examination of the Australian cost structure even more important.

If real Chinese commercial transactions are to be questioned on the basis that underlying input prices may be distorted, the Commission should also ask whether the Australian comparison price incorporates structural inefficiencies, duplicated costs or layered margins unrelated to dumping.

8. A possible perverse outcome

There is a broader economic risk.

If Australia's domestic industry structure has become unnecessarily expensive, anti-dumping measures may protect that structure rather than encourage it to improve.

The effect could be to raise the Australian market price sufficiently to permit a fragmented or higher-cost manufacturing model to compete with a more integrated one.

That would not remove the underlying cost disadvantage. It would transfer it to the purchaser.

Australian builders, developers and ultimately consumers would pay the difference.

EcoEco submits that this possibility deserves careful consideration before measures are recommended.

9. EcoEco's submission

EcoEco does not ask the Commission to accept, without evidence, that the Australian industry structure is the principal cause of injury.

It asks the Commission not to assume the opposite.

The existence and magnitude of this possible domestic cost effect are capable of investigation.

Relevant information may be available from Australian system owners which both:

- manufacture and sell finished windows themselves
- supply proprietary aluminium systems and components to independent downstream fabricators

Matched pricing and cost information from those businesses could provide valuable evidence as to whether the domestic industry structure itself contributes materially to the observed price differential.

10. Conclusion

The Commission is presently considering whether aluminium and glass costs in China reasonably reflect competitive market conditions.

EcoEco submits that the inquiry should be symmetrical.

Before concluding that the price distortion lies overseas, the Commission should examine whether Australia's own aluminium window supply structure has increased the domestic cost of producing finished windows.

What does it cost to manufacture a window efficiently - not what does it cost to preserve the existing Australian method of manufacturing it?

If the Australian industry's cost disadvantage arises partly from fragmented production, duplicated overhead and margins embedded throughout the domestic supply chain, that effect must be distinguished from injury caused by dumped imports.

Otherwise, there is a risk that an Australian structural cost disadvantage will be attributed to China and then protected by tariff.

Trade remedies should address dumping. They should not convert domestic inefficiency into the benchmark for a competitive market.