

**Australian Government** 

Department of Industry, Innovation and Science Anti-Dumping Commission

# Application for a review of anti-dumping measures

# APPLICATION UNDER SECTION 269ZA OF THE CUSTOMS ACT 1901 FOR A REVIEW OF ANTI-DUMPING MEASURES

In accordance with section 269ZA of the *Customs Act 1901* (the Act), I request that the Anti-Dumping Commissioner initiate a review of anti-dumping measures in respect of the goods the subject of this application to:

1.		<b>revise the level of the measures</b> because one or more of the variable factors relevant to the taking of measures have changed (a variable factors review)
		In this case the factors that I consider have changed are:
		✓ normal value
		export price
		non injurious price
		Subsidy
		The variable factors review is in relation to:
		a particular exporter: <i>Guangdong Huachang Aluminum Factory Co.,Ltd.</i>
		exporters generally
	or	
2.		<b>revoke the measures</b> because the anti-dumping measures are no longer warranted (a revocation review)
		In this case the measure I consider should be revoked is:
		the dumping duty notice
		the countervailing duty notice
		the undertaking
		The revocation review is in relation to:
		a particular exporter ( <i>if so provide name and country details</i> )

### NOTE

exporters generally

Where seeking variable factors review as well as a revocation review, indicate this in *both* 1 and 2 above.

### DECLARATION

### PUBLIC RECORD

I believe that the information contained in this application:

- provides reasonable grounds for review of the anti-dumping measure; and
  - is complete and correct to the best of my knowledge and belief.

Signature:

Name: Tan'Bo Dao

Position: Sales Manager

Company: Guangdong Huachang Aluminum Factory Co.,Ltd.

ABN: Not applicable

Date: 12 November 2018

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Signature	PUBLIC RECORD Where the application is made:
requirements	<i>By a company</i> - the application must be signed by a director, servant or agent acting with the authority of the body corporate.
	By a joint venture - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.
	<i>On behalf of a trust</i> - a trustee of the trust must sign the application.
	By a sole trader - the sole trader must sign the application.
	<i>In any other case</i> - contact the Commission's client support section for advice.
Assistance with the application	The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the <i>'Instructions and guidelines for applicants: Application for review or revocation of measures'</i> on the Commission's website.
	The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:
	<b>Phone</b> : 13 28 46 or +61 2 6213 6000 (outside Australia)
	<b>Fax</b> : (03) 8539 2499 or +61 3 8539 2499 (outside Australia)
	Email: clientsupport@adcommission.gov.au
	Other information is available from the Commission's website at <u>www.adcommission.gov.au.</u>
Review Period	www.adcommission.gov.au. Small and medium enterprises (i.e., those with less than 200 full- time staff, which are independently operated and which are not a related body corporate for the purposes of the <i>Corporations Act</i> 2001), may obtain assistance, at no charge, from the International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA
	<ul> <li>www.adcommission.gov.au.</li> <li>Small and medium enterprises (i.e., those with less than 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the <i>Corporations Act</i> 2001), may obtain assistance, at no charge, from the International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA Service Hotline on +61 2 6213 7267.</li> <li>The review period is <i>generally</i> the 12 month period preceding the initiation date and ending on the most recently completed month or</li> </ul>
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Period	<ul> <li>www.adcommission.gov.au.</li> <li>Small and medium enterprises (i.e., those with less than 200 full- time staff, which are independently operated and which are not a related body corporate for the purposes of the <i>Corporations Act</i> 2001), may obtain assistance, at no charge, from the International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA Service Hotline on +61 2 6213 7267.</li> <li>The review period is <i>generally</i> the 12 month period preceding the initiation date and ending on the most recently completed month or quarter.</li> <li>For the purposes of information requested in this application, please consider the review period as the 12 month period ending on the most recently completed quarter prior to the date that you submit the application.</li> <li>The actual review period will be set by the Commissioner if a review is initiated, and may differ to that used by the applicant in the application form.</li> <li>Provide details of the name, street and postal address, of the</li> </ul>

- 4. Describe your interest as an affected party (e.g. are you concerned with the exportation of the goods, the importation of the goods, or part of the Australian industry, or acting on behalf of the Government of an exporting country).
- 5. Provide details of the current anti-dumping measure(s) the subject of this review application and the goods subject to the measure(s), including:
  - tariff classification
  - the countries and/or companies
  - specified date of publication of the measure
- 6. If you are an exporter of the goods the subject of this application please answer the following questions:
  - Have you exported the goods to Australia during the review period?
    - If yes, what was the total quantity and total value of the goods exported to Australia during the review period?
  - Have you previously (prior to the review period) exported the goods to Australia?
    - If yes, please provide the total quantity and total value of the goods exported to Australia each year during the three years prior to the review period.
  - Have you exported like goods to countries other than Australia during the review period?
    - If yes, please provide the total quantity and total value of exports of the goods to each other country during the review period. Please indicate if any of the sales are to a related party.

NB: In relation to the goods the subject of this application, 'like goods' means goods that are identical in all respects to the goods the subject of this application or, although not alike in all respects to the goods the subject of this application, have characteristics closely resembling those goods (s 269T(1) refers).

NB: Please note you must provide this information if you are an exporter of the goods the subject of the application. If you are not an exporter of the goods, you may choose to provide information relevant to this question.

7. Provide the names, addresses, telephone numbers and facsimile numbers of other parties likely to have an interest in this matter e.g. Australian manufacturers, importers, exporters and/or users.

- the amount by which that factor is likely to have changed since anti-dumping measures were last imposed, and evidence in support; and
- in your opinion the causes of the change and whether these causes are likely to persist.

Application	If you are applying for a revocation review (in box 2 above), provide a
for a	detailed statement setting out your reasons.

revocation review	PUBLIC RECORD Include evidence in support of your view that there are reasonable grounds for asserting that the measures are no longer warranted. Refer to the ' <i>Instructions and guidelines for applicants: Application for</i> <i>review or revocation of measures</i> ' as part of preparing your response. If you consider anti-dumping measures are no longer warranted because of:
	<ul> <li>no dumping or no subsidisation: provide evidence that there is no dumping, or no subsidy, and why dumping or subsidisation is unlikely to recur if measures were revoked.</li> </ul>
	<ul> <li>no injury: provide evidence that there is no current injury, and there is unlikely to be a recurrence of injury if the measures were to be revoked.</li> </ul>
Lodgement of the	In accordance with subsection 269SMS(2) of the Act, this application, together with the supporting evidence, must be lodged by either:
application	<ul> <li>preferably, email, using the email address</li> </ul>
	clientsupport@adcommission.gov.au, or
	post to:
	The Commissioner of the Anti-Dumping Commission GPO Box 2013 Canberra ACT 2601, or
	<ul> <li>facsimile, using the number (03) 8539 2499 (or +61 3 8539 2499 if outside Australia)</li> </ul>
Public Record	During a review all interested parties are given the opportunity to defend their interests, by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission's website at <u>www.adcommission.gov.au.</u>
	At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application <u>must</u> be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the review, or, if those reasons cannot be summarised, a statement of reasons why summarisation is not possible. If you cannot provide a non-confidential version, contact the Commission's client support section for advice.

### PUBLIC RECORD Guangdong Huachang Aluminium Co., Ltd Application for Review of Measures

### **Required Information:**

### **Applicant:**

Guangdong Huachang Aluminum Factory Co., ltd. ("Huachang")

No. 3, Changhongling Industrial Zone 4 Road, ShiShan Town, Nanhai District of Foshan City, Guangdong Province, China.

### **Contact person:**

<u>Company:</u> Mr. Tan Bo Dao Sales Manager Phone: +86 13825520136 Fax: +86 0757-85558931 Email: Exp20@huachang-alu.com

<u>Advisor:</u> Mr. Cai Kaiming Phone:+86 10 58137525 Fax: +86 10 58137525 Email: kaiming.cai@dentons.cn

### Other parties supporting this application:

N/A

### Interest as an affected party

Huachang is engaged in the exportation of aluminium extrusions from China.

### Details of the current anti-dumping measures

### Goods description:

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 as extruded (mill), mechanical, anodized or painted or otherwise coated, whether or not worked, having a wall thickness or diameter greater than 0.5 mm., with a maximum weight per metre of 27 kilograms and a profile or 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. For example, 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.

### Tariff classification:

The goods are generally, but not exclusively, classified to the following tariff subheadings in Schedule 3 to the Customs Tariff Act 1995:

7604.10.00/06 7604.21.00/07 7604.21.00/08 7604.29.00/09 7604.29.00/10 7608.10.00/09 7608.20.00/10 7610.10.00/12 7610.90.00/13

The countries subject to the notice:

People's Republic of China

Specified date of publication of the measure:

On 28 October 2010, the Attorney General published a dumping duty and countervailing duty notice for aluminium extrusions exported to Australia from China.

On 27 August 2011, the Attorney General published a new notice following a reinvestigation, replaced the dumping and countervailing duty notice published on 28 October 2010.

On 19 August 2015, the Parliamentary Secretary to the Minister for Industry and Science published a new notice following a reinvestigation, replaced the dumping and countervailing duty notice published on 27 August 2011.

On 10 November 2017, the Parliamentary Secretary to the Minister for Industry and Science published a new notice following a reinvestigation, replaced the dumping and countervailing duty notice published on 19 August 2015.

### **GROUNDS FOR REVIEW**

Huachang is requesting a review of the following variable factors:

- ascertained normal values
- ascertained export price
- the amount of the countervailable subsidy received in respect of the goods

### 1. ASCERTAINED NORMAL VALUES

### 1) Basis for current ascertained normal values

During the previous review of anti-dumping measures applying to aluminium extrusions (Case No. 392), Huachang was treated as a non-cooperative entity, the highest uncooperative and all other exporters dumping margin 56.3% applies to Huachang.

The Commission determined Huachang's normal value as follows:

The normal value for uncooperative and all other exporters has been determined under subsection 269TACAB(1)(e) being the normal value worked out under subsection 269TAC(6) having regard to all relevant information. Specifically, the normal value is based on the highest weighted average normal value of the selected exporters during the review period.

And the Commission determined the normal value of selected expoters on the basis of following:

- *the average monthly LME official cash price;*
- the Major Japanese Ports (MJP) regional premium published on Metal Prices Pty Ltd
- billet premiums of the Australian Industry's billet price schedules
- *the conversion costs and selling, general and administrative expenses incurred by selected exporters*
- the weighted average profit achieved by selected exporters on these domestic sales of like goods sold in the ordinary course of trade;

### 2) Grounds for review of ascertained normal values

As indicated above, the highest weighted average normal value of the selected exporters which is "**Theory**" applies to Huachang.

Huachang claims that didn't base on its actual normal value, and Huachang would have received a dumping margin with 0% if the Commission should offer the opportunity to calculate the normal values based on Huachang's own records.

Huachang calculates out the normal value based on its own records and above the Commission's methodology in below table, and provides detaild calculation worksheet in Exhibit 1

**Confidential Exhibit** J. It shows the average normal value is "**order**", approximately lower.

Therefore, Huachang considers that it is reasonable to expect that normal values have decreased by a minimum of **1**.

Month	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Unit CTM per Kg SG&A Per Kg Profit Per Kg NV Per Kg		[Coi	nfideı	ntial (	detail	s rega	arding	g cost	inforı	natio	ns]	

### 2. ASCERTAINED EXPORT PRICE

### 1) Basis for current ascertained export price

During the previous review of anti-dumping measures applying to aluminium extrusions (Case No. 392), Huachang was treated as a non-cooperative entity, the highest uncooperative and all other exporters dumping margin 56.3% applies to Huachang.

The Commission determined Huachang's export prices as follows:

Export prices for uncooperative exporters were established under subsection 269TACAB(1)(d) which directs that export prices for uncooperative exporters be worked out under subsection 269TAB(3) having regard to all relevant information. The export price is based on the lowest weighted average export price of the selected exporters during the review period.

### 2) Grounds for review of ascertained export prices

As indicated above, the lowest weighted average export price of the selected exporters which is "**Constant**" applies to Huachang.

Huachang claims that didn't base on its actual export price, and Huachang would have received a dumping margin with 0% if the Commission should offer the opportunity to calculate the export prices based on Huachang's own records.

Huachang calculates out the export price based on its own records in below table. It shows the average export price is "**Mathematical**", approximately "**Mathematical**" which is **Mathematical** higher. Therefore, Huachang considers that it is reasonable to expect that export price have increased by **Mathematical**.

Custome r name	Finish	Invoice number	Invoice date	Shippi ng terms	Quanti ty (Kg)	Gross invoice value(US D)	Curr ency	Exch ange rate	Net invoice value (RMB)	FOB unit export price(US D/KG)	FOB unit export price(RM B/KG)
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## [Confidential details regarding sales information]

Also please see <u>Exhibit 2</u> **[Confidential Exhibit]** for an example of sales documents for Huachang's export to Australia.

According to above normal values and export prices calculated based on Huachang's own records, the dumping margin applied to Huachang should be 0%.

### 3. ASCERTAINED AMOUNT OF COUNTERVAILABLE SUBSIDY

### 1) Basis for current amount of countervailable subsidy

During the previous review of anti-dumping measures applying to aluminium extrusions (Case No. 392), Huachang was treated as a non-cooperative entity, the highest uncooperative and all other exporters subsidy margin 8.1% applies to Huachang.

The Commission determined Huachang's countervailable subsidies as follows:

In the absence of GOC advice regarding the individual enterprises that had received financial contributions under each of the investigated subsidy programs, the Commission has had regard to the available relevant facts and determines that non-cooperative entities have received financial contributions that have conferred a benefit under all 32 programs found to be countervailable in relation to aluminium extrusions.

Program Number	Program Name	Program Type	Countervailable in relation to the goods (Yes/No)		
2	One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'	Grant	Yes		
3	Provincial Scientific Development Plan Fund	Grant	Yes		
4	Export Brand Development Fund	Grant	Yes		
5	Matching Funds for International Market Development for SMEs	Grant	Yes		
6	Superstar Enterprise Grant	Grant	Yes		
7	Research & Development (R&D) Assistance Grant	Grant	Yes		
8	Patent Award of Guangdong Province	Grant	Yes		
9	Training Program for Rural Surplus Labour Force Transfer Employment	Grant	Yes		
15	Aluminium provided at less than adequate remuneration	LTAR	Yes		
18	Preferential tax policies in the Western Regions	Tax	Yes		
21	Tariff and Value Added Tax (VAT) Exemptions on Imported Materials and Equipment	Tariff and VAT Exemptions	Yes		
26	Innovative Experimental Enterprise Grant	Grant	Yes		
29	Special Support Fund for Non-State-Owned Enterprises	Grant	Yes		
32	Venture Investment Fund of Hi-Tech Industry	Grant	Yes		
35	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment	Grant	Yes		
47	Preferential tax policies for high and new technology enterprises	Tax	Yes		
48	Provincial Government of Guangdong tax offset for R&D	Tax	Yes		

The findings in relation to each program are outlined in the below table.

### PUBLIC RECORD Grant Provincial Government of Guangdong special fund 56 Yes for energy saving technology reform Grant Yes Development assistance grants from the ZHTDZ 58 59# Grant Yes Processing trade special fund 60# Grant Yes Trade insurance support fund Grant Yes Enterprise employment fixed point monitoring 61# work subsidy Grant Yes Special funds for provincial enterprises to 62# transfer and upgrade equipment 63# Grant Yes Reserve funds for enterprise development 64# Yes Grant High integrity enterprise award 2014 Grant Yes Jiangmen engineering technology research centre 65# award Grant Yes 2016 Shanghai Automotive Commodities 66# Exhibition special fee subsidy 67# Yes Grant Corporate remuneration survey subsidy Yes 68# Grant Energy saving project subsidy 69# Grant Yes Science and technology project subsidy Grant Yes

### 2) Grounds for review of the amount of countervailable subsidy

Provincial engineering and technology research

Foreign trade development fund subsidy of

70#

71#

centre 2016

Jiangmen City

As indicated above, Huachang was determined that conferred a benefit under all programs found to be countervailable in the above table.

Grant

Yes

Huachang claims that didn't base on its fact information, Huachang is a general private enterprise, not a hi-tech enterprise, SMEs or FIEs, and is not a "Superstar Enterprise", "Well-Known Trademarks of China" or "Famous Brands of China, in addition Huachang has not received any benefit from preferential tax policies and government grants.

Huachang considers that it is not applicable for the above programs, and Huachang would have received a countervailable subsidy margin with 0% if the Commission should offer the opportunity to calculate the amount of countervailable subsidies based on Huachang's own records.