

31 October 2019

The Director  
Investigations 3  
Anti-Dumping Commission  
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Canberra ACT 2601

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### Public File

Dear Sir/Madam

#### **Review Investigation No. 497 – Statement of Essential Facts - Guangdong Huachang Aluminium Factory Co., Ltd**

##### I. Introduction

I refer to Statement of Essential Facts No. 497 (“SEF 497”) concerning the review of measures applicable to the Chinese exporter of aluminium extrusions Guangdong Huachang Aluminium Factory Co., Ltd (“Huachang”). Anti-dumping and countervailing duty notices currently apply to exports to Australia by Huachang.

The Commissioner has determined that in relation to Huachang:

- *The variable factors of export price and normal value relevant to the taking of the measures have not changed;*
- *The variable factor relating to the amount of countervailable subsidy received relevant to the taking of the measures has changed. However, the change in the variable factor is minor. The change in this variable factor is not significant enough to alter the interim duty rate currently applicable to Huachang; and*
- *The Minister is not required to have regard to the desirability of applying the lesser duty rule (but still may choose to do so) meaning that the NIP is not relevant to the taking of the measures.*

Capral Limited (“Capral”) welcomes the Commissioner’s recommendations contained in SEF 497.

##### II. Huachang’s export price and normal value

Following commencement of the review investigation, the Anti-Dumping Commission (“the Commission”) Requested Huachang to complete an exporter questionnaire. Huachang’s response was considered deficient and the Commission forwarded Huachang a deficiency advice. Huachang responded to the Commission’s first deficiency notice, however, the response by Huachang was considered to be inadequate. A second deficiency notice was provided to Huachang.

The Commission received a response from Huachang concerning the second deficiency advice. The response by Huachang “did not fully address the Commissioner’s concerns”. The Commissioner notified

Huachang that pursuant to section 6(b) of the Customs (Extensions of Time and Non-cooperation) Direction 2015, Huachang's exporter questionnaire response was deficient and could not be readily rectified with a response.

The Commissioner therefore concluded that he was “*not satisfied that the information provided by the applicant is accurate and reliable to determine the variable factors of export price and normal value*”.

Capral considers that the Chinese exporter Huachang was provided with sufficient opportunities to provide the Commission with reliable information as required in the exporter questionnaire. As a result of Huachang's inadequate responses to the Commission's request, the Commissioner has recommended that Huachang's export price and normal value for aluminium extrusions exported to Australia remain unchanged.

Capral supports the Commissioner's recommendation to the Minister that Huachang's export price and normal value remain unaltered. The dumping margin applicable to exports to Australia by Huachang therefore remains unchanged at 29.1 per cent.

### III. Countervailing

The Commission confirmed that Huachang received benefits under the following subsidy programs:

- Program 15 – Aluminium provided at less than adequate remuneration;
- Program 47 – Preferential tax policies for high and new technology enterprises;
- Program 106 – Subsidies received from Agricultural Bank of China;
- Program 107 – Public support fund received from Agricultural Bank of China;
- Program 108 – Innovation reward support funds;
- Program 109 - Government quality award received by Agricultural Bank of China.

Capral notes that Programs 106 to 109 are new subsidy programs identified in Huachang's exporter questionnaire response, and not previously identified in investigations involving aluminium extrusions exported from China.

Capral anticipates that the Commission will include these new subsidy programs in the Commission's subsidy register.

In assessing the value of the subsidy received by Huachang under Programs 106 to 109, the Commission has accepted information contained in Huachang's non-operating income line of its 2018 Income Statement. This information – albeit unverified – is the only available information for the Commission to rely upon.

The Commission has determined that the amount of the subsidy margin applicable to Huachang is 0.5 per cent (expressed as a percentage of Huachang's export price).

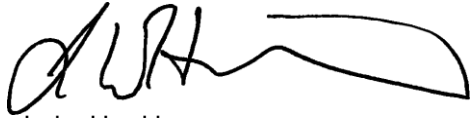
### IV. Recommendation

Capral supports the Commissioner's recommendation to not alter the variable factors applicable to Huachang. The applicant exporter was provided with two deficiencies advice to provide the Commission with relevant information. Huachang failed to comply.

The proposed recommendation in SEF 497 is considered to be reasonable, fair and appropriate in light of Huachang's failure to cooperate with the Commission.

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

A handwritten signature in black ink, appearing to read 'LHAWKINS', with a long, sweeping horizontal stroke extending to the right.

Luke Hawkins  
General Manager – Supply and Industrial Solutions