

16 January 2020

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**Public File**

Dear Sir/Madam

**Accelerated Review Investigation No. 537 – Foshan Nanhai Niu Yuan Hardware Products Co., Ltd**

I. Introduction

I refer to Anti-Dumping Notice 2019/151 (“ADN 2019/151”) concerning an application for an accelerated review of measures by the Chinese exporter Foshan Nanhai Niu Yuan Hardware products Co., Ltd (Foshan Nanhai”).

Foshan Nanhai states that it did not export aluminium extrusions to Australia during the original investigation period from 1 July 2008 to 30 June 2009. This is a period prior to the commencement of operations for Foshan Nanhai.

II. Foshan Nanhai

As indicated, Foshan Nanhai has been operating since 2012 and has sold aluminium extrusions on the domestic market, with some export sales to the USA and Europe.

It is anticipated that Foshan Nanhai will complete an exporter questionnaire for the purpose of this accelerated review investigation. Capral will examine Foshan Nanhai’s response to the Questionnaire once it is available on the EPR and make further comments as appropriate. It is well documented that aluminium extrusions sold in China are the subject of Government of China (“GOC”) influence, and that a constructed normal value based upon Foshan Nanhai’s production costs with a raw material aluminium ingot price based upon the London Metal Exchange (“LME”) price for the period will apply.

III. Relevant considerations

In the recent Review Investigation No. 482 involving exports of goods from China the Minister accepted that primary aluminium costs in China were distorted by the government and this had a significant impact on the selling price for aluminium extrusions sold in China. It was further accepted by the Minister that a ‘particular market situation’ applied in China in respect of aluminium extrusions (i.e. the goods”) sold domestically.

Capral submits that a particular market situation for the goods has continued during the investigation period for this accelerated review investigation for Foshan Nanhai and that it is necessary to surrogate a benchmark primary aluminium price in the Chinese exporter’s cost records.

Capral refers the Commission to the following methodology for an appropriate replacement cost for purchased aluminium (as per Investigation No. 482) that must reflect the sum of:

- Aluminium at the prevailing London Metal Exchange (“LME”) cash rate for the period; plus
- Billet premiums; plus
- Major Japanese Port (“MJP”) premium that is applicable to all aluminium purchases in South East Asia, including Chinese manufacturers.

The Chinese exporter’s aluminium cost in their respective constructed normal value must, as a minimum, reflect the sum of these costs.

Capral further draws to the Anti-Dumping Commission’s (“the Commission”) attention that the exporter’s costs should confirm that packaging costs for export are higher than domestic packaging costs, including for steel trolleys, wooden crates and inter-leave paper. This has been established in earlier investigations despite certain exporters’ representations that there is no difference between domestic and export packaging costs.

#### IV. Model Matching

Aluminium extrusions are manufactured and sold in the following finished: mill finish, painted, powder coated and anodised. The Commission has previously (in Review Investigation 482 on all exporters in China the subject of measures) for model matching purposes, compared production cost for each type of finish, and exported goods by finish, when determining normal values and applicable dumping margins. Additionally, the Commission has further considered additionally to the finish type, the alloy type as well as the temper grade and micron level.

For model matching purposes, full account of alloy type, temper grade and micron level are correctly considered.

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



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