



ANTI-DUMPING NOTICE NO. 2020/017

Customs Act 1901 – Part XVB

Aluminium Extrusions

Exported from the People's Republic of China

Initiation of a Continuation Inquiry No 543 into Anti-Dumping Measures

Notice under subsection 269ZHD(4) of the Customs Act 1901

I, Dale Seymour, the Commissioner of the Anti-Dumping Commission (Commissioner), have initiated an inquiry into whether the continuation of anti-dumping measures, in the form of a dumping duty notice and countervailing duty notice, in respect of aluminium extrusions (the goods) exported to Australia from the People's Republic of China (China) is justified.

The anti-dumping measures are due to expire on 28 October 2020 (specified expiry day).¹

1. The goods

The goods subject to the anti-dumping measures and this inquiry are:

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.

¹ On and from 28 October 2020, if not continued, the anti-dumping measures would no longer apply.

The goods subject to the anti-dumping measures do not include 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.

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

Tariff subheading	Statistical code
7604.10.00	06
7604.21.00	07, 08
7604.29.00	09, 10
7608.10.00	09
7608.20.00	10
7610.10.00	12
7610.90.00	13

These tariff classifications and statistical codes may include goods that are both subject and not subject to the inquiry. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods the subject of this inquiry.

2. Background to the anti-dumping measures

The anti-dumping measures were initially imposed by public notice on 28 October 2010 following the publication of *Trade Remedies Branch Report No. 148*.

On 20 October 2015, in response to the findings of *Continuation Inquiry No. 287*, the then Assistant Minister for Science and Parliamentary Secretary to the Minister for Industry, Innovation and Science (the then Parliamentary Secretary) continued the measures for a further five years, until 28 October 2020.²

The most recent review of anti-dumping measures applying to the goods resulted in the Minister for Industry, Science and Technology (the Minister) accepting the recommendations following consideration of *Anti-Dumping Commission Report No. 482* (REP 482) and altered the variable factors relevant to the taking of anti-dumping measures as they affect relevant exporters of the goods from China.

Multiple applications for review of the Minister's decision were received by the Anti-Dumping Review Panel (ADRP). On 16 September 2019 the Minister

² The anti-dumping measures were applicable to all exporters from China except for Guangdong Jiangsheng Aluminium Co Ltd (formerly known as Tai Ao Aluminium Tai Shan Co Ltd), in respect of the the dumping and countervailing duty notices, and Guangdong Zhongya Aluminium Company Limited, in respect of the dumping duty notice.

accepted the recommendations made by the ADRP in ADRP Report No. 104 to revoke and substitute new decisions which took effect from 9 May 2019.³

Further details on the goods and existing measures are available on the Dumping Commodity Register on the Anti-Dumping Commission's (Commission) website (www.adcommission.gov.au).

3. Application for continuation of the anti-dumping measures

Division 6A of Part XVB of the *Customs Act 1901* (Cth) (the Act)⁴ sets out, among other things, the procedures to be followed in dealing with an application for the continuation of anti-dumping measures.

In accordance with subsection 269ZHB(1), I published a notice on the Commission's website on 26 November 2019.⁵ The notice invited the following persons to apply for the continuation of the anti-dumping measures:

- the person whose application under section 269TB resulted in the anti-dumping measures (subsection 269ZHB(1)(b)(i)); and
- persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the anti-dumping measures (subsection 269ZHB(1)(b)(ii)).

On 24 January 2020, an application for the continuation of the anti-dumping measures was received from Capral Limited (Capral). A non-confidential version of the application is available on the Commission's public record.

Having regard to the application and the original investigation, I am satisfied that Capral is the person under subsection 269ZHB(1)(b)(i) because Capral's application under section 269TB resulted in the existing anti-dumping measures.

4. Consideration of application under subsection 269ZHD(1)

Pursuant to subsection 269ZHD(1), I must reject an application for the continuation of anti-dumping measures if I am not satisfied of one or more of the matters referred to in subsection 269ZHD(2). These are whether:

- the application complies with section 269ZHC (subsection 269ZHD(2)(a)); and
- there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures to which the application relates might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent (subsection 269ZHD(2)(b)).

³ ADRP Report No. 104, available on the ADRP website. The new decisions altered the variable factors as it related to Kam Kiu and Panasia, and revoked the counterveriling duty notice applying to Guangdong Zhongya Aluminium Company Limited.

⁴ All legislative references in this notice are to the *Customs Act 1901* (Cth), unless otherwise stated.

⁵ Anti-Dumping Notice (ADN) No. 2019/138 refers.

5. Assessment under subsection 269ZHD(2)(a) - compliance with section 269ZHC

I consider that the application⁶ complies with the requirements of section 269ZHC because it is in writing, in a form approved by me for the purposes of this section, contains the information that the form requires, is signed in the manner indicated by the form, and was lodged in a manner approved under section 269SMS, being by email to the Commission's email address provided in the instrument under section 269SMS.⁷

6. Assessment under subsection 269ZHD(2)(b) – reasonable grounds

Applicant's claims

In its application, Capral claims, among other things, that:

- Chinese exporters have retained distribution links to Australia and imports of aluminium extrusions from China have increased by 45 per cent since the Minister continued anti-dumping measures in 2015;
- there was a high level of participation from Chinese exporters in the most recent review of measures (REV 482), and numerous Chinese exporters that do not have individual variable factors have sought accelerated reviews, indicating an intention to export the goods to Australia;
- measures applied in other jurisdictions against Chinese exporters are intended to curb Chinese exports and as such it is reasonable to conclude that Chinese producers have excess capacity to supply the Australian market;
- a particular market situation continues to apply in the Chinese market in respect of aluminium extrusions, such that normal values should be constructed according to the methodology applied in REV 482;
- the Government of China (GOC) continues to provide significant subsidies to the Chinese aluminium extrusions industry that influences selling prices such that they are lower than they would otherwise be;
- REV 482 confirmed substantial margins of dumping between 15 and 95 per cent; and
- Capral has experienced material injury in financial year 2018/19 from the significant dumping of Chinese exports to Australia and this is likely to continue should the measures be allowed to expire.

The Commission's consideration

The Commission has examined information obtained from the Australian Border Force (ABF) import database and has found that exporters from China have continued to export the goods to Australia since the continuation of the anti-dumping measures in 2015. This confirms that manufacturers in China have maintained distribution links into the Australian market. The Commission observes that import volumes from China of goods subject to measures decreased from 2015 to 2016; however, have increased in each subsequent

⁶ A non confidential version of Capral's application is contained on the case page of the Commission's website.

⁷ A copy of the instrument can be found on the Commission's website at www.adcommission.gov.au.

year. The Commission notes that China continues to be a major source of the goods compared to other countries.

The Commission further notes that since the continuation of anti-dumping measures were secured in 2015:

- eleven Chinese manufacturers have sought accelerated reviews; and
- the Commission received a high level of participation from Chinese exporters in REV 482, in which substantial dumping margins were found.

The Commission considers that the abovementioned reviews demonstrate Chinese manufacturers have continued exporting the goods at dumped prices and are indicative that Chinese exporters intend to export the goods to Australia in the future which may also be at dumped prices.

The Commission considers it is appropriate to assess Capral's claim of a market situation during the normal course of the inquiry, noting it is a key question to resolve in establishing the appropriate method to establish normal value. The Commission will seek the necessary information to assess Capral's claims.

The financial data provided by Capral in support of its application further indicates that it has experienced reductions in total sales volumes and values since 2017, particularly in respect of the higher value-added powder coated and anodised goods, at a time when imports from China are increasing.

Conclusion

For the reasons outlined above, I am satisfied that, in accordance with subsection 269ZHD(2)(b), there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.

Based on the above findings, I have therefore decided to not reject the application.

7. This continuation inquiry

For the purposes of this inquiry, I will examine the period from 1 January 2019 to 31 December 2019 (the inquiry period) to determine whether to recommend to the Minister the anti-dumping notices:

- (i) remain unaltered; or
- (ii) cease to apply to a particular exporter or to a particular kind of goods; or
- (iii) have effect in relation to a particular exporter or to exporters generally, as if different variable factors had been ascertained; or
- (iv) expire on the specified expiry day.

8. Sampling of exporters

I propose to make findings on the basis of the information obtained from an examination of a selected number of exporters as outlined at Attachment A.

9. Proposed model control code structure

On 9 August 2018, the Commission advised in ADN No. 2018/128 that a model control code (MCC) structure would be implemented in new investigations,

reviews of exporters generally or continuations for cases initiated after this date.⁸

Attachment B to this notice outlines the Commission's proposed MCC structure. Proposals to modify the MCC structure should be raised as soon as is practicable, but no later than **23 March 2020**⁹, the day submissions concerning the continuation of the measures are due.

Interested parties are encouraged to make submissions on whether proposed modifications to the MCC structure should be accepted by the Commission. Any changes to the MCC structure will be considered by the Commission and reported in verification reports or in the statement of essential facts (SEF).

10. Public record

I must maintain a public record for this inquiry. The public record must contain, among other things, a copy of all submissions from interested parties. Documents included in the public record may be examined at www.adcommission.gov.au or at the Commission's office by contacting the case manager on the details provided below.

11. Submissions

Interested parties, as defined in subsection 269T(1), are invited to lodge written submissions concerning the continuation of the measures, no later than the close of business on **23 March 2020**¹⁰, being 37 days after publication of this notice. The Commission's preference is to receive submissions by email to investigations4@adcommission.gov.au.

Submissions may also be addressed to:

The Director, Investigations 4
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601,

or faxed to +61 3 8539 2499.

Interested parties wishing to participate in the inquiry must ensure that submissions are lodged promptly. Interested parties should note that I am not obliged to have regard to a submission received after the date indicated above if to do so would, in my opinion, prevent the timely placement of the SEF on the public record.

Interested parties claiming that information contained in their submission is confidential, or that the publication of the information would adversely affect their business or commercial interests, must:

⁸ Full guidance regarding the Commission's MCC structure is provided in ADN No. 2018/128 on the Commission's website.

⁹ The due date is 21 March 2020, however as this falls on a Saturday the effective due date is the next business day, 23 March 2020.

¹⁰ Ibid.

- (i) provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests, or
- (ii) satisfy me that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked "FOR OFFICIAL USE ONLY". Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked "PUBLIC RECORD").

12. Statement of essential facts

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Minister within the legislative timeframe. I will place the SEF on the public record on or before **2 June 2020**, that is, within 110 days after the publication of this notice, or by such later date as I may allow in accordance with subsection 269ZHI(3). The SEF will set out the essential facts on which I propose to base a recommendation to the Minister concerning the continuation of the anti-dumping measures.

Interested parties are invited to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record. Submissions received in response to the SEF within 20 days of the SEF being placed on the public record will be taken into account in completing my report and recommendation to the Minister.

13. Report to the Minister

I will make a recommendation to the Minister in a report on or before **17 July 2020**, that is, within 155 days after the date of publication of this notice, or such later date as I may allow in accordance with subsection 269ZHI(3).

The Minister must make a declaration within 30 days after receiving the report, or if the Minister considers there are special circumstances, such longer period, ending before the specified expiry day, as the Minister considers appropriate. If the Minister receives the report less than 30 days before the specified expiry day, the Minister must make the declaration before that day.

14. The Commission Contact

Enquiries about this notice may be directed to the Case Manager on telephone number +61 3 8539 2437 or email investigations4@adcommission.gov.au.

Dale Seymour
Commissioner
Anti-Dumping Commission

13 February 2020

ATTACHMENT A

Application of sampling provisions

Subsection 269TACAA(1) states that where the number of exporters from a particular country of export in relation to an investigation, review or inquiry is so large that it is not practicable to examine the exports of all of those exporters, then the investigation, review or inquiry may be carried out, and findings may be made, on the basis of information obtained from an examination of a selected number of those exporters who:

- a) constitute a statistically valid sample of those exporters; or
- b) are responsible for the largest volume of exports to Australia that can reasonably be examined.

I note that there were several hundred exporters of the goods listed in the ABF import database during the inquiry period. Given the large number of exporters, I consider it is not practicable to examine the exports of all of those exporters. Accordingly, I will carry out this inquiry on the basis of information obtained from an examination of a selected number of exporters who are responsible for the largest volume of exports to Australia that can reasonable be examined.

Selected exporters

In this instance, I currently intend to limit the inquiry to the examination of exports by:

- Foshan City Sanshui Yongya Aluminium Co Ltd;
- Foshan Shunde Beijiao Jiawei Aluminium Factory;
- Goomax Metal Co Ltd Jukian;
- Guangdong Jinxiecheng Al Manufacturing Co Ltd;
- PanAsia Aluminium (China) Limited; and
- Tai Shan City Kam Kiu Aluminium Extrusion Co Ltd.

According to data obtained from the ABF import database, the selected exporters represent approximately 87 per cent of the volume of the goods¹¹ (measured by quantity reported in kilograms) exported to Australia from China during the inquiry period.

The Commission will contact the selected exporters directly and invite them to complete an exporter questionnaire with respect to the inquiry period. Certain importers may also be contacted directly and invited to complete an importer questionnaire.

If an exporter other than a selected exporter wishes to complete an exporter questionnaire, the exporter questionnaire has also been placed on the Commission's website at www.adcommission.gov.au.

¹¹ Subject to current measures.

If information is submitted by an exporter that is not named above as a selected exporter, the inquiry must extend to that exporter unless to do so would prevent its timely completion. In assessing whether extending the inquiry to that exporter will prevent the timely completion of the inquiry, I may consider the following:

- the level of cooperation from the selected exporters;
- the number of the other exporters seeking individual examination; and
- the available resources within the Commission to undertake either on-site or remote verification.

Responses to the exporter questionnaire are due by **23 March 2020**.

Residual exporters, information request and associated spreadsheets

Exporters of the goods other than the six selected exporters named above are requested to make themselves known to the Commission and provide a basic level of information, via an information request and associated spreadsheets. This information will assist in the inquiry and may assist me to determine whether additional exporters will be included as selected exporters, if necessary, for example in the event that selected exporters named above do not cooperate with the inquiry, or if an exporter is identified as exporting larger volumes of the goods than those exporters that are initially selected.

It is important to note that once an exporter has been selected to participate in the inquiry they must cooperate by completing the exporter questionnaire. Incomplete, unreliable or unverifiable information may result in the exporter being considered uncooperative, even in the event the exporter initially provided information in the information request.

The information request and associated spreadsheets are available on the Commission's website at www.adcommission.gov.au.

By completing the information request and associated spreadsheets, for the purposes of this inquiry, exporters of the goods will be regarded as 'residual exporters' if their exports are not examined as part of the inquiry and they are not an uncooperative exporter in relation to the inquiry.

In making assessments in relation to the variable factors for residual exporters, the Commission will not calculate:

- export prices that are less than the weighted average of export prices for cooperative exporters; and
- normal values that exceed the weighted average of normal values for cooperative exporters.¹²

The Commission will determine subsidy margins for the residual exporters having regard to the amount of countervailable subsidies received by the selected exporters.

¹² Subsection 269TACAB(2) of the Act.

Responses to the information request and associated spreadsheets are due by **23 March 2020**.

Uncooperative exporters and non-cooperative entities

For the purposes of this inquiry, any exporter who does not cooperate with the inquiry by providing a completed exporter questionnaire response or by providing a response to the information request and associated spreadsheets, may be considered as an uncooperative exporter and/or a non-cooperative entity.

Assessments in relation to the variable factors for uncooperative exporters and non-cooperative entities, will be based on all relevant information.

ATTACHMENT BProposed MCC structure

Details of the MCC structure for the goods are detailed in the table below.

Category	Sub-category		Sales data	Cost data
Finish	A	Anodise	Mandatory	Mandatory
	BD	Bright dip		
	M	Mill		
	PC	Powder coating		
Alloy code	6A	6060, 6063	Mandatory	Optional
	6B	6106		
	6C	6101, 1350, 6082, 6351, 6061		
	6D	6005A		
	O	Other*		
Temper code	T1	T1, T4, T5, T6	Optional	Optional
	T5	T591, T595, T52		
	O	Other*		
Anodising microns	0	Not anodised	Optional	Optional
	1	<20µm		
	2	>20µm		

* Specify alloy code and temper code