

11 May 2020

The Director
Investigations 3
Anti-Dumping Commission
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Melbourne Victoria 3001

Email: investigations3@adcommission.gov.au

PUBLIC FILE

Dear Sir/Madam

Investigation No. 543 – Continuation of measures on aluminium extrusions exported from The People’s Republic of China – Threat of Material Injury

I. Threat of material injury

Subsection 269ZHF of the *Customs Act* (“the Act”) requires the Commissioner to not recommend that the Minister take steps to secure the continuation of anti-dumping measures unless “*the Commissioner is satisfied that the expiration of the measures would lead, or would be likely to lead, to a continuation of, or a recurrence of, the dumping or subsidisation and the material injury that the anti-dumping measure is intended to prevent*”. The Minister’s decision to not allow the measures to expire is intended to prevent a recurrence of material injury.

II. China aluminium inventories

According to Harbour Aluminium¹, an aluminium industry specialist on the reporting of aluminium price movements and trends, Chinese provincial authorities are examining “economic incentives” to encourage companies to stockpile nonferrous metals, including primary aluminium. The encouraged stock-piling would further increase the Chinese aluminium surplus ahead of proposed further primary aluminium smelting expansions scheduled for 2020.

It is reported that the Chinese provinces of Yunnan and Gansu are seeking to provide incentives to aluminium producers. Yunnan province is seeking become a major hub for primary aluminium production to approximately 4 million tonnes, with the major producers China Hongqiao, Henan Shenhua, Yunnan Aluminium and Sichuan Qiya undertaking expansions.

Harbour Aluminium further reports that China will experience its second largest market surplus in 2020 with an estimated 2.1 million tonnes.

III. Further evidence of Government of China influence

The commentary surrounding the provision of incentives by provincial governments within China provides further supporting evidence that aluminium prices in China are not determined according to market principles. The Government of China – this includes all levels of government from State to provincial government – is actively involved in influencing the pricing for aluminium in China. As a result, Chinese prices for primary aluminium are lower than they otherwise would be.

¹ Harbour Aluminium, Daily Aluminium LME & premiums, 4 May 2020.

In Investigation 482 (“invest 482”) the Commission reaffirmed earlier findings that Subsidy Program No. 15 – Aluminium provided at less than adequate remuneration – continued to apply in the 2017/18 investigation period.

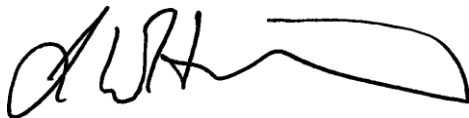
The recent reporting of Harbour Aluminium confirms the Government of China continues to influence aluminium prices on the Chinese domestic market. The Commission established in Invest 482 that Chinese “*exporters paid less than the SHFE spot price in every month of the review period*”². Further, the Commission compared the selected cooperative exporters’ aluminium purchases with constructed LME benchmarks and found that “*all exporters paid less than the appropriate benchmark in every month of the review period.*”

Capral considers that the recent Harbour Aluminium comments confirms that the GOC continues to influence aluminium prices in China. As such, there has been no change in the following Invest 482 and the GOC continues to provide subsidies to the aluminium industry in China (which impacts the prevailing selling prices for Chinese aluminium extrusions).

The noted further economic incentives to be provided to aluminium producers in Yunnan and Gansu confirms that Chinese exporters of aluminium extruders continue to receive aluminium at prices that do not reflect competitive market prices. Should the measures applicable to aluminium extrusions exported from China be allowed to expire, it is therefore likely that the Australian industry would again suffer material injury from dumping and subsidisation that the measures are intended to prevent.

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



Luke Hawkins
General Manager – Supply and Industrial Solutions

² Report 482, P. 108.