

8 June 2020

The Director
Investigations 3
Anti-Dumping Commission
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Public File

Dear Sir/Madam

Investigation No. 543 – Continuation of measures on aluminium extrusions exported from The People’s Republic of China – Exporter Questionnaire Responses

I. Introduction

I refer to the Exporter Questionnaire Responses (“EQRs”) recently placed on the Public Record in continuation of measures Investigation No. 543 concerning aluminium extrusions exported from The People’s Republic of China (“China”).

Capral Limited (“Capral”) seeks to comment on certain aspects of the EQRs as placed on the public record.

II. Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd

Tai Shan City Kam Kiu Aluminium Extrusion Co., Ltd (“Kam Kiu”) has confirmed that its parent Kam Kiu Aluminium Products Group Limited (“KAG”) is a Hong Kong based investment holding company owned by Kam Kiu International Holdings Limited (“KIH”), located in British Virgin Islands. The companies are private companies.

Kam Kiu has a sales agent incorporated in Australia. We consider that the Anti-Dumping Commission (“the Commission”) must test whether the sales by Kam Kiu are arms length transactions during 2019, as sales to Australia in Investigation 482 were found to have been influenced by the relationship between the exporter and the importer. Kam Kiu’s export prices were therefore determined on the basis of deductive export price calculations.

Capral notes that Kam Kiu does not price in accordance with any price lists but “considers” the applicable raw material price, conversion cost and estimated delivery charges. Kam kiu does not operate on a full cost recovery basis for its exports.

Kam Kiu’s EQR confirms that it exported 23 models of aluminium extrusions to Australia that fall within 10 broad categories which are predominantly differentiated by surface finish. Kam Kiu has again argued about so-called “high end products” which it also states it sells domestically, which it has requested to be removed from the coverage of the anti-dumping measures. Capral disagrees. The goods coverage extends to aluminium extrusions as detailed in the Dumping Duty notice. There is no basis for excluding subject goods merely due to a descriptor of being “high end products”. Therefore, Capral does not support the exclusion of profit on high end products as has been requested by Kam Kiu in its EQR as these goods are goods the subject of the measures and the profit for all like goods are required to be included in the profit calculation.

Capral further notes at Section E-3 of Kam Kiu's EQR that it claims there is no differences between domestic and export packaging. The Commission has previously determined this not to be the case as exports include wooden crates and metal stillages for containerisation and shipping purposes.

III. Fujian Minfa Aluminium Inc.

Fujian Minfa Aluminium Inc ("Fujian Minfa") has indicated that it has only exported two models of aluminium extrusions to Australia – both anodised models. It is therefore important that the Commission readily identify similar domestic sales of the exported goods for comparison purposes.

Fujian Minfa claims that the models exported to Australia involve only one kind of anodised profile. It is further claimed by Fujian Minfa that its domestic sales are of anodised goods that have thicker micron (i.e. greater than 10 microns).

The Commission must satisfy itself that the exported goods are as described and whether these may be properly compared with Fujian Minfa's domestic sales of like goods.

IV. Goomax Metal Co., Ltd Fujian

Section C-1 of the EQR requires the exporter Goomax Metal Co., Ltd Fujian ("Goomax") to "disclose all Model Cost Codes listed in the Australian sales listing".

The public file version of Goomax's EQR has not listed the MCC's as required by the Commission. Capral requests that the Commission seek full disclosure of the MCCs exported to Australia by Goomax.

Goomax has received a number of grants for market development, trademarks, patents, technology reform and other special grants, that appear to have been annual grants received in each of 2017, 2018 and 2019 years. Goomax states that a grant listed under "Other Programs" has been terminated. This program relates to business operations in Fujian Province. Capral requests that the Commission examine whether the program has been replaced by another program and whether Goomax would qualify to receive any benefit.

V. Foshan Sanshui Yongya Co., Ltd

Section C-1 of the EQR requires the exporter Foshan Shanshui Yongya Co., Ltd ("Yongya") to disclose its MCCs for exports of goods to Australia. Yongya indicates it has listed the goods at Exhibit-7. This Exhibit has not been included with Yongya's EQR.

Capral notes that Yongya states that it does not identify its production via any internal codes. This raises questions about the accuracy of sales (and production) data prepared by Yongya.

At Section E-2 of Yongya's EQR the exporter indicates that "there is no difference on packing costs for different specific market". It is assumed that this relates to domestic versus export markets. However, Yongya then states that packing costs vary "from transaction to transaction". Capral encourages the Commission to examine packing costs for Yongya's exports to Australia to confirm costs are different to packing costs incurred on the domestic market.

Capral notes that from Yongya's response at Section G-6.1 that the company records cost differences for coating anodising and electrophoresis processes. The breakdown of these costs enables the Commission to establish whether the respective export models recover all costs incurred.

It is stated in Yongya's EQR that it purchased its raw material aluminium billet and ingots locally and that the suppliers were private companies. Capral submits that the purchase price for the aluminium ingots – including when purchased from a private entity supplier – would continue to be influenced by the pricing of aluminium billet ingots sold by Chinese State Invested Enterprises.

VI. Guangdong Jinxi Cheng AL. Manufacturing Co., Ltd

Section C-1 of the EQR requires Guangdong Jinxi Cheng AL. Manufacturing Co., Ltd (“Jinxi Cheng”) to disclose its MCCs for exports of goods to Australia. Jinxi Cheng indicates it has listed the goods at Exhibit-7. This Exhibit has not been included with Jinxi Cheng’s EQR.

Jinxi Cheng claims that there is no difference in packing costs between domestic and export sales. This is not the case. The Commission must request Jinxi Cheng to elaborate further on this matter.

Capral notes that from Jinxi Cheng’s response at Section G-6.1 that the company records cost differences for casting, extrusion, coating, anodising and electrophoresis processes. The breakdown of these costs enables the Commission to establish whether the respective export models recover all costs incurred.

Jinxi Cheng is a Foreign Invested Enterprise (“FIE”). As such it would be expected that it would receive taxation benefits that flow to FIEs. Jinxi Cheng’s EQR has redacted details of financial grants received by the company, however, it appears to relate to employment assistance.

VII. PanAsia Aluminium (China) Limited

PanAsia Aluminium (China) Limited (“PanAsia”) has not included “Exhibit C-1.2” with its EQR.

Capral identified a number of items concerning PanAsia in its exporter briefing submission of 30 April 2020 including non-arms length sales between PanAsia and its Australian importer, and the 12 February 2020 profit warning issued by PanAsia’s parent company.

VIII. Press Metal International

Press Metal International (“PMI”) has not included a copy of its MCCs as required by Section C-1 in the Exporter Questionnaire.

Capral requests that the Commission address this requirement with the exporter.

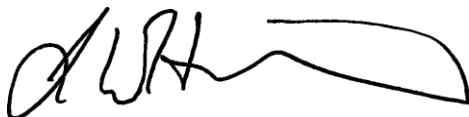
IX. Conclusion

Capral has reviewed the EQRs of the Chinese exporters that have been selected for verification in Investigation 543. A significant number of the exporters (identified above) have not furnished public file copies of Exhibit C-1 as required in the Exporter Questionnaire. The Commission is requested to seek Exhibit C-1 from the non-compliant exporters.

Further, some exporters have asserted that there is no difference between packaging costs for goods sold domestically and for export. This is not the case. The Commission will be required to examine this issue further with selected exporters.

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
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