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PUBLIC RECORD

19 August 2020

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

By Email: investigations4@adcommission.gov.au

Dear Director,

Press Metal International Ltd
Submission to Continuation Inquiry No 543 into aluminium extrusions exported from the People's Republic of China (Inquiry)
NON-CONFIDENTIAL

We refer to the Statement of Essential Facts (**SEF**) published on the Electronic Public Record (**EPR**) on 29 July 2020. We also refer to our email correspondence with Mr McGovern of 18 August 2020 granting an extension of time to provide this submission today, 19 August 2020.

We are instructed to make the following comments in response.

1 Findings in relation to PMI

1.1 We refer to the ADC's findings in relation to PMI and the residual exporters.

1.2 We note that the ADC has chosen not to consider PMI as a selected exporter. We have made extensive comments on this issue in previous submissions and do not wish to make any further comments at this stage.

1.3 We otherwise reserve all our client's rights in relation to this Inquiry and PMI's treatment as a residual exporter.

2 Causation of material injury

2.1 We refer to the ADC's findings in the SEF in relation to material injury allegedly caused to the Australian industry. We note that the ADC has found that the economic performance of the Australian industry has generally declined in the period 2016 to 2019 and has determined that injury in the following forms has allegedly occurred:

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- (a) reduced sales volume;
 - (b) reduced market share;
 - (c) price depression;
 - (d) price suppression;
 - (e) reduced profit and profitability;
 - (f) reduced production volume;
 - (g) reduced revenue;
 - (h) reduced return on investment;
 - (i) reduced capacity utilisation;
 - (j) reduced employment; and
 - (k) reduced wages.
- 2.2 The ADC alleges that the above injury is caused by dumping and subsidisation. The ADC has relied on the determination that there is a particular market situation in China and the lower production costs in China in making this conclusion and has stated that Chinese exporters are able to be more competitive in the Australian market.
- 2.3 The ADC has not considered other variables which may be applicable to the Australian industry when coming to this conclusion. The efficient operation of the Australian industry and its own business models should be taken into account in determining if its ability to compete has been affected by other internal factors.
- 2.4 The ADC has stated that imports to Australia of the GUC from countries other than China has continued to increase since 2009. The impact of these other countries' exports should also be taken into consideration by the ADC.
- 2.5 In relation to the Australian industry's claims and the ADC's findings on the likelihood that material injury will continue to occur or reoccur we make the following comments:
- (a) The fact that Chinese exporters have participated in recent dumping investigations and have applied for accelerated reviews does not mean that goods exported by those entities are or will be dumped. Further, this does not mean that any material injury the Australian industry is allegedly suffering is caused by those exports. Chinese exporters are well within their rights to continue to export to Australia and there is clearly a demand for their goods.
 - (b) We maintain our position that the fact that measures have been applied against other exporters in other jurisdictions does not necessarily lead to the conclusion that Chinese exporters have excess capacity which will be directed towards Australia. The business and export strategies of Chinese exporters

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are not known to the Australian industry, as such, this point is pure conjecture. Further investigation would be required by the ADC to substantiate this claim.

- (c) This Inquiry has confirmed lower dumping and countervailing margins, as such the findings in Review 482 are no longer relevant.
- (d) Any material injury Capral claims to have suffered is likely to be the result of other market factors and its own internal business model and processes. These factors should be properly considered by the ADC in determining if any alleged material injury is being caused by dumping and subsidisation.
- (e) ChAFTA remains a relevant factor in any increase in imports of goods from China. The ADC has stated that exports of other aluminium extrusions not subject to measures have not increased as a result of ChAFTA. The description of the GUC is extremely broad and designed to capture the most widely used types of aluminium extrusions. The fact that other extrusions have not been affected does not necessarily discount the effect of ChAFTA on the volume of Chinese exports. As such, we maintain that this is a factor that should be given weight when the ADC is determining if any alleged material injury has been caused by dumping or subsidisation.
- (f) PMI maintains its position that it exports specialised goods subject to measures at negligible volumes and that the Inquiry should be terminated as against it. This position is discussed in detail above and in our previous submissions.

2.6 Accordingly, PMI maintains its position that there is not sufficient basis on which the ADC can find that any alleged material injury is being caused by dumped or subsidised goods, particularly those goods exported by PMI. Further, PMI considers it appropriate for the ADC to further consider other factors which may be having an adverse effect of the Australian industry before determining that measures should continue.

3 T-Bars to be exempted

3.1 We note that the ADC has stated in relation to PMI's submission that aluminium manufacturers can produce both generic extrusions and bespoke extrusions or speciality products. The ADC has also stated that it understands that the Australian industry has the capability to manufacture the T-Bars (as defined in our previous submissions).

3.2 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [CONFIDENTIAL COMMUNICATIONS]

3.3 We have also provided detailed submissions in relation to the specifications of the T-Bars and their bespoke nature. PMI is aware that there is a separate exemption investigation process which can be followed however, the ADC is within its powers to exclude certain goods or exporters from measures as a result of their characteristics

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and submissions made to the Inquiry. The additional extensive time and costs which would be required to be expended on that process is not justified or reasonable in circumstances where the ADC has the ability to exclude the T-Bars from measures in this Inquiry. Those costs and delays would have adverse consequences both for our client and its customer. We otherwise reserve all rights against the ADC in this regard.

3.4

[CONFIDENTIAL COMMUNICATIONS]

In accordance with the comments made above, PMI maintains its position that any alleged material injury is not being caused by dumped or subsidised goods and that it is certainly not being caused by PMI's specialised goods which are exported in relatively small volumes. As such, PMI reiterates its request that the Inquiry be terminated as against it. We would otherwise reserve all rights to our client regarding the conduct of the Inquiry.

We would be pleased to provide the ADC with any further information it may require.

If you have any queries, please do not hesitate to contact our office.

Yours faithfully



Andrew Hudson
Partner