

Anti-Dumping Commission



Application for an

accelerated review of

anti-dumping measures





APPLICATION UNDER SECTION 269ZE OF THE CUSTOMS ACT 1901 FOR AN ACCELERATED REVIEW OF ANTI-DUMPING MEASURES

In accordance with section 269ZE of the *Customs Act 1901* (the Act), I request that the Commissioner of the Anti-Dumping Commission conduct an accelerated review of a dumping duty notice and/or countervailing duty notice (the notice(s)) insofar as it affects this exporter.¹

NB: Only a new exporter is eligible to apply for an accelerated review. A new exporter means that, in relation to goods the subject of an application for a dumping duty notice or countervailing duty notice or like goods, an exporter who did not export such goods to Australia at any time during the investigation period in relation to the application (ss 269ZE(1) and 269T(1) refers).

DECLARATION

I believe that the information contained in this application:

- provides reasonable grounds for an accelerated review of the dumping or countervailing duty notice(s) in so far as it relates to the applicant; and
- is complete and correct.

Signature:

Name: Mr Hevun JIANG

Position: General Manager

Company: Panasia Enterprises (Nanyang) Company Limited

Date: 8 January 2021

¹ All legislative references are to the Customs Act 1901.

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Anti-Dumping Commission's (Commission's) client support section for advice.

NB: Where an application is made by an agent acting with authority on behalf of a company, joint venture, trust or sole trader, an authority to act letter must be provided with this application.

Assistance with the application

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 13 28 46 or +61 2 6213 6000 (outside Australia)

Fax: (03) 8539 2499 or +61 3 8539 2499 (outside Australia)

Email: clientsupport@adcommission.gov.au

Other information is available from the Commission's website at www.adcommission.gov.au.

Required information

- 1. Provide details of the current anti-dumping measure(s) the subject of this review application, including:
 - identify the notice(s) imposing measures that the applicant seeks an accelerated review of; and
 - a description of the goods to which the notice(s) relates.
- 2. Provide details of the name, street and postal address, of the applicant seeking the accelerated review;
- 3. Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address;
- 4. Describe the applicant's role in the exportation of the goods (e.g. producer or manufacturer, distributor or trader of the goods);
- 5. Confirm that the applicant is a 'new exporter', meaning, in relation to goods the subject of an application for a dumping duty notice or countervailing duty notice or like goods, an exporter who did not export such goods to Australia at any time during the investigation period in relation to the application (ss 269ZE(1) and 269T(1) refers).
- 6. Confirm whether the applicant has previously applied for an accelerated review in relation to the notices the subject of this application.
- 7. Confirm whether the applicant is related to an exporter whose exports were examined in relation to the application for publication of the notice(s), and the nature of the relationship (s 269ZE(2)(b) refers).

In determining whether the applicant is an associate of an exporter whose exports were examined in relation to the application for publication of the notices(s), answer the following (s 269TAA(4) refers):

- (a) Are both natural persons? If yes:
 - (i) Are they members of the same family? Or;
 - (ii) Is one of them an officer or director of a body corporate controlled, directly or indirectly, by the other?
- (b) Are both body corporates?
 If yes:
 - (i) Are both of them controlled by a third person (whether or not a body corporate)? Or;
 - (ii) Do both of them together control, directly or indirectly, a third body corporate? Or;
 - (iii) Is the same person (whether or not a body corporate) in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them?
- (c) Is one of them, being a body corporate, directly or indirectly, controlled by the other (whether or not a body corporate)?
- (d) Is one of them, being a natural person, an employee, officer or director of the other (whether or not a body corporate)?
- (e) Are they members of the same partnership?

NB: Please include appropriate evidence in support of your view that the applicant is or is not related to another company whose exports were examined in relation to the application for publication of the notice(s) (i.e. during the original investigation). This should include an overview of your corporate structure, including entities that the applicant has an interest in and entities that have an interest in the applicant, list of directors and annual report(s) where applicable.

8. Provide a statement setting out the basis on which you consider the particular dumping or countervailing duty notice is inappropriate, so far as the applicant is concerned.

Impact of an all exporter review of measures

Where a review of measures applies to all exporters of the goods generally (that is, not a single exporter), the changes to the notice(s) that result from the review may apply to all relevant exporters of the goods, including past applicants for an accelerated review. This means that changes to a notice as an outcome of an all exporter review of measures may replace an earlier published outcome of an accelerated review.

Lodgement of the application

This application, together with the supporting evidence, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act. The Commissioner has approved lodgement of this application by either:

- preferably, email, using the email address clientsupport@adcommission.gov.au, or
- pre-paid post to:

The Commissioner of the Anti-Dumping Commission GPO Box 2013

Canberra ACT 2601, or

facsimile, using the number (03) 8539 2499 or +61 3 8539 2499
 (outside Australia)

Public Record

There is no legislative requirement to maintain a public record for accelerated reviews. However, in the interests of transparency, a public record for an accelerated review will be opened and accessible on the Commission's website at www.adcommission.gov.au. The public record will contain, among other things, a copy of the application, all submissions from interested parties and Commission reports.

At the time of making the application, the Commission requests both a confidential version (for official use only) and non-confidential version (public record) of the application be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the accelerated review, or, if those reasons cannot be summarised, a statement of reasons why summarisation is not possible. If you cannot provide a non-confidential version, contact the Commission's client support section for advice.

APPLICATION FOR ACCELERATED REVIEW

PANASIA ENTERPRISES (NANYANG) COMPANY LIMITED

- 1. Provide details of the current anti-dumping measure(s) the subject of this review application, including:
- identify the notice(s) imposing measures that the applicant seeks an accelerated review of; and
- a description of the goods to which the notice(s) relates.

The current measures were imposed pursuant to Anti-Dumping Notice No. 2010/40. The goods subject to these duty notices 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. The goods do not extend to 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.

2. Provide details of the name, street and postal address, of the applicant seeking the accelerated review.

Company Name: Panasia Enterprises (Nanyang) Company Limited Address: Longsheng Road, Nanyang Optoelectronic Industry Cluster Area, Nanyang City, Henan Province, PRC

Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address.

Name: Heyun JIANG Position: General Manager Phone: +86 (0377) 8398 6888 Fax: +86 (0377) 8398 6888

Email: heyun.jiang@palum.com

4. Describe the applicant's role in the exportation of the goods (e.g. producer or manufacturer, distributor or trader of the goods).

Panasia Nanyang is a manufacturer of the goods subject to review.

5. Confirm that the applicant is a 'new exporter', meaning, in relation to goods the subject of an application for a dumping duty notice or countervailing duty notice or like goods,

an exporter who did not export such goods to Australia at any time during the investigation period in relation to the application (ss 269ZE(1) and 269T(1) refers).

Panasia Nanyang is a domestic private entity that only commenced operation in and only commenced exporting the subject goods to Australia in . As such, it is confirmed that Panasia Nanyang did not export aluminium extrusions to Australia during the original investigation period.

Confirm whether the applicant has previously applied for an accelerated review in relation to the notices the subject of this application.

Panasia Nanyang has not previously applied for an accelerated review.

7. Confirm whether the applicant is related to an exporter whose exports were examined in relation to the application for publication of the notice(s), and the nature of the relationship (s 269ZE(2)(b) refers).

Panasia Nanyang confirms that it is part of PanAsialum Holdings Company Limited (Panasia Group) and as such, associated with Panasia Aluminium (China) Limited (Panasia China), a Chinese producer and exporter of aluminium extrusions located in Guangdong Province, and which was originally investigated.

In 2019, the Guangdong Pr	ovincial Government announced
	[decision affecting manufacturing operations within the Panasia
Group].	
The transition between	the two manufacturing facilities involved a degree of
	[confidential operational provisions], from Panasia
China to Panasia Nanyang.	•

Given the association between Panasia Nanyang and Panasia China, and the links between their manufacturing facilities, Panasia Nanyang made a formal request with the Australian Dumping Commission ("the Commission") to allow Panasia Nanyang's exports to be subject to the current operative dumping and countervailing rates applying to Panasia China. This request was based on the fact that the export sales continued to be

[export sales structure].

The Commission's advice² confirmed its view that Panasia Nanyang was a separate individual exporter and the duty rates applying to Panasia China, were not applicable to Panasia Nanyang's future exports. In confirming its advice, the Commission noted that Panasia Nanyang was entitled to apply for an accelerated review as a way of addressing the change in circumstances.

Panasia Nanyang agrees with the Commission's assessment that it is entitled to seek an

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² Refer to **Exhibit A – ADC correspondance**.

accelerated review given the circumstances. The two conditions for seeking an accelerated review are intended to prevent and discourage exporters from establishing new exporting entities, with a view to benefitting from improved measures following the accelerated review.

However as noted earlier, Panasia Nanyang sought to have Panasia China's current measures apply to its future exports. It is also worth noting that the current measures applicable to Panasia China are substantially higher than any other exporter from China and not much lower than the country wide rates applicable to non-cooperating exporters. This confirms that Panasia Nanyang does not apply for this accelerated review with any intent to avoid the high measures currently applying to Panasia China.

Further, the fact that PanAsia Nanyang is associated to PanAsia China does not prevent it from seeking an accelerated review. Subsection 269ZE(2)(b) provides that the Commissioner <u>may</u> reject an application for accelerated review where two exporters are related. In the circumstances outlined in this case, and given the Commission's advice, it is appropriate for the Commissioner to not exercise his discretion to reject Panasia Nanyang's application for accelerated review.

In determining whether the applicant is an associate of an exporter whose exports were examined in relation to the application for publication of the notices(s), answer the following (s 269TAA(4) refers):

(a) Are both natural persons?

If yes:

- i. Are they members of the same family? Or;
- ii. Is one of them an officer or director of a body corporate controlled, directly or indirectly, by the other?
- (b) Are both body corporates?

If yes:

- i. Are both of them controlled by a third person (whether or not a body corporate)? Or;
- ii. Do both of them together control, directly or indirectly, a third body corporate? Or;
- iii. Is the same person (whether or not a body corporate) in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them?
- (c) Is one of them, being a body corporate, directly or indirectly, controlled by the other (whether or not a body corporate)?
- (d) Is one of them, being a natural person, an employee, officer or director of the other (whether or not a body corporate)?
- (e) Are they members of the same partnership?
- 8. Provide a statement setting out the basis on which you consider the particular dumping or countervailing duty notice is inappropriate, so far as the applicant is concerned.

PanAsia Nanyang seeks an accelerated review of the notice as it is currently subject to the effective country-wide combined dumping and countervailing duty rate of 77.4% outlined in ADN 2020/103 following completion of review 543. This rate reflects the dumping and

countervailing margins determined for non-cooperating exporters, and which were based on the following:

- ascertained export price was based on the e lowest of export prices of those that were established for selected exporters in the inquiry period;
- ascertained normal value was based on the highest of normal values of those that were established for the selected exporters in the inquiry period, less favourable adjustments.;
- ascertain amount of countervailable subsidy received was based on subsidy margins
 on the assumption that those entities may have received the highest level of
 subsidisation received by the cooperating exporters under each of the
 countervailable programs.

As PanAsia Nanyang did not export the goods to Australia during the original investigation period or the more recent review period, it was not contacted and investigated by the Commission, and as such did not have the opportunity to participate in the original investigation and recent review, to allow it to seek an individual determination of its ascertained variable factors. Given the methods used to determine the ascertained variable factors for non-cooperating exporters, the current and proposed interim dumping and countervailing duties are clearly inappropriate, as they do not reflect PanAsia Nanyang's actual circumstances.

Therefore, PanAsia Nanyang requests the determination of ascertained variable factors based on its own domestic sales, costs and other relevant financial information.

Benchmark primary aluminium

In Report No. 543, the Commission determined a benchmark price for primary aluminium by reference to the published LME monthly cash price. This benchmark was adjusted for additional charges and used to determine whether benefits were conferred under Program 15 and to uplift exporter's primary aluminium purchase costs in calculating constructed normal values.

The chart below shows the movement in monthly LME primary aluminium prices from January 2019 through to December 2020, which covers the 2019 review period from Report 543 and a proposed contemporary review period of calendar year 2020. The chart shows that primary aluminium prices declined in the first half of 2020 before rising across the second half of 2020.

The movement in the price of LME primary aluminium reflects a 5% decline in value between the average price during the review period for Review 543 and the proposed contemporary 2020 review period. PanAsia Nanyang considers that this further supports its view that the ascertained variable factors determined in Report 543 are no longer relevant.

Countervailing

PanAsia Nanyang has reviewed the details relating to each of the 65 countervailed subsidy programs to consider which, if any, would be applicable to its particular circumstances. In the case of the grants, the benefits are specific to:

- entities located in certain regions;
- entities meeting certain designations (ie. hi-tech industries); and
- entities engaged in exportation/foreign trade;

PanAsia Nanyang is located in Henan and none of the grant programs are available to entities in this location. PanAsia Nanyang can confirm that it has not received any financial grants under these programs.

As PanAsia Nanyang does not possess classification as a hi-tech enterprise or any other such classification identified in the list of countervailed grants, it is not entitled to receive benefits under any of those grants.

Whilst PanAsia Nanyang has exported aluminium extrusions to Australia, it can confirm that it did not receive benefits from those grants that are export specific.

Of the tax programs found to be countervailable, none are applicable to PanAsia Nanyang as it has not yet finalised its first tax return given its startup operations.

Based on its assessment of the countervailable programs, PanAsia Nanyang contends that the only applicable program relates to Program 15, 'Aluminium provided at less than adequate remuneration'. However, given that the benefits under this program are addressed through the uplift in aluminium costs in determining the normal value, no countervailing duty is applicable.