



Australian Government
**Department of Industry,
Innovation and Science**

**Anti-Dumping
Commission**

Public File Copy



Application for a
review of
anti-dumping measures
Aluminium Extrusions exported from
The People's Republic of China

APPLICATION UNDER SECTION 269ZA OF THE *CUSTOMS ACT 1901*
FOR A REVIEW OF ANTI-DUMPING MEASURES

In accordance with section 269ZA of the *Customs Act 1901* (the Act), I request that the Anti-Dumping Commissioner initiate a review of anti-dumping measures in respect of the goods the subject of this application to:

1. **Revise the level of the measures** because one or more of the variable factors relevant to the taking of measures have changed (a variable factors review)

In this case the factors that I consider have changed are:

- normal value
 export price
 non injurious price
 subsidy

The variable factors review is in relation to:

- a particular exporter (*if so provide name and country details*)
 exporters generally

or

2. **revoke the measures** because the anti-dumping measures are no longer warranted (a revocation review)

In this case the measure I consider should be revoked is:

- the dumping duty notice
 the countervailing duty notice
 the undertaking

The revocation review is in relation to:

- a particular exporter (*if so provide name and country details*)
 exporters generally

NOTE

Where seeking variable factors review as well as a revocation review, indicate this in *both* 1 and 2 above.

DECLARATION

I believe that the information contained in this application:

- provides reasonable grounds for review of the anti-dumping measure; and
- is complete and correct to the best of my knowledge and belief.

Signature:

Signed

Name:

Position:

Company:

Capral Limited

ABN:

78 004 213 692

Date:

29 June 2022

Signature requirements	<p>Where the application is made:</p> <p><i>By a company</i> - the application must be signed by a director, servant or agent acting with the authority of the body corporate.</p> <p><i>By a joint venture</i> - 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.</p> <p><i>On behalf of a trust</i> - a trustee of the trust must sign the application.</p> <p><i>By a sole trader</i> - the sole trader must sign the application.</p> <p><i>In any other case</i> - contact the Commission's client support section for advice.</p>
Assistance with the application	<p>The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the '<i>Instructions and guidelines for applicants: Application for review or revocation of measures</i>' on the Commission's website.</p> <p>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:</p> <p>Phone: 13 28 46 or +61 2 6213 6000 (outside Australia)</p> <p>Fax: (03) 8539 2499 or +61 3 8539 2499 (outside Australia)</p> <p>Email: clientsupport@adcommission.gov.au</p> <p>Other information is available from the Commission's website at www.adcommission.gov.au.</p> <p>Small and medium enterprises (i.e., those with less than 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the <i>Corporations Act 2001</i>), may obtain assistance, at no charge, from the International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA Service Hotline on +61 2 6213 7267.</p>
Review Period	<p>The review period is <i>generally</i> the 12 month period preceding the initiation date and ending on the most recently completed month or quarter.</p> <p>For the purposes of information requested in this application, please consider the review period as the 12 month period ending on the most recently completed quarter prior to the date that you submit the application.</p> <p>The actual review period will be set by the Commissioner if a review is initiated, and may differ to that used by the applicant in the application form.</p>
Required information	<p>1. Provide details of the name, street and postal address, of the applicant seeking the review.</p> <p>The applicant requesting the review of the variable factors applicable to aluminium extrusions exported from The People's Republic of China ("China") is Capral Limited ("Capral").</p> <p>Capral is a publicly listed company on the Australian Stock Exchange and is the largest manufacturer of aluminium extrusions in Australia.</p> <p>2. Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address.</p> <p>The contact at Capral is as follows:</p> <p>Mr Luke Hawkins General Manager – Supply and Industrial Solutions 15 Huntingwood Drive Huntingwood NSW 2148</p>

Tel: (02) 8222 0113
Email: Luke.Hawkins@capral.com.au

3. Name other parties supporting this application.

Other Australian industry manufacturers that support this application for the review of variable factors on aluminium extrusions exported from China include:

Almax Aluminium Pty Ltd;
Aluminium Profiles Australia Pty Ltd;
Aluminium Shapemakers Pty Ltd;
Extrusions Australia Pty Ltd;
G James Extrusion Co Pty Ltd;
Independent Extrusions Pty Ltd;
Ullrich Aluminium Pty Ltd.

Contact details for the above members of the Australian industry are included at Non-Confidential Attachment 1.

Letters of support for the review of the variable factors by each of the above-named companies are included at Confidential Attachment 2.

4. Describe your interest as an affected party (e.g. are you concerned with the exportation of the goods, the importation of the goods, or part of the Australian industry, or acting on behalf of the Government of an exporting country).

Capral is Australia's largest aluminium extrusions manufacturer and is therefore an interested party that is impacted by the measures on Chinese exporters.

5. Provide details of the current anti-dumping measure(s) the subject of this review application and the goods subject to the measure(s), including:

- tariff classification

The goods the subject of the measures are aluminium extrusions. The goods are described as follows:

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 under consideration ("GUC") 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 GUC 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.¹

The aluminium extrusions the subject of the measures include:

¹ REP 148, p. 18 at 3.2

< GUC >				< Non GUC >	
1	2	3	4	5	6
Aluminium extrusions	Aluminium extrusions with minor working	Aluminium extrusions that are parts intended for use in intermediate or finished products	Aluminium extrusions that are themselves finished products	Unassembled products containing aluminium extrusions, e.g. 'kits' that at time of import comprise all necessary parts to assemble finished goods	Intermediate or partly assembled products containing aluminium extrusions
< Examples >					
Mill finish, painted, powder coated, anodised, or otherwise coated aluminium extrusions	Precision cut, machined, punched or drilled aluminium extrusions	Aluminium extrusions designed for use in a door or window	Carpet liner, fence posts, heat sinks	Shower frame kits, window kits, unassembled unitised curtain walls	Unglazed window or door frames

The aluminium extrusions are classified to the following subheadings within Schedule 3 of the Customs Tariff Act 1995:

Tariff subheading/ statistical code	Description
7604.10.00/06	Non alloyed aluminium bars, rods and profiles
7604.21.00/07	Aluminium alloy hollow angles and other shapes
7604.21.00/08	Aluminium alloy hollow profiles
7604.29.00/09	Aluminium alloy non hollow angles and other shapes
7604.29.00/10	Aluminium alloy non hollow profiles
7608.10.00/09	Non alloyed aluminium tubes and pipes
7608.20.00/10	Aluminium alloy tubes and pipes
7610.10.00/12	Doors, windows and their frames and thresholds for doors
7610.90.00/13	Other

- the countries and/or companies

The country the subject of the measures included in this application for review is China. The measures extend to all exporters except for exports to Australia by Guangdong Jiangsheng Aluminium Co., Ltd (formerly known as Tai Ao Aluminium Tai Shan Co., Ltd) and Guangdong Zhongya Aluminium Company Limited.

- specified date of publication of the measure

The applicable anti-dumping measures were continued by the then Minister for Industry, Science and Technology ("the Minister") by notice signed on 12 October 2020.

As it has been more than twelve months since the measures were applied by the then Minister, it is open to interested parties to make a formal request for the review of the variable factors.

6. If you are an exporter of the goods the subject of this application please answer the following questions:

- **Have you exported the goods to Australia during the review period?**

Capral has not exported the subject goods from China to Australia during the review period.

- o **If yes, what was the total quantity and total value of the goods exported to Australia during the review period?**

Not applicable.

- **Have you previously (prior to the review period) exported the goods to Australia?**

Capral has not previously exported the subject goods from China to Australia during the most recent 12 month period.

- o **If yes, please provide the total quantity and total value of the goods exported to Australia each year during the three years prior to the review period.**

Not applicable.

- **Have you exported like goods to countries other than Australia during the review period?**

Capral has exported like goods to countries other than Australia during the review period. The exported volumes are immaterial in nature.

- o **If yes, please provide the total quantity and total value of exports of the goods to each other country during the review period. Please indicate if any of the sales are to a related party.**

Not applicable.

NB: In relation to the goods the subject of this application, 'like goods' means goods that are identical in all respects to the goods the subject of this application or, although not alike in all respects to the goods the subject of this application, have characteristics closely resembling those goods (s 269T(1) refers).

NB: Please note you must provide this information if you are an exporter of the goods the subject of the application. If you are not an exporter of the goods, you may choose to provide information relevant to this question.

7. Provide the names, addresses, telephone numbers and facsimile numbers of other parties likely to have an interest in this matter e.g. Australian manufacturers, importers, exporters and/or users.

The contact details of other Australian industry manufacturers are included at Non-Confidential Attachment 1.

The following exporters from China are considered to have an interest in a review of the variable factors applicable to China:

- (i) Goomax Metal Co Ltd Fujian
- (ii) Guangdong Jinxi Cheng Al Manufacturing Co Ltd
- (iii) Foshan City Sanshui Yongya Aluminium Co Ltd
- (iv) Tai Shan City Kam Kiu Aluminium Extrusion Co Ltd
- (v) PanAsia Aluminium (China) Limited
- (vi) Guangdong Jiangsheng Aluminium Co Ltd
- (vii) Guangdong Zhongya Aluminium Company Limited
- (viii) Foshan Shunde Beijiao Jiawei Aluminium Factory

- (ix) Foshan Minghua Doors and Windows Aluminium Co Ltd
- (x) Foshan Lvqiang Metal Product Co Ltd
- (xi) Fujian Minfa Aluminium Inc
- (xii) Press Metal international Ltd

Further Chinese exporters of the subject goods that were referred to as “residual” exporters in Review Investigation No. 543 (“Invest 543”) are identified at Section 9, P. 15 of DCR for aluminium extrusions. Contact details for the identified interested party Chinese exporters are included at Non-Confidential Attachment 3.

The following importers are considered likely to have an interest in a review of variable factors applicable to exports of aluminium extrusions from China:

- (i) Kam Kiu (Australia) Pty Ltd
6/1175 Toorak Road
Camberwell Victoria 3124
Tel: (03) 9889 4899
- (ii) Pan Asia Aluminium Pty Ltd
Unit 5/133 Pine Road
Brendale Queensland 4500
Tel: (07) 3205 7700
- (iii) Press Metal Australia Pty Ltd
43 Motorway Cct
Ormeau QLD 4207
Tel: (07) 5540 6100

Applications for review of variable factors

If you are applying for a variable factors review (in box 1 above) provide a detailed statement setting out your reasons. Include information about:

- **the factor(s) you wish to have reviewed;**

Capral is requesting a review of the variable factors including normal value and ascertained export price(s) applicable to the subject exporters in China.

As a non-injurious price does not apply to aluminium extrusions exported from China (due to the particular market situation finding re-affirmed in Invest 543) a review of the non-injurious price is not required as there has not been a change in circumstances concerning the Government of China influence on primary aluminium prices in the period since Invest 543.

- **the amount by which that factor is likely to have changed since anti-dumping measures were last imposed, and evidence in support; and**

(i) *Particular market situation*

The anti-dumping measures on aluminium extrusions exported from China were last reviewed in Invest 543 that included an investigation period from 1 January 2019 to 31 December 2019. The normal values and export prices for aluminium extrusions have changed by material amounts over the intervening period to June 2022.

The cost of production for aluminium extrusions is heavily influenced by the key raw material used in the manufacture of the goods – that is, aluminium. In Invest 543 (Minister’s decision of 12 October 2020) it was determined that a market situation existed in respect of the domestic market for aluminium extrusions in China. The Anti-Dumping Commission (“the Commission”) determined “..that GOC influence in the primary aluminium and aluminium extrusion sectors has resulted in significantly different aluminium extrusions prices, compared to what would have been the case if the relevant markets operated without significant GOC intervention.”²

And further:

“The Commission recognizes that the impact of these GOC influences on supply are extensive, complex and manifold, and their resulting impact on

² Report 543, Non-Confidential Appendix 1 – Assessment of Market, Situation, Section A7.3, P. 119.

the price of aluminium extrusions is not able to be easily quantified. However, available information and the Commission’s analysis indicates that these influences are likely to have had a material impact on the domestic price of aluminium extrusions in the inquiry period.”

(ii) **Changes in aluminium prices**

In the period following the investigation period (i.e. 1 January 2019 to 31 December 2019) in Invest 543, aluminium prices plus delivery costs (i.e. the Major Japanese Port premium) as published on the London Metals Exchange have increased by in excess of 60 per cent (i.e. calendar year 2019 versus eleven-months to May 2022).

This substantial increase in the purchase cost of aluminium used in the production of aluminium extrusions places Australian industry extruders at a significant disadvantage when the variable factors applicable to exporters from the largest source of supply into Australia are at levels that have a raw material aluminium input cost that is substantially below Australian industry’s aluminium costs.

The graph below demonstrates the upsurge in the aluminium price since 2019.

Figure 1 – LME aluminium + MJP vs SHFE (AUD)

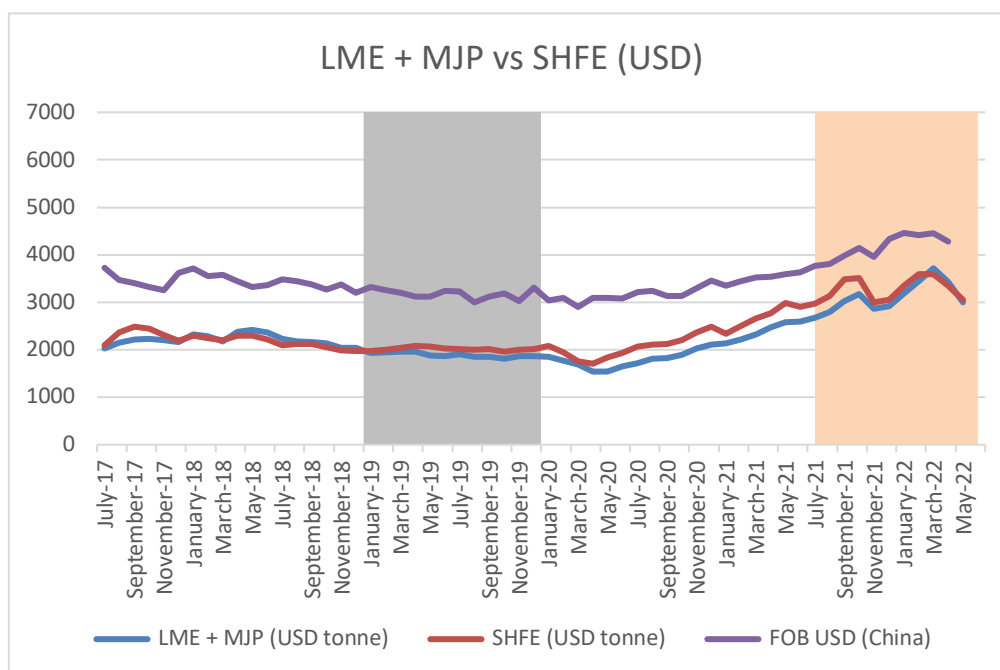


Figure 1 confirms the more than 60 per cent increase in the aggregate LME and MJP costs for raw material aluminium between 2019 and eleven months to June 2022 (supporting data is at Confidential Attachment 4). It should be noted that the purchase price for aluminium source in China based upon the Shanghai Futures Exchange (“SHFE”) has also increased by more than 60 per cent over the same time period (in US\$ terms).

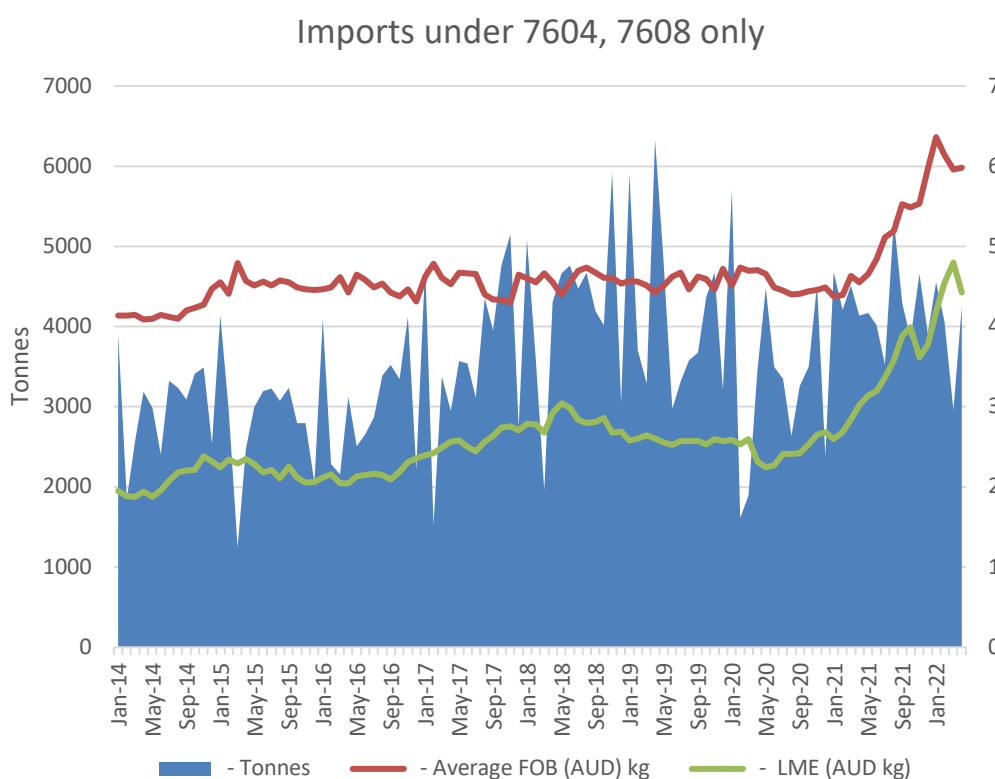
Capral highlights with the Commission the narrowing of the gap between the LME aluminium price and the China FOB (USD) values for exports to Australia during the highlighted period July 2021 to May 2022. This narrowing of the gap confirms that Chinese export prices to Australia are not reflecting the full increase in recent aluminium prices.

The increase in the aluminium costs for extrusion manufacturers will translate to increased normal values and export prices (by between 30 and 40 per cent) for Chinese manufacturers and exporters. Capral has observed – based upon import

statistics available from the ABS – that Chinese export prices have not increased by the full increase in the aluminium cost. Further, it is noted that imports from China increased by approximately 20 per cent in 2021 over 2020 levels and are continuing in 2022 at higher levels. This increase in Chinese imports can be attributed to the out-dated variable factors allowing exports at dumped prices to re-emerge during 2021 and 2022 – refer Figure 2 below (import data to April 2022 available only at date of application).

Capral highlights with the Anti-Dumping Commission that Capral’s cost of aluminium has increased by xxx per cent between the investigation period in 2019 in Invest 543 and the nine months to 31 March 2022³. As Chinese exporters elect not to reflect the full increase in aluminium costs in FOB export prices to Australia, the Australian industry is experiencing price suppression as it is unable to pass on the full increase in the raw material aluminium prices.

Figure 2 – Imports of aluminium extrusions from China under tariff subheadings 7604 & 7608



The above figure 2 confirms an approximate 20 per cent growth in imports of aluminium extrusions from China in 2021/22. Capral attributes this rapid growth to the outdated nature of the measures that are set at levels which reflect lower aluminium purchase prices (i.e. based upon aluminium prices that were evident in 2019).

Australian industry members experience the same cost increases as producers in China. However, the outdated variable factors are at levels that are significantly lower than is required to ensure the Australian industry does not experience injury from Chinese exports at dumped prices.

This increasing trend in import volumes is indicative of non-contemporary variable factors that permit exporters to supply at prices that are considered dumped and

³ Refer to updated Appendix A6.1 – CTMS - for all domestic sales of aluminium extrusions for Capral Limited included with this application.

injurious when contrasted with current pricing levels. Capral is therefore seeking the review of the variable factors applicable to Chinese exporters of aluminium extrusions so that the anti-dumping measures reflect contemporary pricing levels.

- **in your opinion the causes of the change and whether these causes are likely to persist.**

It is Capral's view that the increase in aluminium prices is indicative of a long-term structural change in pricing. As can be seen from the data in Figure 1 above LME aluminium prices were relatively stable from early 2017 to the end of 2020, and have increased significantly in 2021. The increase in selling prices for aluminium is due to the short supply of aluminium that is expected to continue into the foreseeable future.

Particular market situation

If you are applying for a revocation review (in box 2 above), provide a detailed statement setting out your reasons.

This application for the review of variable factors is not an application for the revocation of the measures, as the measures were only recently extended for a further five-year period on 12 October 2020.

Include evidence in support of your view that there are reasonable grounds for asserting that the measures are no longer warranted. Refer to the '*Instructions and guidelines for applicants: Application for review or revocation of measures*' as part of preparing your response. If you consider anti-dumping measures are no longer warranted because of:

- *no dumping or no subsidisation*: provide evidence that there is no dumping, or no subsidy, and why dumping or subsidisation is unlikely to recur if measures were revoked.

Not applicable.

- *no injury*: provide evidence that there is no current injury, and there is unlikely to be a recurrence of injury if the measures were to be revoked.

Not applicable.

Lodgement of the application

In accordance with subsection 269SMS(2) of the Act, this application, together with the supporting evidence, must be lodged by either:

- preferably, email, using the email address clientsupport@adcommission.gov.au, or
- 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 if outside Australia)

Public Record

During a review all interested parties are given the opportunity to defend their interests, by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission's website at www.adcommission.gov.au.

At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application **must** 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 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.