

14 October 2022

The Director  
Investigations  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601

Dear Sir/Madam

**Public File**

**Investigation No. 609 – Aluminium extrusions exported from The People’s Republic of China – Exporter Questionnaire Responses**

We refer to the two Exporter Questionnaire Response (“EQRs”) recently placed on the Electronic Public File (“EPR”) in review of variable factors Investigation No 609 (“Invest 609”).

Capral Limited (“Capral”) has reviewed the EQRs for Goomax Metal Co., Ltd Fujian (“Goomax”) and Guangdong Jinxi Cheng Al Manufacturing Co., Ltd (“Jinxi Cheng”) and provides the comments hereunder.

**I. Goomax Metal Co., Ltd**

**(a) *Goomax’ financial statements***

Capral notes that at Section A-3.2 of the EQR, Goomax states that its financial records are not audited. The absence of an independent confirmation that the financial records of Goomax are maintained in a manner consistent with the GAAP of the exporting country is a significant concern. It is further noted that Goomax does not have sales system or a production system.

Capral therefore questions the reliability of the Goomax financial data and what level of accuracy the Anti-Dumping Commission (“the Commission”) will place on the information received from Goomax.

**(b) *Exported Goods & Like Goods***

Goomax states at Section C that in addition to the four categories of the subject goods (mill finish, mechanical coated, powder coated (or painted), and anodised, that it has two other finishes that it has been advised by the Commission to include “I the first category”.

The first category is mill finished aluminium extrusions. In the event that the two further finished are further worked than mill finish, these goods should not be included in the mill finish category of like goods.

**(c) *Packing costs***

Goomax includes its packing costs in the manufacturing costs (Section E-2). As in previous investigations (including Invest 482) the packing costs associated with sales on the domestic and export sales differ, with relevant adjustments for these required for Goomax’ normal values.

**(d) *Production process***

Goomax states that it produces fence panels and solar frameworks on the same production facilities as it does



for aluminium extrusions. The production costs therefore require allocation. As Goomax' financial statements are not audited, the Commission will need to inquire as to the basis for allocation of costs by Goomax, and whether the allocations are reasonable.

*(e) Particular market situation*

Goomax purchases its raw material aluminium from suppliers within China. The aluminium purchased by Goomax includes purchases from state-invested enterprises. The production costs and selling prices for primary aluminium are influenced by the Government of China ("GOC") and purchases by Goomax of the aluminium domestically are at selling prices also influenced by the GOC' involvement in the primary aluminium sector.

*(f) Countervailing*

Goomax confirmed that it is in receipt of ten different grants in 2020, 22 grants in 2021 and seven grants in 2022, from the various levels of government in China that are relevant to the manufacture of aluminium extrusions.

Capral considers that some of the identified grants are likely to have been provided by the local provincial government of Fujian Province.

All information relating to the grants received by Goomax has been redacted from its EQR response. Capral is aware that some of the grants benefit domestic production and others export sales by Goomax in calendar years 2020 and 2021. Capral requests that the Commission identify grants offered by other provincial governments within China so that Goomax can confirm whether similar grants are offered by Fujian Province (to which an unidentified benefit may apply).

*(g) Chinese domestic market*

Interestingly, Goomax confirms a shift by domestic customers in China for the aluminium extruder company to make the die for the production of the extrusions. As such, the manufacturer therefore needs to spread the cost of producing the die across the goods manufactured using the die.

The Commission is requested to identify the allocation methodology of the exporter in levying costs for the die and ensuring all costs of production are correctly allocated to the subject goods.

**II. Guangdong Jinxi Cheng Al Manufacturing Co., Ltd**

Jinxi Cheng is a "Foreign Invested" Samoan company that would likely benefit from beneficial tax concessions that the GOC affords Foreign Invested Enterprises ("FIEs").

Jinxi Cheng states at E-2 of its EQR that packing costs are included in production costs and that packing costs are the same irrespective of "where they are sold". However, Jinxi Cheng then indicates that packing varies between individual customers – thereby confirming that different costs are likely incurred for domestic and export sales. Jinxi Cheng then confirms there are cost differences between domestic and export packing.

The Commission is requested to accurately identify the cost differences for packing as incurred by Jinxi Cheng for domestic and export sales and make adjustments to normal values accordingly.

Jinxi Cheng purchases all of its aluminium ingots and aluminium billet domestically in China. Capral's comments (above) concerning the influence of the GOC on primary aluminium purchases in China by Goomax equally apply to Jinxi Cheng.

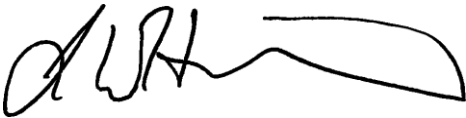


Jinxiecheng acknowledges that it has received a benefit in the form of a grant that it identifies as "Subsidy One". The details of the subsidy have been redacted by the respondent.

Capral submits that it is reasonable to anticipate that Jinxiecheng as an FIE would be in receipt of benefits from the GOC for more than one financial grant. Capral requests the Commission to further establish whether Jinxiecheng is in receipt of grants that are additional to the single grant the respondent has identified.

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



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