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Our Ref: RB:3727

Your Ref:

26 February 2021

Dr Bradley Armstrong PSM Commissioner Anti-Dumping Commission GPO Box 1632 MELBOURNE VIC 3001

BY EMAIL: clientsupport@adcommission.gov.au

Dear Commissioner,

Re: Application for an Exemption from Anti-Dumping and Countervailing Duties-Aluminium Extrusions exported from China, Vietnam and Malaysia.

We act for Adrad Pty Ltd, being an Australian-owned family company which since 1985 specialises in the manufacture and sale of radiators, automotive and air-conditioning parts and other heat exchange products.

Adrad hereby seeks an exemption from anti-dumping and countervailing measures that apply to certain aluminium extrusions exported to Australia from China, Vietnam and Malaysia.

Applicant

Adrad Pty. Ltd. (ACN 008 062 502) 20-50 Howards Road Beverley, South Australia 5009.

Contact Person

Dr Ross Becroft Gross & Becroft Lawyers Pty. Ltd.

Visit our Website at www.grossbecroft.com.au

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The Exemption Goods

Aluminium extrusions produced via an extrusion process manufactured from alloy number AA 3003.

The Applicant's Interest as an affected Party.

Adrad is an importer of various models of series AA¹ 3003 aluminium tubes from China. These tubes are then incorporated as a specialised component in the manufacture in Australia of radiators and other heat exchange systems for the use within the mining, agriculture and automotive industries.

<u>Details of other parties likely to have an interest in this exemption application and their interests in this application.</u>

- Capral as the applicant in case 543
- PWR based in Queensland is competitor of Adrad and may import the exemption goods

Other than the parties listed above Adrad is not aware of any other parties that may have an interest in this exemption as the exemptions goods are manufactured from a specialised alloy that has a limited application in Australia.

Details of the grounds for the exemption

That like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under the conditions having regard to the custom and usage of trade (ss8(7)(a) and 10(8)(a) of the *Customs Tariff (Anti-Dumping) Act 1975*).

Evidence that all known Australian producers have been contacted in writing and asked whether or not they can manufacture the exemption goods.

Please find **attached**, '**CONFIDENTIAL ATTACHMENT 1**' comprising emails between Adrad and other Australian parties in which Adrad has sought to source its products using alloy 3003 within Australia. We also point out the statements made by two parties, one of which being Capral to the effect that no-one in Australia offers products in the AA3003 series alloy.

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¹ AA is an acronym for 'Aluminium Alloy'.

<u>Details of the anti-dumping and countervailing measures applying to the exemption</u> goods.

The goods subject to measures 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 and 7 (or proprietary or other certifying body equivalent) with the finish being an extruded (mill), mechanical, anodized or painted or otherwise coated, whether or not worked having a wall thickness or diameter greater than 0.5mm, with maximum weight per metre of 27 Kilograms and a profile or cross-section which fits within a circle having a diameter of 421mm.

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. Aluminium extrusion products that have been painted, anodized or otherwise coated or worked (eg. precision cut, machined, punched or drilled) fall within the scope of the goods.

The countries subject to measures are China, Vietnam and Malaysia.

The tariff classification of goods covered by the measures are:

Tariff Classifications	Statistical Code
7604.10.00	06
7604.21.00	07,08
7604.29.00	09,10
7608.10.00	09
7608.20.00	10
7610.10.00	12
7610.90.00	13

Detailed statement setting out reasons for seeking an exemption.

Adrad presently imports a small number of aluminium extrusion models bearing the following descriptions.

- 65x8 CAC Tube (CAC=charge air-cooler)
- 73x8 CAC Tube
- 36x2 Water Tube
- 36x4.5 Oil Tube
- 36x8 CAC Tube
- 54.5x4.5 Oil Tube
- 54.5x8 CAC Tube
- AD 2x545
- 33.5x2 extrusion

We attach marked as "CONFIDENTIAL ATTACHMENT 2" product specification sheets for each of the abovementioned products.

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As stated earlier in this application, Adrad contends that there are no Australian manufacturers that produce the exemption goods.

Adrad further states that any aluminum extrusions capable of being produced by Australian manufacturers using other alloys (namely series, 1,2,5,6 and 7) are not like or directly competitive goods.

Adopting the criteria utilized by the Anti-Dumping Commission in the Dumping and Subsidy Manual, Adrad notes: -

1. Physical Likeness:

An aluminum product produced using AA3003 series aluminum has quite different physical attributes from aluminum products made from other alloy groups. The major alloying element in alloy series 3000 products is manganese and alloy number AA3003 has between 1.00-1.50 of manganese as a percentage by weight. By contrast other aluminum series have a much lower concentration of manganese. (For example, alloy 1100 has a magnesium concentration of 0.05 percent and alloy 6063 0.10 percent). Please find **attached**, "**ATTACHMENT 3**" being a document from Adrad's supplier Solvay 'The Nocolok Flux Brazing Process' which on page 6 sets out a table of aluminum alloy composition limits.

2. Functional Likeness:

Aluminum extrusions produced using other alloys (ie. not series AA3003) cannot be used in the same way that imported series 3003 aluminum extrusions can be. The components that Adrad imports are integral to the manufacture of radiators and other heat exchange systems. The use of series AA3003 permits the optimal brazing of the extrusions with other components of the radiators/heat exchange systems. Further, fins (that facilitate heat dissipation) are brazed to the outer faces of the aluminum tubes and series AA3003 enables the affixing of the fins outside the tubes as the melting points of the two materials are the same. AA3003 reduces silicon penetration into the parent material and, as a direct consequence, we see the following benefits: 1. Improved brazability due to more clad material on the surface which results in fewer leaks and stronger braze joints between the tube and fin and 2. A reduced risk of intergranular corrosion.

3. Commercial Likeness:

Australian produced aluminium extrusions (eg 6000 series) would be considered to be a different product category to AA3003 series. The 6000 series is suitable for welding and machining in general fabrication industries.

4. Production Likeness:

There are no major differences in the production likeness between AA3003 and other aluminium series within the GUC other than there being differences in the extrusion temperatures.

Conclusion

As the exemption goods are not produced and offered for sale in Australia the applicant, Adrad has no option but to continue to import the exemption goods into Australia in order to manufacture and sell radiators and other heat exchange systems into the Australian market. We request that the application be dealt with as expeditiously as possible as Adrad is required to import significate volumes of the exemption goods on a continuous basis to supply its domestic product requirements.

Do not hesitate to contact the writer should you wish to discuss this application.

Yours faithfully

GROSS & BECROFT LAWYERS

Dr. Ross Becroft

Principal

Encl.