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ADRP

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ADRP Review 2017/69—Aluminium Extrusions from China

Press Metal International Ltd of Guangzhou (PMI) & Press Metal Aluminium Australia Pty Ltd (PMAA)—Press Metal Group

This submission restates that in 22 January 2018 telephone conference, I clarified that Press Metal Group considers for this review the ADC should have:

- examined PMI as a 269TACAA (1) *selected exporter* or, otherwise,
- extended this **Review** to PMI under 269TACAA (2)

The following contains substantially PMI's 14 September 2017 SEF submission, a redacted version of which already sits on the ADC public record

Reasons for ADC to:

- **upgrade PMI from *residual* to *selected*, verify PMI and set PMI unique rates**
 - **set *floor price* rather than fixed and variable rates**
- 1 PMI completed exporter questionnaire and spreadsheets. PMAA, PMI's related Australian customer, completed importer questionnaire and spreadsheets
 - 2 PMI and PMAA made themselves available for on or off-site verification
 - 3 Relative to Jiawei and Goomax with zero IP shipments:
 - a PMI had at least some actual (even though only 2) IP shipments to PMAA
 - b REP 392—2.6 second last paragraph ADC justified:
..the Commissioner considered it appropriate to limit the number of exporters to be examined to a sample of the largest exporters by volume..

Following that criteria ADC should have preferred PMI as *selected* rather than zero shipped Jiawei and Goomax who could never enter the class of *largest exporters by volume*

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- 4 To conserve ADC resources (a criterion for upgrading *residuals* to *selecteds*), ADC could have verified PMI **off-site** because:
 - a Jiawei (387) Goomax (399) *Accelerated Reviews*—basis for their categorisation as *selected* for this 392 *Review* (rather than *residual*)—each satisfactorily completed ADC **off-site** verification
 - b PMI's own individual 304 *Review* 1 Jul 2014 to 30 June 2015 IP verified **off-site**
- 5 REP 392—2.6.1—to seek additional *selecteds* to enhance the investigation coverage, ADC approached as potential *selecteds* two additional mills; Guangdong Nanfang Aluminium Co Ltd and Xiamen Hongchi Trade Co Ltd:

Neither entity cooperated with the review

PMI and PMAA would have cooperated if *selected* rather than these two now noncooperative mills—evidenced by PMI's contribution throughout, answered **full** questionnaire and spreadsheets and that PMAA provided off and on site verifiable data

- 6 ADC satisfactorily conducted PMAA verification for *Investigation 362*—aluminium extrusions from Malaysia
- 7 ADC satisfactorily conducted **that** verification **off-site**
- 8 PMI attached confidential calculations show less than RMB ■/kg FOB floor price that makes it unfair for it subject to *residual* rates weighted by the effect of other obviously dumping and subsidised mills as reflected in their high fixed IDD and ICD rates and corresponding high AEPs
- 9 ADC/Australian Border Force already intimately familiar with exemplary cooperative Press Metal group through:
 - a *Investigation 362* aluminium extrusions from Malaysia—now terminated against the Press Metal Malaysia mill
 - b PMI's own individual verified off-site 304 *Review*
 - c numerous earlier *Assessments* for shipments from Press Metal group's China mills including PMI
- 10 PMI found **no subsidies/countervailing** in its individual *Review* 304 July 2014 to June 2015 IP
- 11 If PMI *selected*, this makes available to the ADC investigated 362 *Investigation* Press Metal Malaysia and PMAA 1 July 2015 to 30 June 2016 IP (covering first half of this 392 *Review*) data, to further verify PMI. That sort of international comparison unavailable with other *selecteds*

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- 12 Unlike many other Chinese mills, PMI receives insignificant (only 0.0█%, 0.0█% and 0.0█%, of PMI's 2014, 2015, & 2016 respective sales) government (of any type) subsidies/grants/concessions and pays standard 25% full company income tax—PMI Confidential EQ and spreadsheets

Only potential (which PMI and all exporter mills refute) subsidy comes from the questionable ADC *Program 15* metal uplift that ADC apply to every mill—and similar steel from China investigations/reviews

- 13 With more than █ tonnes annual capacity, PMI a significant producer for both China domestic and export—refer PMI EQ spreadsheet tab G-2—*production*
- 14 Initially *Selected* mills *export price* determinations reveals high level of questionable selling—in comparison to PMAA's exemplary arm's-length purchasing and 362 *Review* verified high commercial profitability in its buying from its related 100% owner Press Metal Malaysia (PMB) supplier mill. Confirmed also in:
- this 392 *Review* ADC PMAA supplied verifiable data
 - 1 September 2017 ADRP Decision 59 Paragraph 26:

...the prices at which the aluminium extrusions were sold by PMB to its customers in Australia. These prices do not support the argument that sales by PMAA must have been at a loss, even given the pricing information supplied by Capral

And in the case of China, PMAA even less related to PMI

Hence, PMI preferred as *selected* rather than these initial four other mills

4.4.1—Kam Kiu—fall back to less preferred export price *deductive* methodology

- *...the losses incurred by the importer are **not explained by commercial reasons unrelated to dumping** and;*
- *...consequently....it is appropriate...to treat the **importer's losses** as indicating that the importer or an associate **of the importer will, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or a part of the price...***

*Accordingly, the **export prices** for Kam Kiu **could not be calculated** under subsection 269TAB(1)(a) and have been calculated under subsection 269TAB(1)(b). Specifically, the export price has been calculated by reference to the invoice price from KMY to its Australian customers, less prescribed deductions outlined under subsection 269TAB(2) to work the invoiced amount back to a free-on-board (FOB) price from China.*

4.4.2 PanAsia—fall back to less preferred export price *deductive* methodology
*...the Commission is **not satisfied** that the price between the importer and exporter is a result of real bargaining and that prices for different finishes of the goods were set according to market conditions.*

Accordingly, export prices for PanAsia cannot be determined under subsection 269TAB(1)(a) and have been determined under subsection 269TAB(1)(b). Specifically, the export price has been calculated by reference to the invoice price from PanAsia Australia to its Australian customers, less prescribed deductions under subsection 269TAB(2) to bring the invoiced amount back to an FOB price from China.

4.4.3 Guang Ya—least preferred last resort export price methodology—*having regard to all relevant information*
...Guang Ya's importer elected not to complete the questionnaire...

The importer did not respond to the Commission's request for information.

*Given that the importer did not participate with the review, the **Commission has no basis on which to adequately verify information relating to the importer side of the transactions**, and consequently the requirements of section 269TAA could not be fully tested. As a result, the Commission considers that, in relation to Guang Ya's exportation of goods to Australia, sufficient information has not been furnished, or is not available, to enable the export price of goods to be ascertained under subsection 269TAB(1). As such, export prices for Guang Ya have been established under subsection 269TAB(3) having regard to all relevant information.*

Specifically, the Commission has determined an FOB export price for Guang Ya based on the weighted average FOB export price of the selected exporters

4.4.4 Jinxiecheng—least preferred last resort export price methodology—*having regard to all relevant information*

*...**export prices for Jinxiecheng cannot be established** under subsection 269TAB(1)(a) or (b) and have been established under subsection 269TAB(1)(c), having regard to all the circumstances of the exportation. Specifically, the export price has been determined as the price paid by traders in China to Jinxiecheng less transport and other costs arising after exportation.*

5.3.1 Zhongya—least preferred last resort export price methodology—*having regard to all relevant information*

***export prices for Zhongya cannot be determined** under subsections 269TAB(1)(a) or (b) and have been determined under subsection 269TAB(1)(c), having regard to all the circumstances of the exportation*



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