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

Investigation 691: aluminium windows and doors exported from the People's Republic of China

Response to the Statement of Essential Facts on behalf of Guangdong Kete Facadetech Co., Ltd and Kete Facadetech Group Pty Ltd

Dear Director,

We act for Guangdong Kete Facadetech Co., Ltd (Guangdong Kete), a selected exporter, and for its wholly owned Australian subsidiary, Kete Facadetech Group Pty Ltd (Kete Australia). Together we refer to them as Kete. This submission responds to Statement of Essential Facts 691 (SEF), published on 14 October 2026.

The SEF proposes a dumping margin of 12.1% for Guangdong Kete. Kete has worked through the Commission's preliminary calculations in Confidential Attachments 15 to 20. It has found five errors. Each of them moves the margin in the same direction. Each can be corrected from information already verified by the Commission, or from the Commission's own worksheets.

Kete has recalculated the margin for each error separately and together. Appendix A set out the results. Correcting the export price errors alone reduces the margin from 12.1% to [redacted]%. Adding the comparison by project reduces it to [redacted]%. Correcting the profit in the normal value as well brings the margin, on Kete's indicative estimate, to between about [redacted]% and [redacted]%, or between about [redacted]% and [redacted]% without the comparison by project. Those figures are before any correction to the glass adjustment. A margin below 2% requires termination of the investigation so far as it relates to Guangdong Kete.

Kete does not ask the Commission to accept its arithmetic in place of its own. It asks the Commission to correct the inputs and rerun the dumping margin calculations. Every figure below can be checked against Confidential Attachments 15 to 20 and the revised worksheet Kete has provided with the confidential version of this submission.

1. The deductive export price deducts a profit Kete Australia did not make

Guangdong Kete sold some goods to Kete Australia, which resold them to unrelated Australian customers. The Commission found that the sales between the two companies were not arms

length transactions, and it worked out a deductive export price under section 269TAB(1)(b). That starts from Kete Australia's resale price and subtracts the "prescribed deductions".

Among the deductions the SEF lists "an amount for profit based on Guangdong Kete's OCOT profit on domestic sales of like goods". It explains that "the commission notes that Kete Australia's sales of the goods were unprofitable during the investigation period. In the absence of a positive profit amount from Kete Australia's sales of the goods, the commission considers Guangdong Kete's OCOT profit on domestic sales of like goods to be the most appropriate profit amount to apply."[1]

The finding that Kete Australia made no profit is not in dispute. The importer verification report records that the Commission tested Kete Australia's selected shipments and that none of them was profitable. That test was a demanding one for Kete Australia. The Commission built its cost of import from "Guangdong Kete's verified CTMS and ordinary course of trade (OCOT) profit for domestic sales of like goods", and then added the costs of exporting, importing and supplying the goods. Even with Guangdong Kete's profit built into Kete Australia's costs, the weighted average of all shipments was unprofitable.

In Confidential Attachment 16 the deducted profit is [redacted]% of Kete Australia's resale price, or RMB [redacted] per square metre on a weighted average resale price of RMB [redacted].[2] It is the second largest deduction in the calculation.

The Act allows only the profit actually made, or a rate fixed by direction

Section 269TAB(2) defines the prescribed deductions exhaustively. The profit deduction in paragraph (c) is:

> "the profit, if any, on the sale by the importer or, where the Minister so directs, an amount calculated in accordance with such rate as the Minister specifies in the direction as the rate that, for the purposes of paragraph (1)(b), is to be regarded as the rate of profit on the sale by the importer."

The provision offers two options only. The first is the importer's actual profit, "if any". Where the importer made no profit, the amount deducted under that provision is nil. The words "if any" would have no work to do otherwise. The second route requires a direction by the Minister, and even then, the rate directed is "the rate of profit on the sale by the importer". It is a rate for the importer's resale, not a rate earned by someone else in a different market.

The SEF does not refer to a direction, and it does not say the Commission will recommend one. It treats the choice of profit as a matter for the Commission's view of what is "most appropriate". The Act does not confer that choice.

The Commission's own Manual reads section 269TAB(2)(c) the same way. It states: "Where an amount for profit to be deducted is not the actual profit of the importer, the Commission will recommend that the Minister make a direction concerning the amount of profit to be deducted."[3]

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[1] SEF, s 6.7.1, p 141.

[2] SEF Confidential Attachment 16, sheet "(b) CTIS summary", cell B21, applied in sheet "(a) Australian sales", column BQ; weighted average calculated by Kete over all [redacted] sales.

[3] Anti-Dumping Commission, *Dumping and Subsidy Manual* (December 2021), s 6.3, p 25.

It then lists the sources the Commission may draw on in recommending a rate such as, the "historical profit achieved by the importer for the goods", the "historical profit achieved by the importer for the product group, profit centre or total company figures, taking account of the company's overall functions", and "the profit achieved by other importers at the same level of trade for the goods during the investigation period".[4]

Every one of those sources measures what an importer earns on resale in Australia. None of them is the exporter's manufacturing profit in its home market. Guangdong Kete's OCOT profit is earned by a manufacturer selling custom projects in China. It measures nothing about the margin an Australian importer earns for the functions it performs on resale.

Article 2.4 of the Anti-Dumping Agreement confirms the point. Where a constructed export price is used, it provides that "allowances for costs, including duties and taxes, incurred between importation and resale, and for profits accruing, should also be made." The allowance is for profits that accrued. Kete Australia's did not.

The Commission may say that deducting nothing for profit leaves the export price too high, because an importer that resells at a loss is not a reliable guide to an arms length export price. That concern is answered by the structure of the Act. If the Commission considers that the actual profit should not be used, the Act requires a Ministerial direction, and the Manual tells the Commission which rates it should look to. Neither step has been taken. The Commission cannot reach the same result by substituting a rate of its choosing without a direction.

The Commission may also say that section 269TAB(1)(c) would allow it to set the export price "having regard to all the circumstances of the exportation". The SEF did not proceed under paragraph (c). It found that the conditions of paragraph (1)(b) were met and applied it. Having done so, the Commission must apply the deductions that paragraph (1)(b) prescribes.

Finally, if a direction were to be recommended, the rate cannot be Guangdong Kete's OCOT profit as calculated in the SEF. Section 3 below shows that rate is overstated because it rests on a surrogate cost with no basis in the record. On the Commission's own figures, the profit on the remaining domestic sales in the ordinary course of trade is about [redacted]%.

The correction and its effect

Kete asks the Commission to deduct no amount for profit in calculating the deductive export price, consistent with its finding that Kete Australia's sales were unprofitable. This correction alone increases the weighted average deductive export price for project [redacted] from RMB [redacted] to RMB [redacted] per square metre (after the corrections in section 3). The deductive export price applies to about [redacted]% of Guangdong Kete's export volume, but at a level far below every other export project, so its effect on the margin is large. Together with the corrections in section 3, it reduces the margin from 12.1% to [redacted]%.[5]

[4] *Dumping and Subsidy Manual* (December 2021), s 6.3, p 25.

[5] Appendix A, Tables A1 and A2.

2. Costs incurred in China before exportation were deducted from export prices

The deductive export price deducts Chinese inland freight and port handling

The deductive export price must be worked back to the point of export. The Manual states that " export price is assessed as the 'free on board (FOB) price' received by the exporter at the seaport in the country of export".[6] Section 269TAB(2)(b) permits the deduction of "any costs, charges or expenses arising in relation to the goods after exportation". Costs incurred before the goods leave China are part of the FOB price and are not deductible.

The SEF describes the deductions as importation costs, "including Australian general customs duty, Australian port and handling charges and Australian inland freight", and post exportation costs, "including ocean freight and marine insurance". The calculation in Confidential Attachment 16 does not match that description in two respects.

First, the column headed "Less inland freight" (column BN) is drawn from Guangdong Kete's export sales listing, where it records Guangdong Kete's inland transport from its factory to the port of loading in China.[7] Kete Australia's own Australian delivery columns are recorded as not applicable. The Commission has itself found that Guangdong Kete "arranged and paid for inland transport to the port of export". That freight is a cost of delivering the goods to FOB. It arises before exportation and the amount deducted is RMB [redacted] per square metre.

Second, the column headed "Less ocean freight & port handling charges" (column BL) is also drawn from Guangdong Kete's export listing, where the amount combines ocean freight with port handling at the Chinese port of loading.[8] Ocean freight arises after exportation. Port handling at the port of loading does not. In Confidential Attachment 15 the Commission calculated a weighted average port handling charge for these shipments of RMB [redacted] per square metre.[9] That amount should be removed from the deduction so that only ocean freight is deducted.

Correcting both items increase the weighted average deductive export price from RMB [redacted] to RMB [redacted] per square metre.[10]

The FOB export price for CIF and DDU sales deducts Chinese port handling

For Guangdong Kete's direct sales on CIF and DDU terms, the Commission worked back to an FOB price by deducting customs clearance, marine insurance and the column recording "Total Ocean freight&port handling charges".[11] Section 269TAB(1)(a) excludes from the export price only "any

[6] *Dumping and Subsidy Manual* (December 2021), s 6.2, p 23.
[7] SEF Confidential Attachment 16, sheet "(a) Australian sales", column BN, drawn from sheet "(b) CTIS summary", cell B10, which is sourced to sheet "Guangdong Kete Australian sales", columns CD to CH ("Inland transport").
[8] SEF Confidential Attachment 16, sheet "(a) Australian sales", column BL, drawn from sheet "(b) CTIS summary", cell B13, sourced to sheet "Guangdong Kete Australian sales", column BL ("Total Ocean freight&port handling charges-CNY").
[9] SEF Confidential Attachment 15, sheet "(d) Direct selling expense", cell A14.
[10] Kete's revised Confidential Attachment 16, sheet "(d) Deductive export price-RE(G", cell B15; Appendix A, Table A1.
[11] SEF Confidential Attachment 15, sheet "(a) Australian sales", column "FOB export price", which for CIF and DDU sales deducts the columns "Total Customs clearance-CNY", "Total Ocean freight&port handling charges-CNY" and "TOTAL Marine insurance-CNY".

part of that price that represents a charge in respect of the transport of the goods after exportation or in respect of any other matter arising after exportation". Port handling at the port of loading is neither.

The Commission's own workbook shows that it identified the point. Confidential Attachment 15 contains columns, labelled as the Commission's, that calculate the weighted average port handling charge for "CIF and DDU transactions".[12] For sales on EXW terms the Commission added inland transport and port handling to reach FOB.[13] The amount it calculated for CIF and DDU sales was not then used. It should have been removed from the combined freight figure before that figure was deducted.

The same cost is added to normal value

The error is compounded on the other side of the comparison. The SEF adjusts Guangdong Kete's constructed normal value upward for "Export inland transport" and "Export port handling charges". The verification report explains the port handling adjustment as "Port handling and other export charges expense incurred on export sales to Australia was found, which was not incurred on domestic sales. An upwards adjustment to the normal value is therefore necessary to ensure a fair comparison to export prices."[14]

That adjustment is correct only if the export price includes the same charges. For the CIF and DDU sales and for the deductive export price, it does not. The normal value carries Chinese port handling (and, for the deductive sales, Chinese inland freight), while the export price has had the same costs removed. Section 269TAC(9) requires adjustments "as are necessary to ensure that the normal value so ascertained is properly comparable with the export price of those goods". A comparison that adds a cost to one side and removes it from the other is not a fair one.

Correction is required on the export price side as the normal value adjustments are correct in principle and Kete does not ask the Commission to remove them.

Effect

Correcting the CIF and DDU port handling alone reduces the margin from 12.11% to [redacted]%. Correcting the deductive export price for inland freight and port handling alone reduces it to [redacted]%. Together they reduce it to [redacted]%.[15]

3. The profit in normal value rests on a surrogate cost with no basis

The SEF constructs Guangdong Kete's normal value under section 269TAC(2)(c), with profit worked out from "the profit for Guangdong Kete's domestic sales of like goods in the OCOT". Regulation 45(2) requires that "the Minister must, if reasonably practicable, work out the amount

[12] SEF Confidential Attachment 15, sheet "(a) Australian sales", columns "WA unit port handling charges (CNY/SQM) - CIF and DDU transactions (ADC)" and "Extended WA port handling charges (CNY/SQM) - CIF and DDU transactions (ADC)".
[13] SEF Confidential Attachment 15, sheet "(a) Australian sales", column "WA Inland transport & port handling charges (CNY/RMB) for EXW transactions (ADC)", drawing on sheet "(d) Direct selling expense".
[14] Anti-Dumping Commission, *Exporter verification report: Guangdong Kete Facadetech Co., Ltd* (9 September 2026), EPR 691, document no. 475, s 3.3.7, p 11.
[15] Appendix A, Table A2.

by using data relating to the production and sale of like goods by the exporter or producer of the goods in the ordinary course of trade." The profit must therefore come from Guangdong Kete's actual domestic production and sales.

Guangdong Kete's domestic sales of like goods were made on six projects. Its cost to make (CTM) data, in Spreadsheet G-3 of its questionnaire response, covers four of them ([redacted]). For the other two, [redacted] and [redacted], the Commission built a surrogate CTM in Confidential Attachment 17.[16] Those two projects have no CTM in the investigation period for a simple reason. Their production costs were incurred and recorded in the prior accounting period, and only the invoices for them were issued within the investigation period. The costs are in Guangdong Kete's records, but they fall outside the investigation period.

The formula is CTM of [redacted] + (CTM of [redacted] − CTM of [redacted]), that is RMB [redacted] + (RMB [redacted] − RMB [redacted]) = RMB [redacted] per square metre. The same surrogate was applied to both projects.[17]

The surrogate has no basis in the record

Neither the SEF nor the verification report explains the formula. It subjectively takes the cost of one project and adjusts it by the difference between the selected costs of two unrelated projects, whilst arbitrarily overlooking and ignoring the higher costs of other unrelated projects. Nothing in the record suggests that the cost difference between [redacted] and [redacted] has any bearing on the cost of [redacted] or [redacted]. Guangdong Kete's domestic work is made to the customer's specification. Each project differs in window and door types, glass types, the quantity of aluminium per square metre, and processing complexity. The cost differences between projects reflect those specifications, and they do not transfer from one pair of projects to another.

Every choice in the formula pushes the result down. It starts from [redacted], the lowest cost of the four recorded projects. It then subtracts the amount by which [redacted] costs more than [redacted]. It leaves out [redacted], the highest cost project, altogether. No reason is given for choosing those projects, or for combining them in that way. The method is subjective, and it has no logic that could be applied to any other project. Its only effect is to produce a cost below every cost Guangdong Kete actually recorded.

A method of that kind cannot meet the standard the Anti-Dumping Agreement sets. In *US – Hot-Rolled Steel*, the Appellate Body held that an authority's discretion in deciding whether domestic sales are in the ordinary course of trade "is not without limits. In particular, the discretion must be exercised in an even-handed way that is fair to all parties affected by an anti-dumping investigation."[18] It found "a lack of even-handedness" in tests whose combined application "operated systematically to raise normal value".[19] The surrogate cost works in the same way. By setting the cost of [redacted] and [redacted] below every recorded project, it makes those sales profitable, carries them through the ordinary course of trade test, and raises the profit added to every normal value. In the context of the injury examination under Article 3.1, the Appellate Body has also said

[16] SEF Confidential Attachment 17, sheet "(b) Domestic CTMS Summary", cells E7 to E12 (formula in E11: =E9+(E10-E8)).
[17] SEF Confidential Attachment 17, sheet "(b) Domestic CTMS Summary", cells E7 to E12 (formula in E11: =E9+(E10-E8)).
[18] Appellate Body Report, United States – Certain Hot-Rolled Steel Products from Japan, WT/DS184/AB/R, para 148.
[19] Appellate Body Report, United States – Certain Hot-Rolled Steel Products from Japan, WT/DS184/AB/R, para 154.

that the examination process "must conform to the dictates of the basic principles of good faith and fundamental fairness".[20] Article 17.6(i) of the Anti-Dumping Agreement asks whether an authority's "evaluation of those facts was unbiased and objective". A cost built from a selection of inputs that all point the same way, with no stated reason, does not meet that standard.

The result is implausible on its face. The verified CTMs of Guangdong Kete's domestic projects range from RMB [redacted] to RMB [redacted] per square metre, with a weighted average of RMB [redacted]. The surrogate of RMB [redacted] is [redacted]% below the lowest of them. No verified project was produced at anything close to that cost.

Regulation 43(2) applies to the cost used to test whether domestic sales were made in the ordinary course of trade. Where the records meet the conditions, it requires that "the Minister must work out the amount by using the information set out in the records."[21] The SEF records that the cost used for the ordinary course of trade test "relied on its unadjusted production costs", that is, on Guangdong Kete's records. A cost produced by a formula that combines three other projects and ignores another, is not information set out in the records for [redacted] or [redacted]. Guangdong Kete's records do hold those costs, in the prior accounting period.

The surrogate drives the profit rate

The surrogate determines the outcome. In Confidential Attachment 19, only three projects ([redacted], [redacted] and [redacted]) pass the ordinary course of trade test. The resulting profit is [redacted]%.[22] [redacted] alone accounts for [redacted]% of the cost base and [redacted]% of the profit in that calculation. [redacted] own margin is [redacted]%. [redacted] is very small (CTMS of RMB [redacted]). [redacted], the only one of the three whose cost comes from the records, earned [redacted]%.

If the cost of [redacted] is understated, its profit is overstated, and so is the profit added to every normal value. The verification report noted that "the commission's profit calculation may change".[23] Kete submits that it must.

On the Commission's figures, [redacted] revenue exceeds its surrogate CTMS by [redacted]%. Moving its CTM from RMB [redacted] to RMB [redacted], the lowest verified project cost, is an increase of [redacted]%. That would leave [redacted] unprofitable unless CTM made up less than about [redacted]% of its cost to make and sell. The record does not suggest anything of that kind. [redacted] would then fail the ordinary course of trade test.

What the Commission ought to do

Kete proposes three ways to correct the profit, in order of preference.

The first is to remove [redacted] and [redacted] from the ordinary course of trade calculation in Spreadsheet D-2, since Guangdong Kete's records for the investigation period hold no production

[20] Appellate Body Report, United States – Certain Hot-Rolled Steel Products from Japan, WT/DS184/AB/R, para 193.
[21] Customs (International Obligations) Regulation 2015, s 43(2). Section 43(1) states that the section sets out the manner of working out the cost of production or manufacture "for paragraph 269TAAD(4)(a) of the Act".
22 SEF Confidential Attachment 19, sheet "(e) Profit", cells B9 to B13 and rows 18 to 24.
23 EPR 475, s 3.3.6, p 10.

cost for them. The profit is then the profit on the remaining domestic sales in the ordinary course of trade, which on the Commission's figures is [redacted]% ([redacted]).

The second is to apply the weighted average verified CTM of the four recorded projects, RMB [redacted] per square metre, to [redacted] and [redacted]. On the analysis at paragraph 4.3.3 both projects would then fail the ordinary course of trade test, and the result is the same as the first approach.

The third is to apply the lowest verified project CTM, that of [redacted] at RMB [redacted] per square metre. On Kete's indicative calculation the profit would then be about [redacted]%.[24]

On any of the three approaches, the profit in the normal value falls from [redacted]% to between about [redacted]% and [redacted]%.

Effect

Kete has estimated the effect on the assumption that the profit is applied to the full cost to make and sell, and that the normal value adjustments are small relative to it. On that indicative basis, a profit of [redacted]% reduces the margin, after the export price corrections above, to [redacted]%. With the comparison by project as well, it falls to [redacted]%. At a profit of [redacted]%, the corresponding figures are [redacted]% and [redacted]%.[25]

4. The glass adjustment uses the wrong benchmark categories

The SEF replaces Guangdong Kete's recorded glass costs with costs adjusted to a Turkish benchmark. It did not use a single benchmark because, in its words, "these glass types differ significantly in product specifications, manufacturing process and value therefore the commission considers that a single benchmark based solely on one glass type would not provide an appropriate basis for assessing the recorded costs by the selected exporters". It built separate benchmarks for float glass, laminated glass, tempered glass and insulated glass units (IGUs), and "compared the reported purchase prices of each glass category against the corresponding benchmark price".

This approach and methodology only succeed where it is possible to match each purchase to the right category, as the benchmarks differ widely. Across the investigation period the IGU benchmark is roughly four times the tempered glass benchmark and about twice the laminated glass benchmark.[26] A purchase of tempered or laminated glass compared with the IGU benchmark will show a large gap that has nothing to do with the cost of the glass actually bought.

The categories assigned to Guangdong Kete's purchases are wrong

In Confidential Attachment 18 the Commission assigned each glass purchase to a category in a column it added, headed "Grouped glass descriptions (ADC)", from the commodity description on the VAT invoice.[27] Kete has reviewed the grouping line by line. Two errors are clear on the

24 Appendix A, paragraph A.5.

25 Appendix A, Table A2 and paragraph A.4.

[26] SEF Confidential Attachment 18, sheet "(a) Benchmark data", rows 21 to 33.

[27] SEF Confidential Attachment 18, sheet "(b) Raw material purchases", columns C and D (in Kete's revised attachment, sheet "(b) Raw material purchases-REQ"; see for example rows 333 to 363).

Commission's own data. At no point did the Commission ask Kete to confirm the categories it had assigned.

The invoice description [redacted] was translated as "[redacted]" and grouped as an IGU. The Chinese term [redacted] means [redacted]. [redacted] means [redacted], and [redacted] is the term for [redacted]. The purchases belong in the [redacted] glass category.

Purchases described simply as [redacted], [redacted], were also grouped as IGUs. They belong in the [redacted] glass category.

These two errors move RMB [redacted] of purchases ([redacted]% of the glass purchases compared with the benchmark) out of the IGU category. Kete has rerun the Commission's comparison with only those lines regrouped, leaving every other input unchanged. The weighted average glass price difference falls from [redacted]% to [redacted]%.[28]

Invoice descriptions do not show the glass actually supplied

There is a further problem with grouping by invoice description. Guangdong Kete's glass suppliers deliver many types of glass in many batches. Their finance staff do not split each invoice line by glass type. They issue an invoice line under the predominant description for a set of deliveries. One invoice line will often cover several glass types. The invoice description is therefore an unreliable guide to category.

Guangdong Kete's ERP system records each receipt of glass by the actual type ordered and delivered, as shown on the supplier's delivery notes. Kete has rebuilt the purchase listing on that basis, in a new worksheet headed "(b) Raw material purchases-ERP" in its revised Confidential Attachment 18.[29] The rebuilt listing reconciles to the listing verified by the Commission. It totals [redacted] square metres and RMB [redacted], against [redacted] square metres and RMB [redacted] in Spreadsheet G-7.4. The small difference arises from rounding the area of individual panes.

To show that the ERP records are accurate, Kete has provided supplier-stamped statements of account or delivery notes for the two largest glass invoices in its questionnaire response and for the glass invoices the Commission selected in its verification agenda (Exhibit G-7.6).[30] They show the glass specifications actually supplied against each invoice.

Applying the Commission's own benchmarks and method to the ERP listing gives a weighted average glass price difference of [redacted]%.[31] Kete asks the Commission to use the ERP listing.

Kete notes that the categories were not put to it before the SEF. Guangdong Kete was not told that its purchases would be grouped by invoice description for benchmark comparison, and it had no opportunity to say that the descriptions did not reflect the glass supplied. The SEF is the first point at which it could do so. Kete has cooperated fully with the Commission throughout this

[28] Appendix A, paragraph A.6.

[29] Kete's revised Confidential Attachment 18, sheet "(b) Raw material purchases-ERP".

[30] Exhibit G-7.6, Raw Material Samples (Post SEF), folders REQ 1, REQ 2, Verification exhibit 1 and Verification exhibit 7.

[31] Appendix A, paragraphs A.6 and A.7.

investigation, as it has in earlier inquiries. A simple request to confirm the glass categories would have avoided the error.

A point of clarification

Table 32 of the SEF lists the same HS subheadings, 7007.11 and 7007.19, as the source for both the laminated glass and the tempered glass benchmarks. The two benchmarks in Confidential Attachment 18 are different series. Kete asks the Commission to confirm which HS subheadings were used for each, so that the comparison can be checked.

5. The comparison after removing H6 goods should be made by project

Goods with height code H6 are taller than the goods description permits and are outside the scope of the investigation. The Commission removed them before working out the margin. Whilst Kete agrees that they should be removed, it questions how this should be undertaken.

The Commission compared quarterly weighted average export prices for each project, excluding H6 lines, with a normal value for each project for the whole investigation period.[32] It removed the H6 goods at the values recorded against them in the export listing.

Those values are not prices. Guangdong Kete quoted and sold each project as a package, at a single quoted rate per square metre for the project.[33] The values recorded against individual lines come from the customs declaration for each shipment. The export listing records how they were allocated, where sashes and loose material were declared together by area, the whole container's declared value was allocated to the sashes only, and the loose material kept its area but was given no value.[34] The value attached to an H6 line therefore depends on how a shipment was declared, not on the price Guangdong Kete charged for the goods.

Given that the H6 goods were priced at the same project rate as the H1 to H5 goods in the same project, removing them should not change the unit price of what remains. The fair way to remove them is to work out the weighted average FOB price of each project over the whole investigation period, then remove the H6 quantities and apply that project price to the remaining goods.

That is also the comparison the SEF says it made. The SEF states that "the commission compared export prices over the whole of the investigation period with the corresponding normal values." Section 269TACB(2)(a) provides for a comparison of "the weighted average of export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of that period". The normal values are already worked out by project for the whole period. The export price for each project should be worked out in the same way.

On the Commission's own export prices, this change alone reduces the margin from [redacted]% to [redacted]%. With the export price corrections, it compounds those corrections, as shown below.[35]

[32] SEF Confidential Attachment 15, sheet "(b) QTR AEP & export qty", and Confidential Attachment 20.
[33] SEF Confidential Attachment 15, sheet "(a) Australian sales", column DA ("Unit Price of the Final Quotation Corresponding to the Unit Code").
[34] SEF Confidential Attachment 16, sheet "Guangdong Kete Australian sales", note at cell AS2.
[35] Appendix A, Table A2.

6. Combined effect of errors

Kete has rerun the Commission's comparison using the Commission's normal values and quantities, with each correction applied in turn. Before any correction is made, the Commission's figure of 12.1% is reproduced exactly (12.11%). Table 1 sets out the results, and Appendix A the calculations.

Table 1: Effect of the corrections on Guangdong Kete's dumping margin

Step	Correction	Dumping margin
A	SEF as published	12.11%
B	Port handling, CIF and DDU sales	[redacted]%
C	B plus inland freight and port handling in the deductive export price	[redacted]%
D	C plus no profit deduction in the deductive export price	[redacted]%
E	D plus comparison by project	[redacted]%
F	E plus normal value profit of [redacted]%	[redacted]%
G	E plus normal value profit of [redacted]%	[redacted]%

Steps B to E are exact recalculations in the Commission's workbooks. Steps F and G are indicative. None of the steps includes the glass correction in section 5. That correction reduces the cost of production and so reduces the normal value further.

If profit in the deductive export price were set at the corrected normal value profit rather than nil, the margin at step E would be [redacted]% rather than [redacted]%.[36] The conclusion at step F would not change materially.

On the corrected figures the dumping margin for Guangdong Kete is likely to be less than 2%. Section 269TDA(1) provides that where the dumping margin for the exporter, "when expressed as a percentage of the export price or weighted average of export prices used to establish that dumping margin, is less than 2%; the Commissioner must terminate the investigation so far as it relates to the exporter."

Each error in this submission is identified from the Commission's own workbooks and verified data. Each has a direct correction and upon recalculation, it is estimated that Guangdong Kete's dumping margin is below 2%, and the investigation ought to be terminated insofar as it relates to Guangdong Kete under section 269TDA(1).

Kete is willing to provide any further information, reconciliation or explanation the Commission needs to verify the matters in this submission, including the ERP glass records and the supplier documents in Exhibit G-7.6, and to make its staff available to the Commission for that purpose.

[36] Appendix A, Table A2, "Deductive profit at [redacted]%".

Yours sincerely,

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Appendix A: Calculations (confidential)

[redacted]

Table A1: Deductive export price for Kete Australia's resales (weighted average, RMB per square metre)

Item	SEF	Corrected
Resale price (DDP)	[redacted]	[redacted]
Ocean freight and port handling	[redacted]	[redacted]
Marine insurance	[redacted]	[redacted]
Inland freight in China	[redacted]	[redacted]
Customs clearance and declaration	[redacted]	[redacted]
SG&A of Kete Australia	[redacted]	[redacted]
Profit	[redacted]	[redacted]
Deductive FOB export price	[redacted]	[redacted]

[redacted]

Table A2: Dumping margin under each correction

Scenario	Export price basis	Deductive export price (RMB/SQM)	Comparison	Normal value	Margin
SEF	Commission	[redacted]	by line, H6	SEF	12.11%
Port handling, CIF and DDU only	Kete revised	[redacted]	by line	SEF	[redacted]%
Deductive price freight only	Commission	[redacted]	by line	SEF	[redacted]%
Both freight corrections	Kete revised	[redacted]	by line	SEF	[redacted]%
Plus nil profit	Kete revised	[redacted]	by line	SEF	[redacted]%
Nil profit only	Commission	[redacted]	by line	SEF	[redacted]%
Comparison by project only	Commission	[redacted]	by project	SEF	[redacted]%
Kete's revised Attachment 20	Kete revised	[redacted]	by project	SEF	[redacted]%

Freight, nil profit, by project	Kete revised	[redacted]	by project	SEF	[redacted]%
Deductive profit at [redacted] %	Kete revised	[redacted]	by line / by project	SEF	[redacted]%
Normal value profit [redacted] %	Kete revised	[redacted]	by line / by project	Estimated	[redacted]%
Normal value profit [redacted] %	Kete revised	[redacted]	by line / by project	Estimated	[redacted]%

[redacted]

Basis	Glass purchases compared (RMB)	Difference (RMB)	Price difference
SEF grouping by invoice description	[redacted]	[redacted]	[redacted]%
Same, with misclassified [redacted] and [redacted] invoices regrouped	[redacted]	[redacted]	[redacted]%
ERP listing grouped by glass type supplied	[redacted]	[redacted]	[redacted]%

[redacted]