



Anti-Dumping Review Panel - Conference Summary

2017/62 – Aluminium Road Wheels Exported from the People’s Republic of China

Panel Member	Paul O’Connor
Date	18 August 2017
Participants	ADRP Member: Paul O’Connor ADC Officers: Rhys Piper & Heidi Matuschka
Time opened	10:00am AEST
Time closed	10:40am AEST

Note to Panel Members: Also refer to the ADRP Conferencing Procedure on the Extranet (Resources<Templates and Procedures)

Purpose

The purpose of this conference was to obtain further information in relation to the review before the ADRP, in relation to Aluminium Road Wheels Exported from the People’s Republic of China.

In the course of this conference, I may have asked parties to clarify an argument, claim or specific detail contained in the party’s application or submission. The conference was not a formal hearing of the review, and was not an opportunity for parties to argue their case before me.

I have only had regard to information provided at this conference that relates to relevant information (within the meaning of section 269ZZK(6) of the *Customs Act 1901*). Any conclusions reached at this conference are based on that relevant information.

Discussion

A general discussion occurred in relation to the scope of the phrase “all relevant information”. Reference was made to two recent WTO Appellant Body reports regarding what is meant by best information available under Article 6 of the A.D. Agreement and Article 12 of the Subsidies Agreement. Those reports are Mexico-Rice at paragraph 291 and US Hot-Carbon Steel (India) at paragraph 4.424. Those reports made the following points:

- facts available, as used in terms of the agreement, are those which reasonably replace the information that interested party failed to provide and that the investigating authorities cannot resort to non-factual assumptions or speculation and must take into account all substantiated facts on the record; and
- there needs to be a process of reasoning and evaluation of all substantiated facts on the record and suggests that in the event that the investigating authority must choose among several facts available, the process of reasoning and evaluation would involve a degree of comparison in order to arrive at an accurate determination.

Reference was made to page 59 of the Manual which is said to be relevant to what is meant by the phrase “all relevant information” and lists the sources of information which may be considered relevant.

ADC officers explained that at the Jinfei Kaida exporter verification ADC officers were able to verify the cost to make and sell for all models to financial statements. However, due to the structure of the accounts, the verification team was not able to calculate the cost to make and sell on a per model



basis. ADC officers explained the basis for the verification team's finding that Jinfei Kaida was unable to demonstrate how the detailed monthly unit costs (by model) could be traced to source documents. ADC officers undertook to provide a copy of the relevant work programme for that visit.

ADC officers explained that the CITIC verification team had similar issues in terms of being unable to gain confidence that individual unit costs on a model basis could be verified.

ADC officers explained that there are some practical difficulties associated with comparing differing models. The ADC's approach has been to do so on a per piece basis, by reference to the diameter of the wheel and the finish type (e.g. painted, chromed). An alternative would be to focus on the amount of aluminium used for each rim in order to compare models on a per kilogram basis. However, this approach was not preferred as design variations have an impact on cost. For example, two models using a similar amount of aluminium, of the same diameter and finish may have significant cost differences, as one design may generate a higher number of production rejects which adds to costs. This issue also gave rise to a lack of confidence in comparing the production costs of one exporter with that of another. The ADC was therefore cautious in using one exporter's data in order to provide some basis for calculating a normal value for another exporter.

ADC officials also made the point that CITIC produced wheels for the original equipment market whereas Jinfei Kaida and Yueling predominantly produced wheels for sale to wholesalers and retailers in the aftermarket.

Reference was also made to the claim in the application that the percentage movement applied to the normal value was inconsistent with the percentage movement in the export price between the export price determined in Review 263 and that applied to the normal value in the current review.

The reasons why reliance was not placed on the London Metal Exchange or on the Shanghai Exchange was because ADC officers said the movements in those exchanges were examined but they did not observe a correlation between movements in raw material costs and export prices to Australia. This was said to be consistent with the claims by JINFEI KAIDA to the effect that price movements are generally reflected in the outcomes of negotiations with particular customers rather than in raw material cost movements.

A handwritten signature in black ink that reads 'Paul O'Connor'.

Paul O'Connor

Member

28 August 2017