



ADRP Conference Summary

Review Nos. 146-150 – Copper Tube exported from the People’s Republic of China and the Republic of Korea

Panel Member	Leora Blumberg
Review type	Review of termination decisions of the Commissioner
Date	7 June 2022
Participants	Roman Maevsky, Anti-Dumping Commission Isolde Lueckenhausen, Anti-Dumping Commission Larry Isaac, Anti-Dumping Commission An Chew, Anti-Dumping Commission
Time opened	5:00pm AEST
Time closed	5:30 pm AEST

Purpose

The purpose of this conference was to obtain further information and clarification from the Anti-Dumping Commission (“ADC”) in relation to further information arising out of a conference held with Metal Manufactures Pty Ltd trading as “MM Kembla” (“MM Kembla”) on 27 May 2022, in relation to Reviews Nos. 146 – 150 – Copper Tube exported from the People’s Republic of China (“China”) and the Republic of Korea (“Korea”).

General

The conference was held pursuant to s.269ZZRA of the *Customs Act 1901* (the Act). During the conference, I was able to ask the ADC to clarify arguments, reasons, and specific details relating to the reviews. 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 to the extent that it relates to information that was before the Commissioner of the ADC (“the Commissioner”) when the Commissioner made the reviewable decisions. Any conclusions reached at this conference are based on that information that was before the Commissioner when the Commissioner made the reviewable decision. Information that relates to some new argument not previously in Termination Report No. 557 (“TER 557”) or related documents is not something that the Review Panel has regard to, and is therefore not reflected in this conference summary. At the time of the conference, I advised the participants:

- That the conference was being recorded and transcribed by Express Virtual Meetings Pty Ltd, and that the recording would capture everything said during the conference.



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- That the conference was being recorded for the Review Panel to have regard to when preparing a conference summary. The conference summary would then be published on the Review Panel's website.
- Any confidential information discussed during the conference would be redacted from the conference summary prior to publication.

Prior to the conference, participants were provided with a copy of the Review Panel's Privacy Statement. The Privacy Statement outlines who the conference recording and transcript may be disclosed to. The Privacy Statement is available on the Review Panel's website [here](#). The participants indicated that they understood the Privacy Statement and consented to:

- The recording of the conference; and
- The recording being dealt with as set out in the Privacy Statement.

Discussion

The specific information and clarifications that the Review Panel sought in this conference as well as the information and clarifications provided in response by the ADC representatives ("AR") is as follows:

Claim by MM Kembla on non arms length dealing between Hong Kong Hailiang Metal Trading Limited ("Hailiang HK") and Hailiang Australia:

1. I requested comment on MM Kembla's statement that the ADC did not take into account rebates paid by Hailiang HK to its direct Australian customers (not Via Hailiang Australia).

[Reference: Paragraph 2(iv) of the Conference Summary of 27 May 2022 (page 7) and Section (iv) of MM Kembla's written comments (Appendix A to the Conference Summary of 27 May 2022)]

While AR confirmed that some customers purchased directly from Zhejiang Hailiang Copper Co., Ltd ("Zhejiang Hailiang") through its trading entity, Hailiang HK, without importation through Hailiang Australia, it was stated that there was no evidence of any rebates to those direct customers by either Hailiang HK or Zhejiang Hailiang in China, during the investigation period.¹ AR reiterated that while there was verification of Zhejiang Hailiang in China and Hailiang Australia, there was no verification of Hailiang HK. AR pointed out that the evidence submitted to the ADC by MM Kembla [REDACTED]

¹ After the conference the ADC provided the Review Panel with a reference relevant to this issue, being Section B7 of Hailiang HK's Trader Questionnaire Response, in which Hailiang HK confirmed that it did not provide on-invoice discount or off-invoice rebates to its Australian customer during the POI. See Document #021 of EPR 557, page 9.



2. I requested comment on MM Kembla's contention that as a result of all hedging activities for Hailiang's worldwide businesses being situate in Hailiang HK, Hailiang Australia's profitability (as determined by the ADC) was incorrect and Hailiang Australia was selling at a loss, because Hailiang HK is doing the hedging of Hailiang Australia's sales, with Hailiang Australia being immune from any variation in the copper price.

[Reference: Paragraph 2(v) of the Conference Summary of 27 May 2022 (page 8) and Section (v) of MM Kembla's written comments (Appendix A to the Conference Summary of 27 May 2022)]

AR stated that in the calculation of export price the ADC deducted any hedging costs which might form part of Hailiang HK's SG&A costs (finance costs). In the assessment of Hailiang Australia's profitability, all expenses relevant to importation were taken into account when calculating profitability. AR reiterated that there was no reference to, or treatment of, hedging gains and losses in the accounts of Hailiang Australia or Zhejiang Hailiang in China and no evidence of any effect of hedging on the profitability of Hailiang Australia.