



ADRP Conference Summary

Review No. 168 – Aluminium Extrusions exported to Australia from the People’s Republic of China

Panel Member	Leora Blumberg
Review type	Review of Minister’s decision
Date	28 March 2024
Participants	Anti-Dumping Commission: [REDACTED] [REDACTED] [REDACTED] [REDACTED]
Time opened	2:30pm AEDT
Time closed	3:17pm AEDT

Purpose

The purpose of this conference was to obtain further information in relation to the review before the Anti-Dumping Review Panel (Review Panel) in relation to Aluminium Extrusions exported to Australia from the People’s Republic of China exported from China.

The conference was held pursuant to section 269ZZHA of the *Customs Act 1901* (the Act).

In the course of the 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 as it 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. Information that relates to some new argument not previously put in an application or submission is not something that the ADRP has regard to, and is therefore not reflected in this conference summary.

At the time of the conference, I advised the participant(s):



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

Further Information requested

The specific information that the ADRP sought in this conference was as follows:

1. Clarification was requested relating to the dumping margin calculations of Tai Shan City Kam Kiu Aluminium Extrusion Co Ltd ("Kam Kiu"), Goomax Metal Co. Ltd Fujian ("Goomax"), Guangdong Jiangsheng Aluminium Co., Ltd ("Jinxiechen") and Guangdong Xingfa Aluminium Co. Ltd ("Xingfa"), as reflected in the confidential attachments to REP 609, with a focus on those factors and calculations resulting in the differences in dumping margins between the exporters.

The ADC confirmed that Kam Kiu was the only exporter in respect of which the deducted export price was used but stated that it was not the only reason for the dumping margin differences between the exporters. Firstly, it was noted that there was a reason for using the deductive export price for Kam Kiu which related to its pricing arrangements, which reason was not present for other exporters. Secondly, it was noted that there were differing circumstances and data relating to product types, costs and profits in respect of both domestic and export sales of the different exporters, which resulted in different ascertained export prices and ascertained



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normal values for the different exporters. The ADC also noted that Kam Kiu's dumping margin in REP 609 was not far out of line with the dumping margin calculated for it in REP 543.

2. Clarification was requested as to how the ADC determined that sales were at a loss for the purposes of using the deductive export price for Kam Kiu, and how this calculation differed from the calculation of the deductive export price.¹

- a. *The ADC referred to the importer profitability calculation in Confidential Attachment 16 to REP 609 ('Kam Kiu - profitability of imports'). The ADC stated that the importer profitability calculation examines the total revenue received between KHK and its Australian customers, and then deducts the necessary costs incurred to get the goods to the Australian customer, being:*

- i. *Purchase price between Kam Kiu and KHK*
- ii. *Shipping*
- iii. *Import costs*
- iv. *IDD & ICD*
- v. *customs duties (entry & broker fees)*
- vi. *SG&A of KHK*

The ADC stated that the reason why the importer profitability calculation indicated sales at a loss is that KHK was not charging the Australian customer sufficiently to cover all those costs.

- b. *The ADC stated that as per REP 609, the deductive export price calculation followed the same approach as REP 543 and is consistent with ADRP Report No. 129 in that a prescribed deduction in the deductive export calculation is interim dumping and countervailing duty. The ADC further stated that the starting point for the deductive export price is an arms length transaction between KHK and unrelated Australian customers, minus prescribed deductions, as per the Act.*

- c. *The ADC stated that the importer profitability calculation assesses whether an importer is profitable on its sales, whereas the deductive export price is*

¹ Since the ADC was not able to respond fully to this request for further information during the teleconference, the conference was held open pending receipt of written information from the ADC. This information was subsequently provided by the ADC and is reflected in the conference summary as if it had been provided during the teleconference.



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calculating what the export price should be in an arms length sale. It was further stated that many of the same post-exportation inputs are used in both calculations, but the importer profitability calculation and the deductive export price differ in two respects, being:

- i. The purchase price between Kam Kiu and KHK is not a prescribed deduction for the deductive export price (as it does not meet the definition being that it was incurred prior to the exportation and not after exportation).*
 - ii. A rate for profit is also required as a prescribed deduction for the deductive export price.*
3. Clarification was requested as to whether the profit margin in the constructed normal value was based on a constructed cost of production or the actual profit margin of Kam Kiu.²

The ADC clarified that the profit for Kam Kiu's normal values is based on Kam Kiu's original costs (not benchmarked costs).

4. Clarification was requested on Kam Kiu's claimed adjustment for level of trade.

The ADC reiterated what was stated in REP 609 in respect of the level of trade adjustment based on Kam Kiu's claim that its domestic Chinese sales are to distributors. The ADC stated that according to Kam Kiu's domestic sales data, most of its sales were to end-users. The ADC stated further that Kam Kiu did not make a claim for such an adjustment in its REQ and during the review did not substantiate a basis to make such an adjustment, nor provided the necessary evidence that would be required for the ADC to do so.

² Since the ADC was not able to respond fully to this request for further information during the teleconference, the conference was held open pending receipt of written information from the ADC. This information was subsequently provided by the ADC and is reflected in the conference summary as if it had been provided during the teleconference.