

LEGAL NOTICE NO. 10

REPUBLIC OF TRINIDAD AND TOBAGO

THE ANTI-DUMPING AND COUNTERVAILING DUTIES ACT, CHAP. 78:05

AND

THE ANTI-DUMPING AND COUNTERVAILING DUTIES REGULATIONS, 1996

Made by the Minister in accordance with section 24(2) of the  
Anti-dumping and Countervailing Duties Act

NOTICE

PRELIMINARY DETERMINATION MADE BY THE MINISTER  
OF TRADE AND INDUSTRY ARISING OUT OF AN  
INVESTIGATION INTO THE ALLEGATION OF THE  
DUMPING OF IMPORTS OF ALUMINIUM EXTRUSIONS  
ORIGINATING IN THE PEOPLE'S REPUBLIC OF CHINA

NOTICE is hereby given that, in accordance with section 24(2) of the Anti-dumping and Countervailing Duties Act, Chap. 78:05 (hereinafter referred to as “the Act”) and regulation 12(2) of the Anti-dumping and Countervailing Duties Regulations, 1996 (hereinafter referred to as “the Regulations”), the Minister of Trade and Industry has, arising from the investigation into the allegation of the dumping described hereunder, made the preliminary determination that she has reasonable cause to believe that aluminium extrusions originating in the People’s Republic of China are goods in respect of which she may make an Order imposing duty.

Notice is hereby given of the preliminary determination.

CASE HISTORY

By Legal Notice No. 262 of 2014, dated 22nd August, 2014, the Trinidad and Tobago Anti-dumping Authority (hereinafter referred to as “the Authority”) announced the initiation of an anti-dumping investigation concerning the importation of aluminium extrusions originating in the People’s Republic of China.

COMPLAINT

The investigation was initiated as a consequence of a complaint lodged on 2nd June, 2014 by the local manufacturer of aluminium extrusions, Cantrex Limited (hereinafter referred to as “Cantrex”). The complainant alleged that aluminium extrusions originating in the

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Peoples Republic of China are being dumped on the local market and had provided sufficient *prima facie* evidence of dumping and injury and a causal link between dumping and injury.

EXPORTERS

The exporters and producers of aluminium extrusions in the People's Republic of China were identified as:

Guangdong Xinhe Aluminium Co.  
Guandong Grandshire Construction Material Co. Ltd.  
Meiyuan Sanxing Aluminium Industry Co. Ltd.  
Nahai Hongjia Aluminium Co.  
Guangcheng Aluminium Co. Ltd.  
Shangdong Hylong Aluminium Co. Ltd.  
Shanghai Ruiy Metal Ltd.

PRODUCT

The products allegedly being dumped are currently classified within HS Codes—

76.04—Aluminum bars, rods and profiles  
7604.10.00—Of aluminum, not alloyed  
7604.21.00—Hollow profiles  
7604.29.00—Other  
76.08—Aluminum tubes and pipes  
7608.10.00—Of aluminum, not alloyed  
7608.20.00—Of aluminum alloys

These classifications incorporate all aluminium extrusions that are the subject of the investigation.

The aluminium extrusion is a technique used to transform aluminium alloy into objects with a definitive cross-sectional profile for a wide range of uses. The extrusion process makes the most of aluminium's unique combination of physical characteristics. Its malleability allows it to be easily machined and cast.

The process of aluminium extrusion consists of the following steps:

- After designing and creating the shape of the die, a cylindrical billet of aluminium alloy is heated.
- The aluminium billet is then transferred to a loader, where a lubricant is added to prevent it from sticking to the extrusion machine, the ram or the handle.

- Substantial pressure is applied to a dummy block using a ram, which pushes the aluminium billet into the container, forcing it through the die.
- To avoid the formation of oxides, nitrogen in liquid or gaseous form is introduced and allowed to flow through the sections of the die. This creates an inert atmosphere and increases the life of the die.
- The extruded part passes onto a run-out table as an elongated piece that is now the same shape as the die opening. It is then pulled to the cooling table where fans cool the newly created aluminium extrusion.
- When the cooling is completed, the extruded aluminium is moved to a stretcher for straightening and work hardening.
- The hardened extrusions are brought to the saw table and cut according to the required lengths.
- The final step is to treat the extrusions with heat in ageing ovens, which hardens the aluminium by speeding the ageing process.
- After sufficient ageing, whether in an ageing oven or at room temperature, the profiles are either packaged for delivery or moved to other powder coating or wood finish areas to be further treated.

The only producer of aluminium extrusions in Trinidad and Tobago of the type under investigation is Cantrex.

#### PROCEDURE

Having determined that the complaint was lodged on behalf of the local industry and that there was sufficient evidence to justify the initiation of proceedings, the Authority commenced an investigation pursuant to section 18(1) of the Act. Interested parties were informed in writing of the initiation of the investigation and questionnaires were dispatched to all interested parties. Some interested parties requested and were granted extensions to submit completed questionnaires.

The investigation of dumping of the said product covered the period January to December, 2013.

#### ALLEGATION OF DUMPING

##### *Normal Value*

The normal value could not be established as the price paid for aluminium extrusions in the ordinary course of trade for domestic consumption in the People's Republic of China. Also, the exporters of

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aluminium extrusions from the People's Republic of China did not submit completed questionnaires. As a result, the normal value was established on the basis of the London Metal Exchange (LME) prices adjusted using a surrogate country to reflect administrative, selling and general costs.

*Export Price*

The export price of the product was established using the United Nations Statistics Division—Commodity Trade Statistics Database (COMTRADE) for exports to Trinidad and Tobago from the People's Republic of China.

*Dumping Margin*

Based on the available facts, the Authority was able to determine average dumping margins for Aluminium bars, rods and profiles identified under Customs H.S. Code as Heading Nos. 7604.10.00, 7604.21.00, 7604.29.00 and Other Aluminium tubes and pipes identified under Customs H.S. Code as Heading Nos. 7608.10.00 and 7608.20.00 only. The dumping margin was calculated based on a price comparison between the normal value and the export price as a percentage of the Free on Board (FOB) price. The Authority concluded that there existed the average dumping margins of 23% for Aluminium bars, rods and profiles H.S. Codes 7604.10.00, 7604.21.00, 7604.29.00 and 36% for Aluminium tubes and pipes H.S. Codes 7608.10.00, and 7608.20.00.

ALLEGATION OF INJURY

(1) Total Imports—

The Authority determined total imports of aluminium extrusions from the People's Republic of China by requesting the import statistics for aluminium extrusions from the Central Statistical Office (CSO). Based on the methodology employed at the CSO to record quantities of imported aluminium extrusions the Authority was able to identify the data according to the Customs H.S. Codes 76.04 and 76.08 for the investigation period.

*Imports of aluminium extrusions for the period January to December, 2013*

<i>Imports into Trinidad and Tobago</i>	<i>% of Total Imports</i>
The People's Republic of China	78
All Other Countries	22
Total Imports	100

(2) Factors relating to dumped imports—

(a) Volume of dumped imports—

Total trade imports of aluminium extrusions from the People's Republic of China increased by 45% from 2009 to 2013. Imports increased from 2009 to 2010 by 21% and continued to increase by 19% in 2011. From 2012 to 2013 imports increased by 20%.

(b) Market share—

There was a 12% increase in market share for aluminium extrusions originating in the People's Republic of China from 2009 to 2013 and a fall in Cantrex's market share by 11% over the same period.

*Market Share Distribution*

	2009 % of Market Share	2010 % of Market Share	2011 % of Market Share	2012 % of Market Share	2013 % of Market Share
Cantrex Limited	63	53	56	52	52
The People's Republic of China	25	30	34	36	37
All Other Countries	12	17	10	12	11

(c) Price Undercutting—

For the investigation period, aluminium extrusions were imported at prices which undercut those of the complainant to such an extent that Cantrex was forced to decrease its prices by 13% in order to compete on the local market.

(3) Factors relating to the state of Cantrex—

(a) Domestic sales decreased by 15% from 2009 to 2010. From 2010 to 2011 domestic sales increased by 13%. However, domestic sales decreased over the period 2011 to 2012 by 14%.

(b) Net profit as a percentage of domestic sales increased by 1% from 2009 to 2010 and from 2010 to 2011. There was no change from 2011 to 2012 but from 2012 to 2013 net profit as a percentage of domestic sales decreased by 1%.

(c) Domestic production decreased by 17% from 2009 to 2010 and increased by 9% from 2010 to 2011. Domestic production declined by 14% from 2011 to 2012 and increased by 20% from 2012 to 2013.

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- (d) Capacity utilization fell continuously from 2009 to 2012. During the investigation period the company was operating at 26% of its production capacity.
- (e) Investments decreased from 2009 to 2010 by 87%. From 2010 to 2011 investments increased by 23%. However, from 2011 to 2012 investments decreased by 76%. In 2013, investments increased by 88% from the previous year.
- (f) Return on capital employed averaged 2% for the period 2009 to 2012. From 2012 to 2013 return on capital employed decreased by 227%.
- (g) Staff decreased by 6% from 2009 to 2010. Staff continued to decrease from 2010 to 2011 by 31% and from 2011 to 2012 by 28%. In 2009 the company had 115 employees, however, during the investigation period staff was reduced to 67 employees.
- (h) Total salary costs increased by 1% from 2009 to 2010 but decreased from 2010 to 2011 and 2011 to 2012 by 1% and 14%, respectively. Total salary costs increased from 2012 to 2013 by 11%.

#### CASUAL LINK

The Authority examined all of the information that was submitted by the interested parties and determined that the rise in total dumped imports from the People's Republic of China had a negative effect on the overall economic performance of Cantrex. Therefore, a causal link between the dumped imports and the injury suffered by the complainant was found.

#### CONCLUSION

In light of the above findings, the Authority concluded, for the purposes of its preliminary determination, that imports of aluminium extrusions originating in the People's Republic of China were sold at a dumped price and have caused material injury to the domestic industry.

Dated this 12th day of January, 2016

P. GOPEE-SCOON  
*Minister of Trade and Industry*