

## REQUEST FOR THE INITIATION OF AN ANTI-DUMPING INVESTIGATION CONCERNING THE IMPORTS OF EXTRUSIONS ORIGINATING IN THE PEOPLE'S REPUBLIC OF CHINA

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### EXECUTIVE SUMMARY OF THE COMPLAINT

## 1. COMPLAINANT

This complaint is submitted by European Aluminium, the association representing the aluminium value chain in Europe:

European Aluminium  
Avenue de Tervueren, 168  
B-1150 Brussels

It is submitted on behalf of seven Union producers active in the production of extrusions:

- ST Extruded Products Germany GmbH (STEP-G)
- Eural Gnutti S.p.a.
- Hammerer Aluminium Industries Holding GmbH
- ESTRAL S.p.a
- Constellium International
- Hydro Holding Offenburg GmbH
- Metra S.p.a

European Aluminium represents three fourth of the European production of extrusions.

## 2. THE PRODUCT CONCERNED AND THE LIKE PRODUCT

The product subject to this investigation is bars, rods, profiles (whether or not hollow), tubes, pipes; unassembled; whether or not prepared for use in structures (e.g. cut-to-length, drilled, bent, chamfered, threaded); made from aluminium, whether or not alloyed, containing not more than 99.3 % of aluminium ('the product under investigation'). The product concerned is commonly referred to as 'Extrusions', referring to its most common manufacturing process even if the product concerned can also be produced by other production processes such as rolling, forging or casting (cfr. para. 30).

The product concerned is produced from aluminium having metallic elements corresponding to the alloy series 2-8 published by European Standard EN 573-1:2004 (or proprietary equivalents or other certifying body equivalents).

The product concerned can have a variety of finishes (both coatings and surface treatments), and types of fabrication, which are in all combinations covered by the product scope.

Common finishes are mill finishing (i.e., without any coating or further finishing), brushing, buffing, polishing, anodizing (including bright-dip anodizing), liquid painting and powder coating.

Fabrications are preparations for use in structures, including cutting-to-length, machining, drilling, punching, notching, bending, stretching, knurling, wedging, mitring, chamfering, threading and spinning are also covered by the product scope.

The product concerned covered by the product definition may be identified with reference to its end use, such as industrial and automotive machined parts or sub-parts for structural parts, machine powertrains, industrial automation systems (hydraulic and pneumatic machines), and industrial heavy equipment, such as components for infrastructure projects (mining, oil and gas, chemical and refinery equipment), electrical and electro technical applications. These products are covered if they otherwise meet the product definition, regardless of whether they are ready for use at the time of importation.

Products made from pure aluminium (series 1 of the European Standard EN 573-1:2004) are not covered by the product scope.

The product definition does not cover aluminium structures and parts of structures, for example, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, balustrades, pillars and columns.

The product scope covers aluminium bars, rods, profiles (whether or not hollow), tubes, pipes and the like prepared for use in structures, but does not cover aluminium plates, whether or not prepared for use in structures.

The product definition also does not cover components that are attached (e.g., by welding or fasteners) to form subassemblies, i.e., partially assembled merchandise. Welded tubes and pipes are not covered by the product scope.

The scope also does not cover merchandise containing products as parts that are fully and permanently assembled and completed at the time of importation, such as finished windows with glass, doors with glass or vinyl, picture frames with glass pane and backing material.

Equally, the scope does not cover finished goods containing products that are imported unassembled in a “finished goods kit”. A finished goods kit is a packaged combination of parts that contains at the time of importation all of the necessary parts to fully assemble a final finished good and requires no further finishing or fabrication, such as cutting or punching, and is assembled “as is” into a finished product.

An imported product is not considered a “finished goods kit” (and therefore not excluded from the product scope) merely by including fasteners such as screws, bolts, etc. in the packaging with a semi-finished aluminium product.

## 3. USE

Products subject to this Complaint have a wide variety of applications. Major end-use applications include<sup>1</sup>:

- Building and Construction: windows, doors, railings, high-rise curtainwall, highway and bridge construction, framing members, other structures;
- Transportation: automotive (cars, buses, trucks, trailer/van/container vehicles), heavy rail, light rail and other mass transit vehicles, recreational vehicles, aircraft, aerospace, marine; and
- Engineered Products: consumer and commercial products such as air conditioners, appliances, furniture, lighting, sports equipment, personal watercraft; electrical power units, heat sinks, coaxial cables, bus bars; machinery and equipment, food displays, refrigeration, medical equipment, display structures, laboratory equipment and apparatus.

## 4. MANUFACTURING PROCESS

Products are predominantly produced by an extrusion process (including drawing which is a subgroup of extruding) but can also be produced by other production processes such as rolling, forging or casting.

Extrusion is one the most widely used aluminium forming processes that delivers almost unlimited possibilities in product design. Aluminium extrusions are principally produced from an aluminium billet in a heating furnace that softens the billet to the necessary temperature (600-700 degrees Celsius) before extrusion. The heated aluminium billets are forced under pressure through a metal die by a hydraulic extrusion press. The pressure capacity of the extrusion press determines the size of the extrusion it can produce, and the die inserted in the press matches precisely the profile of the shape produced.

Under the **direct extrusion process**, the heated billet enters a hydraulic extrusion press where a ram pushes a dummy block to force the softened metal through a precision opening, or die, to produce the desired shape. As pressure is applied against the die, the billet becomes shorter and wider until its expansion is restricted by full contact with the container walls. As the pressure increases, the softened metal begins to squeeze out through the shaped orifice of the die and emerges as a fully formed profile. Under **indirect extrusion**, the die is contained within the hollow ram, which moves into the stationary billet forcing the metal to flow into the ram, acquiring the shape of the die as it proceeds. In either process, the aluminium exiting the die acquires the same cross-sectional shape as the die.

After emerging from the die, the extrusion cools either naturally or through air or water quenching. The following steps usually occur after cooling:

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<sup>1</sup> While products can have differences in physical characteristics, end uses (based on sector) and specific end-user requirements, all subject products share the same general physical characteristics and range of tolerances, and all are used as inputs (i.e., intermediate products) in the production of downstream products.

- Stretching: A stretcher and/or straightener may be used to straighten the extrusion and correct any twisting that may have occurred during and after the extrusion process.
- Cutting: The profile is cut in order to reduce it to the specified commercial length.
- Aging: Certain extrusions reach optimal strength through the process of aging, or, age-hardening. The aging process ensures the uniform precipitation of fine particles through the metal, producing an extrusion with maximum strength, hardness, and elasticity. Natural aging occurs at room temperature and artificial aging occurs through controlled heating in an aging oven. Non-heat-treatable aluminium alloys (aluminium series 2, 6 and 7) are subject to natural aging. Artificial aging, also known as precipitation heat-treating, occurs through controlled heating in an aging oven (aluminium series 1, 3 and 5).

Common extrusion shapes include bars, rods, pipes, and tubes, hollow profiles and solid profiles such as angles, tees, I-beams, H-beams, channels, tracks, rails, mullions, stiles, gutters, and other shapes.

After an extrusion is aged, it is considered a mill-finished product. Aluminium extrusions can be sold as mill-finished (without any further surface treatment) or they can be further fabricated and/or finished.

Extrusion products are properly identified by a four-digit series number (without decimal point or leading letter), e.g. 6062 or 6080.

There are other, less common, production processes to manufacture the product subject to this Complaint. They are less common because they are more expensive than the extrusion process.

## 5. SUMMARY OF THE CASE

European Aluminium respectfully requests that an anti-dumping investigation is initiated concerning aluminium extrusions originating from the People's Republic of China ('China'), in accordance with article 5 of regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union ("Basic Regulation").

European Aluminium considers that the Chinese exporters are dumping and causing material injury to the EU extrusion industry. Moreover, there is no doubt that the Chinese excess capacity is huge and constitutes a massive threat to the very existence of European aluminium producers.

The Chinese industry has built up enormous overcapacities with heavy state subsidies. It is clear that the Chinese State steers and encourages the exports of semi-fabricated products through a sophisticated schedule of tax rebates and other incentives. According to a recent OECD Report<sup>2</sup>, Chinese firms obtained all of their support from the Chinese authorities, notably financial subsidies, together with energy and input subsidies. Since Chinese aluminium capacities systematically exceed domestic demand an increasing number of producers have – government-incentivised – focused primarily on export markets and in particular the EU. It is this massive excess capacity which is the cause of the material injury to the EU producers.

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<sup>2</sup> OECD(2019), « Measuring distortions in international markets: the aluminium value chain, OECD Trade policy paper, nr 218, OECD publishing, Paris, January 2019.

The impact of unfairly low-priced imports of China into the Union market have resulted in a decrease in production and a loss of market share of Union producers that is correlated with an increase in market share of Chinese imports.

The EU producers have increasing stocks and are making a profit which is barely above break even. This put the industry's investments at risk and threatens the long-term viability of the EU industry.

The increase in imports from China is very substantial and, unless something is done to correct this distortion, China is capable to wipe out and replace the entire EU industry of extrusions in no time. The European market is extremely attractive to China because of its size. With other major market protected with trade defence measures, the European market is now extremely exposed and unless something is done to correct the distorted Chinese prices, European producers will have little option but to close down production sites.

European Aluminium therefore requests that the Commission acts swiftly by imposing anti-dumping measures on these imports, in order to put an end to the injury and anticipated further injury caused to the Union industry.

## 6. KNOWN PARTIES TO THE INVESTIGATION

### a. EU producers and applicants

- ST Extruded Products Germany GmbH (STEP-G)
- Eural Gnutti S.p.a.
- Hammerer Aluminium Industries Holding GmbH
- ESTRAL S.p.a
- Constellium International
- Hydro Holding Offenburg GmbH
- Metra S.p.a

### b. Main known importers

- Airoidmetalli
- Allega GmbH
- Amco
- Barate
- BIKAR Metalle GmbH
- CARL SPAETER Group
- Ingrid L. Blecha Ges.m.b.H.
- Kastens-knauer

- Klöckner Deutschland
- Manfred J.C. Niemann KG
- MCB Group
- Metall Service Menziken AG
- Niemet
- Rasch-metalle
- Taumetalli
- ThyssenKrupp Dortmund

### **c. Main known users**

- Alanod
- Allega
- Almet
- Alstom Transport
- ALU TP GmbH
- Arceo
- Benalu
- Benteler Automobiltechnik
- Blue Tec
- Bombardier
- CAF
- Comital
- Daimler
- Gemilang
- General Motors
- Jaguar
- Junior Kühlkörper GmbH
- Kloeckner Metals Austria GmbH & Co. KG
- Parker Hannifin France SAS
- Piesslinger GmbH
- Pivaudran
- Porsche

- Precitechnique
- PSA Peugeot Citroen
- Reynaers Aluminium NV
- RSM
- SAM automotive production GmbH
- Schletter GmbH
- Schmitz Cargobull AG
- Schneider Electric
- Schüco International KG
- Stadler
- Talgo
- Viessmann
- Zumtobel Lighting GmbH

#### **d. Main Chinese exporting producers**

- Asia Aluminum
- Baotou Aluminium Co., Ltd.
- Changshu Changsheng Aluminium Products Co
- Changzhou Golden Fu-King Industries
- Dayang Aluminum Corporation
- Fangda New Materials (Jiangxi) Co
- Fenglu aluminium
- Fong Hua Manufacturmg Ltd.
- Foshan City Shunde District Aojin Copper And Alumnum Extrusion Co
- Foshan Chuangzhi Economy & Trade Co
- Fujian Fenan
- Gold Apple Aluminium Co., Ltd.
- Golden Power Co., Ltd
- Gold Mountain Aluminium Ltd
- Guangdong Fenglu
- Guangdong JMA
- Guangdong Weiye

- Guangyin Asia Aluminum
- Guangya Aluminum
- Hengfeng Aluminium Company Limited
- Innovative Aluminium (Hongkong)
- Jiangsu Yizheng Haitian Aluminum Industrial Co
- Kaiping Hongli Aluminium Co
- Kam Kiu
- Liaoning Zhongwang Group Co (China Zhongwang Holding Ltd.)
- New Hocha Aluminium Industry Co
- Panasia Aluminium China Ltd
- Press Metal International, Ltd.
- Shandong Nanshan
- Shandong Huajian
- Shanghai Construction (Group) General Co
- Tianjin T J Industrial Corporation
- Xingfa Aluminium
- Ying Hong Machine International
- Zhangjiagang Kingpower Aluminum Industry Co
- Zhejiang Dongliang
- Zhaoqing New Zhongya Aluminium Co, Foshan Xinwei Aluminum Co
- Zhongwang Liaoning