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of the Ministry of Commerce of the People's
Republic of China**

Public Text

**Applicant's Comments on Relevant
Interested Parties' Comments After
Preliminary Determination of Related
Anti-Dumping Case on Wines**

(No confidential copies)

Applicant's full agent.

Beijing B&H Associates

3 March 2021

Trade Remedies Investigation Bureau of the Ministry of Commerce:

Regarding the anti-dumping case of relevant wines, entrusted by the applicant of this case, China Alcoholic Drinks Association, our firm hereby submits to your Bureau the "Applicant's Comments on Relevant Interested Parties Comments After Preliminary Determination of Related Anti-Dumping Case on Wines" for your review.

If you have any questions, please contact our firm.

Your sincerely

Best regard!

Beijing B&H Associates

3 March 2021

Applicant's Comments on Relevant Interested Parties' Comments After Preliminary Determination of Related Anti-Dumping Case on Wines

Regarding the relevant wine anti-dumping case, upon the application of the applicant China Alcoholic Drinks Association, the Ministry of Commerce (MofCom) issued a notice on 18 August 2020, deciding to launch an anti-dumping investigation into imports of wine originating from Australia in containers of 2 litres or less.

On 27 November 2020, MofCom issued its annual Notice No 59, making an affirmative preliminary ruling on the anti-dumping case, preliminarily finding that the dumping existed in relevant wine products originating from Australia, that the domestic industry was materially injured, and that there was a causal links between dumping and injury, and therefore deciding to impose provisional anti-dumping measures on the relevant wine products from Australia at a duty rate of 107.1%- 212.1%.

After the preliminary ruling, the applicant learned from the trade remedy investigation information platform that the relevant stakeholders submitted comments to the investigating authority, including:

1. the Australian Government submitted the Australian Written Comments on the Preliminary Determination of the Anti-dumping Investigation on Imports of Relevant Wines originating in Australia on 7 December 2020.

2. Australian Grape & Wine's ("Australian Grape & Wine") Comments on the Australian Grape & Wine Association's Preliminary Determination in the Wine Anti-Dumping Case, submitted on 7 December 2020.

3. Treasury Wine Estates Vintners Limited ("TWEV") submitted its Comments on the Preliminary Determination in the Anti-Dumping Investigation of Australian Imports of Wine Products on 7 December 2020.

4. Casella Wines Pty Ltd ("Casella") submitted its Comments on the Preliminary Decision on the Anti-dumping Investigation of the relevant wines on 4 December 2020.

5. Australia Swan Vintage Pty Ltd ("Auswan") submitted its Comments on the Letter of Disclosure of the Basic Facts Underlying the Dumping Part of the Preliminary Anti-Dumping Determination on 7 December 2020.

6. Smith & Son Pty Ltd ("Smith & Son") submitted its response to the provisional tariff measures on 7 December 2020.

7. Australian Food & Beverage Group Pty Ltd submitted "Chateau Tanunda's Comments on the Preliminary Decision on the Australian Wine Anti-dumping Case" on 7 December 2020.

The following, in response to the questions raised in aforementioned comments on the investigation procedures, products, dumping, damage and causation issues by interested parties after the preliminary determination, the applicant made the following comments for your consideration.

I. Comments on the investigation procedures

In its post-preliminary determination comments, the Australian government argued that a key factor that must

be considered in the implementation of provisional measures, as required by WTO rules, is that stakeholders have had sufficient opportunity to submit relevant information and make comments. However, 10 days after the deadline for submission of the questionnaire, MOFCOM made a preliminary determination that the required information was not yet available, in violation of WTO rules relating to the implementation of provisional anti-dumping measures.

In its post-preliminary comments, the Australian government also argued that MOFCOM's failure to properly consider the extensions requested by two Australian wine producers violated the relevant anti-dumping provisions of China and the WTO.

In its post-initial comments, Wine Australia argued that MOFCOM failed to provide it with a questionnaire and failed to provide the association representing the Australian wine industry with the opportunity to provide MOFCOM with information about the Australian wine industry, resulting in a deficient preliminary determination.

TWEV argued in its post-preliminary comments that the time frame for responding to the questionnaire was very tight and placed an undue burden on the company, and that the investigating authority's refusal to extend the application was not justified and violated its WTO obligations, i.e., "the investigating authority shall not impose an unreasonable burden of proof on the parties".

In its post-preliminary comments, Casella argued that, according to practice, MOFCOM usually makes preliminary determinations 6-8 months after the initiation of an

anti-dumping investigation, and usually grants a 1-2 week extension of time for filing a reply in an anti-dumping investigation. However, MOFCOM denied its application for an extension of time to file its response in this case, depriving it of the opportunity to fully defend its interests.

In response to the above comments of the Australian Respondent, the Applicant argues that

First of all, according to Article 30 of China's Anti-dumping Regulations, "..... shall not take interim anti-dumping measures within 60 days from the date of announcement of the decision on an anti-dumping investigation". In other words, after 60 days from the date of the announcement of the filing of the case, the investigating authority may take interim anti-dumping measures based on the results of the investigation. For this case, the preliminary ruling has been more than three months from the date of filing, so the preliminary ruling made by the Ministry of Commerce did not violate the relevant legal provisions in terms of procedure.

Secondly, the applicant believes that the claim of the relevant Australian interested parties that the investigating authority's rejection of the application for extension of the questionnaires of the two responding enterprises violates the legal provisions cannot be established. On the one hand, China's "Anti-dumping Investigation Questionnaire Rules" provides for 37 days to fill in the questionnaire, which is in line with the 30-day minimum period required by Article 6.1.1 of the WTO Anti-dumping Agreement. For this case, the 37-day statutory time limit for answering the questionnaire for all stakeholders, whether foreign producers/exporters, domestic producers, importers and

the Australian government, was fully guaranteed without any deprivation or derogation. On the other hand, the investigating authority has considered the application for extension of time for the 2 sampled respondent enterprises in Australia and explained to them the reasons for rejection. Moreover, the applicant believes that, among the three sampled respondent enterprises, Swan did not apply for an extension of time to the investigation authority, which shows that the investigation authority did not impose an unreasonable burden of proof on the respondent enterprises, and the respondent enterprises are capable of submitting the corresponding answer within the specified period.

Again, the applicant believes that the opportunity for all interested parties to defend their interests has been fully guaranteed during the investigation of this case. Although the preliminary ruling was only 10 days before the deadline for submission of questionnaire responses, according to the preliminary ruling, in addition to the questionnaire, the investigating authorities carried out extensive investigation work through case filing, registration of response, sample surveys, comments, and presentation sessions. After the filing of the case, more than 20 Australian wine producers, including the Australian government, Wine Australia, TWEV, the domestic wine industry, importers, etc., have also presented their opinions and claims to the investigation authority in different forms (such as registration forms, comments, meetings, questionnaires, etc.), and Wine Australia has not been deprived of its right to be heard because the investigation opportunity did not send it a questionnaire. Wine Australia was not deprived of its right to be heard or derogated from because it was not sent a

questionnaire. In the preliminary ruling, the investigation authority has also fully considered the comments and claims made by the stakeholders. Therefore, the claim of the Australian stakeholders that they were deprived of the opportunity to defend themselves is not valid and does not correspond to the facts.

Finally, the applicant's argument that MOFCOM made its preliminary determination on the basis that "the necessary information was not yet available" is also inconsistent with the facts. As mentioned above, in this case, the investigating authority has carried out a lot of investigation work through case filing, registration, sample survey, questionnaire, comments and presentation, and has collected a lot of evidences and materials according to the law. The preliminary ruling was based on all the evidence obtained from the investigation after the filing of the case, not on the so-called "not yet obtained" by the Australian government. Even if the relevant information and data are not available due to the reasons of the interested parties in Australia, the investigating authority has used other available facts, which are in full compliance with the relevant provisions of the anti-dumping law.

Therefore, as stated in the comments on the preliminary ruling submitted by the applicant, the investigation and ruling of the investigating authority on dumping, material injury and the causal relationship between dumping and material injury in this case are in compliance with the provisions of Chinese law and the relevant principles and spirit of WTO, with full objectivity, impartiality and transparency. Australia's interested parties on the investigation procedures of this case cannot be established, there is no factual and legal basis.

II. Comments on the investigated products and similar domestic products

In its comments after the preliminary ruling, Wine Australia argued that the product under investigation in this case is defined by "packaging (i.e., in containers of 2 litres or less)" rather than "wine" itself, and that the investigating authority did not consider the nature and characteristics of wine, i.e., grape variety, blending, and wine. The investigating authority did not consider the nature and characteristics of the wine, i.e. grape variety, blending, grape region, grape harvesting year, quality, brand, etc. Therefore, it is wrong and not objective to consider all products under investigation as "one type of product".

In this regard, the applicant believes that

First of all, according to the product description in this case, the product under investigation is wine made from fresh grapes or grape juice, which is fermented in whole or in part and packed into containers of 2 litres or less. According to the grape variety, blending, grape region, grape harvesting year, quality, brand, etc., the different specifications (models) of the relevant wine products and into 2 litres or less containers, are in line with the product description of the notice of the case, belong to the scope of the product under investigation.

Secondly, according to the grape variety, blending, grape region, grape harvesting year, quality, brand and other factors, wine can be divided into different specifications (models) of products. However, the fact that the products

fall under different classification methods does not mean that it can be used as a criterion to independently determine whether the products belong to the same category of products.

On the contrary, the applicant believes that the key to determining the same category of products should focus on whether there are substantial differences in the basic physical and chemical characteristics between the products. The products under investigation of different specifications (models) are wines made from fresh grapes or grape juice, which are fermented in whole or in part, and the relevant product standards have minimum (or maximum) requirements for the main physical and chemical indicators such as alcohol, total sugar, citric acid and dry extract, and even some sensory requirements. Wine products can also be classified according to the main physicochemical indicators concerned (e.g. colour, sugar content, carbon dioxide content, etc.). These facts show that there are no substantial differences in the basic intrinsic characteristics of the different wine product sizes (types). In its post-preliminary comments, the Australian respondent, Chateau Tanunda, also supported the investigating authority's preliminary ruling finding that the basic physical characteristics of the investigated products and the domestic wines were similar. Wine Australia also did not provide a specific rebuttal as to whether there were substantial differences in the basic physical and chemical characteristics of the wines under investigation.

Again, there is no clear line of demarcation between the different sizes (types) of the investigated products, which are identical or similar in terms of raw materials and production processes. The direct raw materials are

"grapes" or "fresh grape juice", and the production processes are grape sorting, pressing, fermentation, stabilization, clarification, blending, freezing or filtering, packaging, etc. There are also cases of cross-use of production equipment. Although there are differences in the varieties of grapes and production processes among the different product segments, these differences do not affect the scope of the final product as "wine", and there is no clear line of demarcation for the impact on the investigated products. This does not negate the fact that there are no substantial differences in the basic intrinsic characteristics of the various wine product segments (models). For example, there are high, medium and low-quality products produced from the same grape variety, and there are high, medium and low quality products produced from different vintages and different wine regions. Therefore, it is obvious that it is not objective for Wine Australia to use factors such as "grape variety, blending, grape region, grape harvesting year" to define whether the investigated products are "the same product" or not, and these factors cannot be used independently to determine whether the different sizes (These factors cannot be used independently as criteria to determine whether different sizes (models) of the investigated products belong to the same category of products.

Fourth, even if there are differences in grape varieties, blends, grape regions, grape harvesting years, quality, brands, etc. between the investigated products of different specifications (models), these differences reflect the different specifications or models of the investigated products, or the distinction in quality, but in any case, the investigated products of different specifications (models) are ultimately competing in the market through different

pricing. As Wine Australia stated in its post-preliminary comments, "the price range reflects quality and demand" and "premium wines are much more expensive than average wines". The existence of price differentiation between different sizes (models) of the investigated products is itself a reflection of the competitive relationship that exists between the products. In addition, it should be further noted that due to factors such as harvesting year, grape variety, production process, quality, and brand, each producer has different pricing strategies for the surveyed products, even for the same size (model). In other words, these factors can lead to different specifications (models) of the surveyed products in the price range there is a crossover situation, there is no clear dividing line. Thus, the price differences of different wine products are due to various reasons and are reasonable and normal differences between different product segments within the same product category.

Therefore, based on the above analysis and explanation, the applicant believes that there is no substantial difference in the basic physical and chemical characteristics of the investigated products of different specifications (models) that meet the product description of the case announcement, and the raw materials and production processes are the same or similar, and there are differences in product prices but they are reasonable and normal differences between products of different specifications (models), and there is no clear dividing line, and they belong to the same category of products. The claim of Wine Australia that the products of different specifications (models) do not belong to the same category of products cannot be established.

III. Comments on dumping

(i) Comments on market distortion

In its post-preliminary-ruling comments, the Australian government asserted that it does not hold any vineyards or other agricultural crops. Australia has no state-owned investment enterprises in the agricultural crop and wine industries (including the grape industry). All agricultural crops and vineyards are privately owned. No agricultural or grape-related companies are held by the Australian Government or other government agencies. The Australian Government does not control or regulate the price of wine and agricultural products. There are no laws or regulations that set or control prices for wine or grapes in Australia and therefore there are no distortions in the wine market in Australia.

In its post-preliminary-ruling comments, Wine Australia argued, first, that neither the Chinese Anti-Dumping Regulations nor the WTO Anti-Dumping Agreement refer to "non-market conditions" and therefore there is no legal basis for a "non-market conditions" investigation. Secondly, the Australian government has not imposed any restrictions on the production and operation of wine in Australia, and the Australian market has been affected by the competition of wine imports from Europe, North America, South America, China and other parts of the world, so the Australian wine market is an open and competitive market, and there is no "special market situation" as stipulated in the WTO Anti-Dumping Agreement. There are no "special market circumstances (specific market conditions)" as stipulated in the WTO Anti-Dumping Agreement.

In response to the above comments, the applicant argues that

Firstly, there is a legal basis to investigate the existence of non-market conditions in the Australian wine market.

Article 6 of China's Anti-dumping Regulations stipulates that the export price and normal value of imported products shall be compared in a fair and reasonable manner, taking into account various comparable factors affecting the price.

In this case, the applicant has provided a lot of evidence in the application that the Australian government has intervened in the wine industry and market through relevant industrial policies, industrial planning and support measures, which has seriously distorted the production, supply and demand and prices of Australian wine. The aforementioned non-market conditions and circumstances seriously affect the main production factor inputs of the product under investigation and similar products in this case, which in turn have a significant impact on the costs and prices of the product under investigation and similar products.

Therefore, in the case of the existence of non-market conditions in the Australian market may have a significant impact on the cost and price of the product under investigation and similar products, the applicant requested the investigating authority to investigate the non-market conditions affecting the calculation of the dumping margin of the product under investigation in Australia, in order to ensure that the production cost and price data

used in the determination of normal value are not distorted by the market and are comparable, in full compliance with the relevant provisions of the above anti-dumping laws of China.

Secondly, the applicant believes that the "non-market conditions" and the "specific market conditions" of the WTO Anti-Dumping Agreement only differ in name, which does not affect the investigation of the investigating authority to investigate the comparability factors affecting the price.

According to Article 2.2 of the WTO Anti-Dumping Agreement, if there is no sale of the like product in the ordinary course of trade in the domestic market of the exporting country, or if a proper comparison of such sales is not permitted due to the specific market conditions or low sales volume in the domestic market of the exporting country, the dumping margin shall be determined by comparing the comparable price of the like product exported to an appropriate third country, provided that the price is representative or by comparing the cost of production plus a reasonable amount of administrative, marketing and general expenses and profits in the country of origin.

For the legal concept of "specific market conditions" mentioned in Article 2.2 of the WTO Anti-Dumping Agreement, although China's anti-dumping laws do not have the same provisions, the Anti-Dumping Regulations provide that the investigating authority shall investigate the various comparable factors affecting the price, indicating that China's anti-dumping laws are consistent with the principles and spirit of the WTO Anti-Dumping

Agreement. The principles and spirit are consistent.

In the application, the applicant requested the investigating authority to investigate the non-market conditions affecting the calculation of the dumping margin of the product under investigation in Australia. Although the applicant advocated the investigation of "non-market conditions", the contents of the application, including the investigation of laws and regulations, industrial policies, government interventions and support programs related to Australian wine, are consistent with the principles and spirit of the WTO Anti-Dumping Agreement, and are also the same or similar to the practice of "specific market conditions" investigation in anti-dumping cases of relevant countries (including the United States and Australia).

In this case, the applicant advocates for a "non-market condition" investigation of the Australian wine industry, which is intended to be a "specific market condition" investigation of the Australian wine industry.

Again, the applicant argues that the Australian government's argument in its preliminary ruling comments that it does not hold any vineyards or other agricultural crops and does not control and manage the prices of wine and agricultural products is not valid. On the one hand, in the preliminary ruling, although the investigating authority has not yet made a determination on the "specific market situation", the preliminary information already shows that the supply and demand and resource allocation in the Australian wine market have been influenced by non-market factors. On the other hand, the Australian respondent, Tendaburg, in its

post-preliminary-ruling comments, explicitly agreed with the investigating authority's initial determination that the Australian market "has been affected by non-market factors in resource allocation" and that it had received a tax rebate from the Australian government to maintain its store operations. The company would not be able to maintain its operations if it did not receive the tax credit from the equalisation tax. These facts further confirm that there are special market conditions in the Australian wine market.

Therefore, the applicant believes that there is a legal basis for the investigating authority to investigate the "specific market conditions" in the calculation of the dumping margin, and requests the investigating authority to further investigate the "specific market conditions" in the Australian wine market in this case and make a positive final determination.

(ii) Comments on the calculation of the dumping margin of the sampled respondent enterprises

In its post-preliminary-ruling comments, Wine Australia argued that it was wrong for MOFCOM to use the "best available information" to structure the "normal value" of the sampled respondent enterprises. The prices at which similar products are sold in the Australian wine market and the prices at which the products under investigation are exported are consistent, and the use of a structured normal value would result in all products being sold below cost and would be inconsistent with commercial, financial, logical and legal considerations.

In its post-preliminary comments, TWEV asserted that

the investigating authority's decision to use the "best available information" for the company's cost information lacked legal and factual basis and misapplied the "best available information."

In its post-preliminary-ruling comments, Casella asserted that the investigating authority's rejection of its domestic sales and cost data and the use of "best available information" violated the relevant provisions of China's Anti-Dumping Regulations and the WTO Anti-Dumping Agreement.

In its post-preliminary-ruling comments, Auswan claimed that it provided true and complete cost and expense information as requested by the investigating authority, and the investigating authority should recalculate its dumping margin based on such information.

In response, the applicant argued that.

First of all, Wine Australia's challenge on the method of calculating the normal value of the structure has no legal basis. The investigating authority used the "best available information" to structure the normal value of the sampled respondent enterprises because the sampled respondent enterprises did not provide the investigating authority with complete and accurate cost and price data as required by the questionnaire, and the "best available information" was also used to calculate the normal value of the sampled respondent enterprises. Based on the relevant price cost data provided by the sample respondent enterprises. Therefore, the practice of the investigating authority did not violate the relevant provisions of the anti-dumping law.

Secondly, the determination and calculation of dumping margin is a complex process, involving many issues such as exclusion of connected transactions, below-cost test, price comparability, and adjustment of related costs. However, Wine Australia did not raise any objection to these issues per se in its post-primary ruling comments and claimed that the price was wrong only by the reasonableness of the normal value of the structure lacked factual basis.

Finally, since the dumping calculation involves the commercial secrets of the sampled respondent enterprises' own prices, costs, expenses, etc., without access to such information and data, the applicant respectfully requests the investigating authority to make further investigation and determination of such information, and the applicant also reserves the right to make further comments on the calculation of the dumping margin of the sampled respondent enterprises.

(iii) Comments on the dumping margin of enterprises not selected for sampling

In its post-preliminary comments, the Australian Government argued that the unselected sample of respondents should not be considered uncooperative and should not be found to have a higher dumping margin.

In its post-preliminary comments, Wine Australia argued that it was unreasonable to apply a weighted average margin to the non-selected sample of respondents in the preliminary ruling. On the one hand, the non-selected sample enterprises fully cooperated with

MOFCOM's investigation. On the other hand, the information provided by the non-selected sample respondent to MOFCOM regarding the price and quantity of domestic and export sales was the "best available information", and MOFCOM should have recalculated its dumping margin based on this information.

In its post-preliminary-ruling comments, Chateau Tanunda Baotou argued that it was unfair to calculate its dumping margin on the basis of the three sampled respondent enterprises, and that the investigating authority should separately assess its dumping margin.

In response to the above assertion, the applicant argued that

According to the provisions of Article 6.10 and Article 9.4 of the WTO Anti-Dumping Agreement, the investigating authority may conduct a sampling investigation, and for exporters or producers not selected for sampling, the investigating authority may use the weighted average dumping margin of exporters or producers selected for sampling.

China's "Interim Rules for Anti-dumping Investigation Sampling", Article 13, on the other hand, clearly provides that the dumping margin of the exporters and producers that are not individually examined shall be determined by the weighted average dumping margin of the exporters and producers selected.

In this case, the investigating authority did not consider the respondent enterprises not selected for sampling as uncooperative enterprises, and the dumping

margin of the respondent enterprises not selected for sampling was made by the investigating authority in full accordance with the above-mentioned legal provisions, and was determined by the weighted average dumping margin of the selected exporters and producers.

Therefore, the applicant is of the opinion that the practice of the investigating authority to determine the dumping margin of the non-selected sampled respondent enterprises in accordance with the weighted average dumping margin of the selected sampled respondent enterprises is consistent with the relevant provisions of the anti-dumping laws of China and WTO. The above-mentioned challenge by the Australian interested parties cannot be established.

(iv) Comments on the dumping margin of companies not registered to participate in the investigation

In its post-preliminary comments, the Australian Government argued that companies not registered to participate in the investigation should not be considered uncooperative and should not be found to have higher dumping margins.

In its post-preliminary comments, Wine Australia argued that, under the WTO Anti-Dumping Agreement, the calculation of dumping margins should be made for specific exporters, not for exporters on a national basis. Therefore, MOFCOM's preliminary dumping margin of 212.1% for "other Australian companies" is a clear violation of the WTO Anti-Dumping Agreement.

In this regard, the applicant argues that the above claims

of the Australian government and the Australian Wine Association are clearly untenable.

First of all, according to Article 6.4 of the WTO Anti-Dumping Agreement, the investigating authority "shall normally determine the respective dumping margin for each known exporter or producer of the product under investigation". According to the preliminary ruling of this case, the investigating authority has determined the respective dumping margin for all known respondent enterprises in accordance with the law, and there is no uniform dumping margin for the so-called "nationwide exporters" of the Australian Wine Association.

Secondly, there is no contradiction between the determination of the respective dumping margins for the "known" respondent enterprises and the implementation of the "other" duty rate for the non-respondent enterprises.

As stated in the preliminary ruling, on the day the case was filed, the investigating authority had notified the Australian government. On the same day, the investigating authority also posted the notice of the case on the website of the Ministry of Commerce, and any interested party can check the notice of the case on the website of the Ministry of Commerce. After the filing of the case, the investigating authority gave each interested party a 20-day period to register for the investigation, giving all interested parties a reasonable period of time to be informed about the filing of the case. The investigating authority has also posted the questionnaire on MOFCOM's website, where any interested party can view and download the questionnaire in this case. The investigating authority has, to the best of

its ability, notified all known interested parties and, to the best of its ability, alerted all known interested parties to the consequences of non-cooperation with the investigation.

According to Wine Australia's previously submitted comments on the case, Wine Australia represents more than 2,500 Australian wine producers and Wine Australia has had the opportunity to inform more than 2,500 wine producers about the investigation. However, only about 20 Australian producers have registered to respond to the case and cooperate with the investigation, and most of its members have not registered to respond to the investigation. Therefore, those Australian wine-related producers and exporters who did not apply to participate in the investigation activities of this case and provide the necessary information should be regarded as uncooperative enterprises.

As for the Australian wine-related producers who have done their duty to notify but have not provided the necessary information to cooperate with the investigation, the applicant believes that there is nothing wrong with the investigating authority's determination of the dumping margin based on the facts obtained and the best available information in accordance with Article 21 of the Anti-Dumping Regulations, and that the relevant claims of the Australian government and Wine Australia are obviously inconsistent with the facts and cannot be established.

IV. Comments on damage and causality

According to the preliminary ruling, the damage

investigation period, the absolute number of imports of the investigated products and the relative number of imports are on a continuous growth trend, and the overall trend of declining import prices. The dumped imports have produced serious damage to the production and operation of the domestic industry, resulting in a decline in the pre-tax profits of similar products in the domestic industry, the production, sales volume, pre-tax profits, return on investment, start-up rate and employment of similar products in the domestic industry have continued to decline year by year, and the market share, sales revenue, labour productivity and net cash flow from operating activities of similar products in the domestic industry have shown a general downward trend. Therefore, there is a causal relationship between the dumped imports and the substantial damage suffered by the relevant domestic wine industry.

In response to the above damage and causal relationship, Wine Australia made the following claims in its post-preliminary judgment comments.

First, there is no competition between the product under investigation and the domestic equivalent product, and even if there is competition, the investigating authority did not consider the competition between the two products at the retail level.

Second, based only on the changes in economic indicators such as production, sales, prices and revenues of similar domestic products, and the relevant changes in the investigated products, it cannot prove the existence of a causal relationship between the dumping of the investigated products and the damage suffered by the

domestic industry. Moreover, in the dumping investigation period of 2019 domestic industry also did not suffer damage, and dumped imported products are not relevant.

Third, if the domestic industry suffers damage, it is also due to other economic factors, such as the impact of imports from other countries, the impact of policies, and the impact of structural problems in the domestic industry.

In response to the above comments, the applicant believes that.

(1) Wine Australia's claim that there is no competitive relationship between the investigated products and similar domestic products cannot be established

In its comments after the preliminary ruling, Wine Australia devoted a lot of space to the characteristics of wine, such as "grape variety, blending, grape region, grape harvesting year, grape region, quality, brand, etc.", defining the product under investigation as premium wine, while the Chinese wine product is ordinary wine, and the price of premium wine is higher than the price of ordinary wine, so there is no competitive relationship between the two products.

In this regard, the applicant believes that.

First, as stated in the applicant's application, there is no substantial difference between the domestic wine and the product under investigation in terms of basic physical and chemical characteristics, raw materials and production processes, downstream uses, sales channels and sales

customers, and they are similar products. The investigating authority also made an affirmative finding in the preliminary ruling, and the Australian producer Tengda Baotou also expressed the similarity of the basic physical and chemical characteristics of the two products in its post-preliminary-ruling comments. Therefore, there are objective conditions for competition between the two products in the Chinese market.

Second, Wine Australia's definition of the product under investigation as fine wine is clearly misleading. There is ample evidence that, in addition to fine wines, there are many ordinary wines in the product under investigation. For example, the IWSR study cited by Wine Australia in its post-preliminary comments showed that 41% of Australian wines were sold in the standard/value/low price segment and 59% were sold in the high price segment. For example, in the same comments, Wine Australia also cited wines from the Yellowtail Kangaroo, Jacques, Stamford, Toblerone, and Penfolds in different price segments. For example, in its post-preliminary-ruling comments, the Australian company Tendaburg clearly pointed out that the three sampled companies in this case had a "high proportion of products in the lower product price range". In other words, the products under investigation in Australia do not only include the so-called high-quality products, but also many ordinary products. The evidence shows that both Australian fine wines and ordinary wines are sold in the Chinese market and are in competition with similar products in China.

Again, Wine Australia's description of similar products in China as ordinary wine products is clearly inconsistent

with the facts. According to the questionnaire submitted by 21 domestic producers to the investigation authority, domestic similar products also include fine wines and ordinary wines, and each producer has its own product quality breakdown. Both domestic fine wines and ordinary wines are sold in the Chinese market and have a competitive relationship with the investigated products.

Fourth, the applicant also mentioned in the analysis of the investigated products above that there are differences in grape varieties, blends, grape regions, grape harvesting years, quality, brands, etc., reflecting the different specifications or models, or distinctions in quality between the products. However, in any case, products with different specifications (models) ultimately compete in the market through different pricing. In its post-preliminary-ruling comments, Wine Australia also recognized that "price ranges reflect quality and demand" and that the provisional anti-dumping measures it advocated would only raise the price of the Australian product under investigation and allow other wines to fill in as substitutes, further confirming the price competition between the product under investigation and other wine products. Therefore, the existence of differences in the above-mentioned factors between different sizes (models) of wine products does not affect the price competition between the investigated products and similar domestic products.

Finally, the applicant believes that even if there is a price difference between high-quality wines and ordinary wines, there is a competitive relationship between the two products. On the one hand, a decrease in the price of high-quality wines will have an impact on consumers'

choice between high-quality and ordinary wines, and may lead to a corresponding price adjustment of ordinary wines. On the other hand, in addition to quality factors, wine products of different companies are also affected by corporate, branding and marketing factors, which may lead to the crossover and competitive substitution between the prices of certain specifications (models) of fine wine products and certain specifications (models) of ordinary wine in the market, which are closer in quality.

Therefore, the applicant believes that there are objective conditions for competition between the Australian product under investigation and similar domestic products in the Chinese market, and that there is a competitive relationship between them. The relevant claims of the Wine Institute of Australia are not objective and do not correspond to the facts, and cannot be established.

(2) On the basis of available facts, the investigating authority's overall price comparison between the investigated products and similar products in China is objective and reasonable

In its post-preliminary-ruling comments, Wine Australia argued that the investigating authority should consider the comparability of prices between the investigated products and similar domestic products and should not consider all products as one type of product for overall price comparison.

At the same time, Wine Australia tried to use the concept of "retail" to argue that the products under investigation and similar products in China only compete

at the retail level, but not at the ex-factory level.

In response, the applicant argued that

First of all, according to the relevant provisions of the anti-dumping law, the investigating authority should determine and judge the comparability of prices in the price impact analysis. In fact, in this case, the investigating authority also conducted an investigation in accordance with the law. In the questionnaire issued to the three sampled responding enterprises and domestic producers, the investigating authority classified the product control codes and explicitly requested each stakeholder to fill in the report according to the quality, consumption grade or brand tier of wine in the company's daily sales process. Wine Australia ignored these investigative facts and its claim that the investigating authority did not conduct an investigation is clearly inconsistent with the facts.

The reason why the preliminary ruling did not analyse the overall price by model, as explained by the investigating authority in the preliminary ruling, is that the relevant Australian respondent enterprises did not provide relevant data as required by the questionnaire, and in the absence of reasonable access to relevant price data by model, the investigating authority decided to use the Australian investigated price without distinguishing the product control code in the Chinese customs statistics. The weighted average price of imported products as the basis for determining the dumped import price, and the overall comparison with the sales price filled in by the 21 domestic respondent enterprises. The applicant supported the practice of the investigating authority, and Wine Australia's challenge to the investigating authority's

preliminary determination of price comparison without differentiating between specifications and models did not take into account the fact that the relevant Australian respondent enterprises did not fully cooperate.

Secondly, Wine Australia's claim that there is no competition or comparability between the investigated products and similar domestic products in terms of ex-factory price level on the ground of "retail" is obviously misleading and not objective.

On the one hand, according to the applicant's understanding, for wine producers, whether it is the product under investigation or similar domestic products, most of the products are sold in the form of distribution, and part of the products are sold in the form of direct sales to end consumers, and the two products are the same or similar in terms of sales channels. The investigating authorities in the preliminary ruling on the existence of the same and similarity between the two products in the sales channel also made a positive determination.

In the sales channel, there is direct competition between the two products. In many occasions in the Chinese market, such as wine fairs, wine shows, exhibitions, etc., both the producers of the products under investigation and the domestic producers of similar products mainly promote them to distributors in the supply chain. For both product producers, distributors are the main sales customers, as further evidenced by the questionnaire responses submitted by various stakeholders. The 21 domestic producers also clearly stated in the questionnaire that the change in customs import of the investigated products is a consideration for

the pricing of similar products in China. Therefore, there is direct competition between the investigated products and domestic similar products in the distribution channels, and their price competition is also reflected by the ex-factory price level of the investigated products and domestic similar products.

On the other hand, at the terminal "retail" level of distributors, although there is competition between the investigated products and similar products in China, this competition is more the competition of distributors, because "retail" is the independent business behaviour of distributors, not the business behaviour of wine producers. This is because "retail" is an independent business practice of the distributor, not the wine producer. "Retail prices are also influenced by many other factors, including distributors' purchasing channels, sales channels, sales strategies, profitability models, and sales platforms. Moreover, many dealers sell both the investigated products and similar products in China, and they will assess the overall break-even problem through the low price strategy of different products.

Therefore, the dealer's "retail" price, although the price for the final consumer, but not the actual sales price of the investigated product manufacturers and domestic producers of similar products, cannot truly reflect the actual production and operation of the investigated product manufacturers and domestic similar products, but also cannot objectively reflect the investigated product and domestic similar products in the factory sales channel of direct competition, cannot accurately reflect the impact of dumped imports on the price of similar products in the domestic market.

Based on the above analysis and explanation, the applicant believes that, based on the fact that the relevant Australian respondent enterprises did not provide sales data of different specifications (models) as required by the questionnaire, the investigating authority used the available information to compare the overall prices of the investigated products and similar domestic products is objective and reasonable, and the price levels are comparable. The Australian Wine Association's challenge cannot be established.

(3) The investigated products have caused price suppression to domestic similar products

In its post-preliminary comments, Wine Australia asserted that the import price of the investigated products was higher than the selling price of similar domestic products, and there was no evidence that the investigated products suppressed the price of similar domestic products.

In this regard, the applicant argued that the fact that the import price of the investigated product is higher than the selling price of the domestic similar products does not mean that the price of the investigated product will not cause damage to the domestic similar products. Relevant evidence shows that the investigated products have caused price suppression to domestic similar products.

First of all, Wine Australia avoided the fact that the prices of the investigated products as a whole showed a "downward" trend during the investigation period. According to the preliminary ruling, in 2015, 2016, 2017,

2018 and 2019, the import prices of the investigated products were RMB 55,390/kilolitre, RMB 49,500/kilolitre, RMB 46,352/kilolitre, RMB 41,780/kilolitre and RMB 46,577/kilolitre, respectively, and continued to decline from 2015 to 2018. Although it rose in 2019, it was still a significant drop of 15.91% from 2015. The level of price reduction of the investigated products greatly limits the price increase of similar domestic products.

Second, the impact of the price of imports of the investigated products on the price of similar domestic products should also consider the significant increase in the number of imports, the decline in the price of imports of the investigated products and the growth in the number of imports is correlated. According to the preliminary ruling, the import quantity of the product under investigation in this case increased continuously from 56,700/kilolitre in 2015 to 120,800 kilolitres in 2019, with a cumulative significant increase of 113.05%, and the market share in China also increased from 7.40% to 16.30%, with a cumulative significant increase of 8.90 percentage points, and the proportion of the total output of similar products in China increased from 15.01% to 41.93%, with a cumulative significant increase. The proportion of the total output of similar products in China increased from 15.01% to 41.93%, a cumulative increase of 26.91 percentage points. Therefore, with the significant growth or increase in the number of imports of the investigated products, their domestic market share and the proportion of total production in China, the influence of the investigated products in the Chinese market is expanding, and their significant price reduction is sufficient to cause substantial negative impact on the prices of similar products in China.

Again, it is because of the overall trend of a significant decline in the import price of the investigated products, which led to its price difference with similar domestic products in a significant reduction, from 23,371 yuan/kilolitre in 2015 to 7,982 yuan/kilolitre in 2019. The significant narrowing of the price difference has inhibited the price upside of the domestic counterparts, resulting in the domestic counterparts not getting the price increase they deserve in the face of rising costs and expenses. Data show that from 2015 to 2019, the cost of similar domestic products rose by 25.19% cumulatively. While the sales price only accumulated an increase of 20.54%, lower than the rate of increase in cost costs, unit profits also fell from 3296 yuan / kilolitre to 2638 yuan / kilolitre in 2019, a substantial cumulative decline of 20%. In the context of the overall significant decline in the import prices of the surveyed products, it is clear that the rising costs of similar domestic products are not fully reflected by a reasonable increase in product prices.

Therefore, based on the above analysis and explanation, the applicant believes that the damage caused to the domestic industry by the "volume increase and price decrease" of the investigated products has explanatory power, and the price decrease of the investigated products has caused serious price suppression to the domestic similar products, as described below, and thus has caused serious damage to the operating efficiency of the domestic similar products.

(4) Wine Australia's claim that there is no causal relationship between the damage suffered by the domestic industry and the dumped imports of the investigated products cannot be established

Australian Wine Association in the initial post-judgment comments, based only on the domestic production of similar products, sales, prices, income and other economic indicators of change, and changes in the products under investigation, cannot prove the existence of a causal relationship between the dumping of the products under investigation and the damage suffered by the domestic industry.

In this regard, the applicant believes that.

First, in the preliminary ruling, the investigating authority has compared and analysed the market share of the investigated products and the market share of similar domestic products. During the damage investigation period, the market share of the investigated products continued to grow rapidly, while the market share of similar domestic products is generally declining, the market share of the investigated products increased by 8.90 percentage points, while the market share of similar domestic products decreased by 7.01 percentage points, and the market share of the two products was inverse, the investigated products obviously crowded out the market share of similar domestic products.

Secondly, the applicant also noted that, in addition to the inverse relationship between the market share, the continued growth of the number of imports of the investigated products and the domestic industry similar products, production, sales continued to decline in a sharp inverse relationship. During the period of damage investigation, the number of imports of the investigated products increased significantly by 113.14%, or 64,100

tons, while the start-up rate of similar products in the domestic industry decreased by 12.47%, production decreased by 30.81%, or 77,900 tons, and sales decreased by 24.67%, or 59,700 tons. The relationship between the changes in these economic indicators further proves that the continued significant increase in the number of imports of the investigated products has caused damage to the production and sales of similar products in the domestic industry, and there is a causal relationship between the two.

Again, the damage investigation period, the domestic industry sales revenue of similar products in a significant reduction, which is related to the significant reduction in sales volume. Sales revenue decreased from \$7.753 billion in 2015 to \$7.040 billion in 2019, a cumulative decrease of 9.20%. Therefore, the massive low-priced dumping of the investigated products has not only caused damage to the domestic industry's start-up rate, production, and sales volume, but also to the growth of sales revenue of similar products in the domestic industry.

Fourth, the start-up rate, production, sales decline on the domestic industry more operational indicators have a negative impact. The inability to dilute production costs and expenses has led to a cumulative increase of 29% in unit labour costs, 15% in unit fuel power, 68% in unit manufacturing costs, and 20.58% in unit expense taxes during the damage investigation period. Although some of the cost increases have been passed through the sales price increases, but as mentioned above, in the case of price suppression of the investigated products, the price increase of similar domestic products is significantly smaller than the rate of cost increases, which in turn cut

the profit margin of similar domestic products, resulting in a significant decline of 19.98% in unit profits during the damage investigation period. Correspondingly, the domestic industry similar products before tax profits decreased by 39.82% in aggregate, the return on investment fell by 1.29 percentage points in aggregate, and the net cash flow decreased by 80.26% in aggregate. These operating indicators suffered the same damage with the dumping behaviour of imported products there is a causal relationship.

Finally, the domestic industry's ability to create jobs has also been severely weakened by the continued decline in operating efficiency. The cumulative decrease in employment during the damage investigation period was 19.07%. Due to the decline in start-up rate and production, labour productivity also decreased by 14.50% accordingly. These other production indicators are also correlated with the product under investigation.

Based on the above analysis and description, the applicant believes that several economic indicators of similar products in the domestic industry have shown different degrees of deterioration during the damage investigation period, indicating that the domestic industry is suffering serious damage. Moreover, by analysing the changes in the imports of the investigated products and the changes in the relevant economic indicators of similar domestic products, it is not difficult to find that there is an obvious correlation between the two, and the massive low-priced dumping behaviour of the investigated products has caused damage to the domestic industry, and there is a causal relationship between the two. The relevant claims of the Australian Wine Association cannot

be established.

In addition, the applicant noted that Wine Australia also asserted in its post-preliminary comments that the dumping investigation period in this case is 2019, and the damage status of the domestic industry during 2015 to 2018 is not a basis for the damage caused by dumping. At the same time, it also asserted that the domestic industry was not injured in 2019 because the prices of similar domestic products were on an upward trend, the capacity performance was stable, the wage level increased significantly, the rate of return on investment did not decline, and there was no evidence that the investment or financing capacity of the domestic industry was affected.

In this regard, the applicant argues that

First of all, the WTO Anti-Dumping Agreement does not explicitly provide for the "injury investigation period". However, the setting of the injury investigation period is consistent with the principles and spirit of the WTO Committee on Anti-Dumping Measures and the Dispute Settlement Body, as well as with the anti-dumping practice of various countries. China's "Regulations on Industrial Injury Investigation of Anti-dumping" also stipulates that "the industrial injury investigation period for anti-dumping cases is usually three to five years before the commencement of the filed investigation". Therefore, Wine Australia's defence that the damage analysis from 2015 to 2018 cannot be used as the basis for the decision has no legal basis and cannot be established.

Secondly, the applicant argues that when analysing the relevant economic indicators, one cannot mechanically

and isolated measure whether the domestic industry has been harmed according to the number of so-called positive and negative indicators, but should combine the various economic indicators with the specific market conditions and characteristics of the domestic industry, and examine them in terms of their overall changes and interrelationships. For the present case.

First, the demand in the domestic market has always remained at a high level during the damage investigation period, and despite the decrease in total demand, the Chinese wine market still has good prospects for development according to the relevant materials submitted by the parties. In a relatively good market environment, the domestic industry should have maintained stable production and operation, but as mentioned above, several production and operation indicators of the domestic industry are suffering damage, with declining trends in start-up rate, production, sales volume, sales revenue, pre-tax profit, return on investment, cash flow, employment, labour productivity, etc. to varying degrees, and sales price increases have been severely curbed. The continued deterioration of these production and operating indicators is the most direct manifestation of the damage suffered by the domestic industry and, as noted above, is the result of the massive low-price dumping behaviour of the products under investigation.

Second, in 2019, despite the increase in sales prices and per capita wage indicators, it does not mean that these indicators did not suffer damage. On the contrary, as discussed above, sales prices have been suppressed by the prices of the investigated products and have had a serious negative impact on operating efficiency. The rise in per

capita wages, in turn, is backed by a significant reduction in employment and an increase in the costs and expenses shared by similar products.

Third, in 2019, several economic indicators of the domestic industry, including starts, production, sales, market share, sales revenue, profit before taxes, return on investment, cash flow, employment, and labour productivity, have fallen to the lowest levels in the damage investigation period. On the contrary, the number of imports and market share of the investigated products in the same period are at the highest level in the damage investigation period, and the import price is also in a downward trend overall. This further indicates that the sustained damage suffered by the domestic industry and the volume increase behaviour of the investigated products keep a synchronous correspondence in terms of time and the degree of damage.

Therefore, after taking into account the actual characteristics and conditions of the domestic market, and after comprehensively analysing the overall trend of the damage indicators throughout the investigation period, as well as the overall linkage between the damage indicators, the applicant concluded that the domestic industry was suffering substantial damage during the investigation period. Wine Australia's approach of selecting only individual indicators and using the data performance of individual periods during the investigation period to analyse industrial damage in isolation is obviously mechanical and not objective, and it is naturally wrong to conclude that the so-called domestic industry is not suffering from damage.

(v) Comments on whether other factors have caused injury to the domestic industry

In its post-preliminary-ruling comments, Wine Australia argued that if the domestic industry suffered damage, it was also caused by other economic factors, such as the impact of imports from other countries, the impact of policies, and the impact of structural problems in the domestic industry.

The applicant notes that in the previously submitted comments on the filing of the case, the Australian Wine Association has commented on the above-mentioned influencing factors, and the applicant has defended accordingly and submitted to the investigating authority the "Comments of the Applicant on the Comments on the Filing of the Case of Wine Anti-dumping by Relevant Interested Parties". Therefore, in response to these repeated claims, the applicant further makes the following comments on the basis of insisting on the comments previously submitted.

1. Comments on the import of similar products from other countries (regions).

Changes in the import quantities of similar products from other countries (regions)

Unit: thousand litres

Period	Australia		Other countries (regions)	
	Imports quantity	Change in quantity	Imports quantity	Change in quantity
2015	56,681	-	339,460	-
2016	79,385	40.05%	402,394	18.54%
2017	105,826	33.31%	446,493	10.96%

2018	117,845	11.36%	390,894	-12.45%
2019	120,812	2.52%	335,206	-14.25%

Firstly, although the number of imports from other countries (regions) was significantly higher than the number of imports of Australian investigated products, the overall number of imports of Australian investigated products showed a significant growth trend, with a significant increase of 113% in 2019 compared with 2015, while the overall number of imports from other countries (regions) showed a decreasing trend, with a decrease of 1.25% in 2019 compared with 2015. During the same period, the proportion of the number of imports of the investigated products in Australia to the total number of imports in China has shown a significant upward trend, from 14.14% in 2015 has increased significantly to 26.49% in 2019, while on the contrary, the proportion of imports from other countries (regions) decreased from 85.86% in 2015 to 73.51% in 2019. Moreover, the proportion of Australia's investigated products to the number of imports from other countries (regions) is increasing significantly, from 16.70% in 2015 to 36.04% in 2019. In particular, imports from other countries (regions) involve dozens of countries (regions), and if we look at one country alone, Australia is the second largest importer in China, and its impact on the Chinese market is increasing year by year.

Changes in import prices of similar products from other countries (regions)

Unit: USD/kilolitre

Period	Australia		Other countries (regions)	
	Imports Price	Range of Change	Imports Price	Range of Change
2015	7,759	-	4,238	-
2016	6,834	-11.92%	4,107	-3.09%

2017	6,447	-5.67%	4,189	2.01%
2018	6,090	-5.54%	4,751	13.40%
2019	6,723	10.39%	4,116	-13.35%

Secondly, in terms of price, although the import prices of the investigated products are higher than the import prices of similar products in other countries (regions), which may be caused by different product structures, the fact that the import prices of the investigated products are higher than the import prices of similar products in other countries (regions) does not mean that the investigated products will not cause damage to the domestic industry.

The trend of import prices shows that both the import prices of the investigated products and the import prices of other countries (regions) are generally on a decreasing trend. However, the price reduction of the investigated products in Australia is significantly higher than the price reduction of similar products in other countries (regions). 2019 than 2015, the cumulative reduction of the investigated products by 13.36%, while the cumulative reduction of similar products in other countries (regions) is only 2.86%, which is relatively stable.

Although it cannot be ruled out that the decline in import prices in other countries (regions) will have a negative impact on the domestic market and domestic industry. However, in the case of relatively stable import prices, the number of imports of similar products from other countries (regions) is on a downward trend.

In contrast, the applicant believes that the purpose of Australian manufacturers to expand their exports to China

through price reduction strategy is very obvious. In the application, the applicant has also provided a lot of evidential information, including the size of the Australian industry and subsidy programs, which can prove that Australia is working to increase its exports to China.

Therefore, the applicant believes that if the import of similar products from other countries (regions) will cause damage to similar domestic products, the import of a large number of low-priced products under investigation will cause more damage to the domestic industry in the case of obvious growth in the number of imports and greater price reduction, and the import of similar products from other countries (regions) cannot negate the fact that the products under investigation have caused damage to the domestic industry.

2. Comments on the reduction in demand for wine due to the introduction of relevant consumption restriction policies by the Chinese government.

The applicant believes that the introduction of the relevant consumption restriction policies by the Chinese government, as mentioned by the Australian government, may have a certain impact on market demand. However, there is no evidence that the consumption restriction policy will only adversely affect similar domestic products and other similar products, but not the product under investigation, and will only adversely affect ordinary wines, but not fine wines.

Moreover, as mentioned above, both the investigated products, domestic similar products and other similar products each have the same specifications (models) and

compete with each other for substitution in the Chinese market. In the case of domestic similar products, products under investigation and similar products in other countries are in the same market and compete with each other, these policy implications do not actively apply to which products, the domestic similar products, products under investigation and similar products in other countries will have an impact. However, the investigated products are significantly different from domestic similar products and foreign similar products in terms of volume changes.

The data show that during the investigation period, the number of imports of the investigated products increased significantly by 113% in 2019 compared with 2015, while the sales of similar products in the domestic industry decreased significantly by 24.67% and imports from other countries decreased by 1.25%. This shows that the investigated products not only grabbed the market share of the domestic industry, but also squeezed the market share of other countries. In the unfavourable situation that domestic demand may be affected by the policy, the investigated products instead continue to grow significantly, which is obviously abnormal.

Therefore, the applicant believes that if the government introduces policies that will adversely affect the market demand side and will adversely affect the domestic industry, then the large number of low-priced imports of the investigated products will intensify market competition and aggravate the damage suffered by the domestic industry.

3. Comments on the structural problems of the domestic industry.

The applicant once again emphasized that although the Australian Wine Association suggested that the domestic industry had structural problems, it did not provide any evidence to support it, and the period it mentioned was the 1990s and 2000s, which far exceeded the damage investigation period of this case. This should not be supported by the investigating authority.

Taking a step back, even if the domestic industry is considered to have structural problems, or the existence of their own disadvantages, but the domestic industry in the investigation period in terms of production levels, management levels, etc. is constantly improving. In particular, companies like Changyu, Great Wall, Weilong, etc., have been developed on a large scale and have been working to improve the technical level of enterprises and improve the management norms of enterprises. At the same time, enterprises also attach great importance to the construction of raw material bases to make up for the shortage of high-quality raw material wine, and to transform the advantages of origin into product and brand advantages. At the same time, enterprises also generally attach importance to comprehensive utilization of resources and energy conservation and emission reduction and have made significant progress in the comprehensive utilization of by-products such as wine grape skins and pomace, as well as wastewater treatment and recycling. All these initiatives or efforts are improving the competitiveness of similar products in the domestic industry and weakening the adverse effects generated by the so-called structural problems of Wine Australia.

As a result, the domestic industry is well positioned to compete in the market in terms of production scale, product quality, and business management. However, the entire Chinese wine industry, including the leading companies such as Changyu, Great Wall and Weilong mentioned above, as well as other producers, are being impacted by the imports of the investigated products. The so-called structural problem of Wine Australia is not the root cause of the damage suffered by the domestic industry, and it cannot be denied that the investigated products have caused substantial damage to the domestic industry.

In summary, the applicant believes that there is a causal relationship between the dumping import behaviour of the investigated products and the damage suffered by the domestic industry. Other factors cannot negate the fact that the investigated products have caused damage to the domestic industry. The relevant claims of the Australian Wine Association are not consistent with the facts and cannot be established. Their purpose is only to find excuses, confuse the facts, and shirk the responsibility for the substantial damage to the domestic industry caused by the dumping of the investigated products at low prices.

V. Conclusion and request

In summary, the applicant believes that

First, the investigation and ruling of the investigating authority on dumping, substantial injury and the causal relationship between dumping and substantial injury in this case are in accordance with the provisions of Chinese

law and the relevant principles and spirit of the WTO, with full objectivity, impartiality and transparency. The challenge of the relevant Australian interested parties on the investigation procedure of this case cannot be established and has no factual and legal basis.

Secondly, there is no substantial difference in the basic physical and chemical characteristics of the investigated products of different specifications (models) that meet the product description of the case announcement, the raw materials and production processes are the same or similar, and the differences in product prices are reasonable and normal differences between products of different specifications (models), and there is no clear dividing line, and they belong to the same category of products. Wine Australia's claim that the products of different sizes (models) do not belong to the same category of products cannot be established.

Thirdly, the applicant requests the investigation authority to further investigate the "specific market situation" of the Australian wine market and make a positive final determination. At the same time, the applicant believes that the investigation authority's calculation of the dumping margin for the sampled respondent enterprises, the unselected sampled respondent enterprises and other respondent enterprises is in compliance with the relevant legal provisions, and the challenge from the relevant Australian stakeholders cannot be established.

Fourth, there is a causal relationship between the dumping import behaviour of the investigated products and the damage suffered by the domestic industry. Other factors cannot negate the fact that the investigated

products have caused damage to the domestic industry. The relevant claims of the Australian Wine Association are not consistent with the facts and cannot be established

Finally, the applicant requests the investigating authority to make a final affirmative decision on the case as soon as possible and impose the corresponding anti-dumping duty on the investigated products in Australia, so as to fully safeguard the legitimate rights and interests of the domestic industry and protect the healthy development of the domestic industry.

please consider and adopt our above comments.