



Australian Government
Department of Industry,
Innovation and Science

**Anti-Dumping
Commission**

Application for the publication of
dumping and/or
countervailing duty notices

Aluminium Extrusions

exported by

Guangdong Jiangsheng Aluminium Co.,
Ltd and Zhonghya Aluminium Co., Ltd
of P R China, and

all exporters from Thailand

APPLICATION UNDER SECTION 269TB OF THE *CUSTOMS ACT 1901* FOR THE PUBLICATION OF DUMPING AND/OR COUNTERVAILING DUTY NOTICES

DECLARATION

I request, in accordance with Section 269TB of the *Customs Act 1901* (the Act), that the Minister publish in respect of goods the subject of this application:


- ☒ a dumping duty notice, or
- ☐ a countervailing duty notice, or
- ☐ a dumping and a countervailing duty notice

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Signature: 

Name: Luke Hawkins

Position: General Manager – Supply and Industrial Solutions

Company: Capral Limited

ABN: 78 004 213 692

Date: 29 August 2017

IMPORTANT INFORMATION

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's Client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the following guidelines for additional information on completing this application:

- *Instructions and Guidelines for applicants: Application for the publication of dumping and or countervailing duty notices*
- *Instructions and Guidelines for applicants: Examination of a formally lodged application*

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 13 28 46

Fax: (03) 8539 2499

Email: clientsupport@adcommission.gov.au

Other information is available from the Commission's website at www.adcommission.gov.au.

Small and medium enterprises (i.e., those with up to 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the *Corporations Act 2001*), may obtain assistance, at no charge, from the Department of Industry, Innovation and Science's International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone 13 28 46.

Important information

To initiate an investigation into dumping and/or subsidisation, the Commission must comply with Australia's international obligations and statutory standards. This form provides an applicant industry with a framework to present its case and will be used by the Commission to establish whether there are reasonable grounds to initiate an investigation. To assist consideration of the application it is therefore important that:

- all relevant questions (particularly in Parts A and B) are answered; and

- information that is reasonably available be supplied.

The Commission does not require conclusive evidence to initiate an investigation, but any claims made should be reasonably based. An application will be improved by including supporting evidence and where the sources of evidence are identified. Simple assertion is inadequate to substantiate an application.

To facilitate compilation and analysis, the application form is structured in 3 parts:

1. **Part A** seeks information about the Australian industry. This data is used to assess claims of material injury due to dumping/subsidisation. Where an Australian industry comprises more than one company, each should separately prepare a response to Part A to protect commercial confidentiality.
2. **Part B** relates to evidence of dumping.
3. **Part C** is for supplementary information that may not be appropriate to all applications. However some questions in Part C may be essential for an application, for example, if action is sought against subsidisation.

All questions in Parts A and B must be answered, even if the answer is 'Not applicable' or 'None'. Where appropriate, applicants should provide a short explanation about why the requested data is not applicable. This will avoid the need for follow up questions by the Commission.

The application form requests data over several periods (P^1, P^2, \dots, P^n) to evaluate industry trends and to correlate injury with dumped imports. The labels $P^1 \dots P^n$ are used for convenience in this application form. Lodged applications should identify the period relevant to the data. This form does not specify a minimum period for data provision. However, sufficient data must be provided to substantiate the claims made. If yearly data is provided, this would typically comprise a period of at least four years (for example the current financial year in addition to three prior years). Where information is supplied for a shorter period, applicants may consider the use of quarterly data. Data must also be sufficiently recent to demonstrate that the claims made are current.

When an investigation is initiated, the Commission will verify the claims made in the application. A verification visit to the Australian industry usually takes several days.

Applicant companies should be prepared to substantiate all Australian industry financial and commercial information submitted in the application. Any worksheets used in preparing the application should therefore be retained to facilitate verification.

During the verification visit, the Commission will examine company records and obtain copies of documents relating to the manufacture and sale of the goods.

Appendices

Some questions require attachments to be provided. The attachment numbering sequence should refer to the question answered. For example, question A2.2 requests a copy of an organisation chart. To facilitate reference, the chart should be labelled Attachment A2.2. If a second organisation chart is provided in response to the same question, it should be labelled Attachment A2.2.2 (the first would be labelled Attachment A2.2.1).

| | |
|-------------------------------------|--|
| Provision of data | <p>Industry financial data must, wherever possible, be submitted in an electronic format.</p> <ul style="list-style-type: none"> • The data should be submitted on a media format compatible with Microsoft Windows. • Microsoft Excel, or an Excel compatible format, is required. • If the data cannot be presented electronically please contact the Commission's client support section for advice. |
| Lodgement of the application | <p>This application, together with the supporting evidence, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act. The Commissioner has approved lodgement of this application by either:</p> <ul style="list-style-type: none"> • preferably, email, using the email address clientsupport@adcommission.gov.au, or • pre-paid post to: <p>The Commissioner of the Anti-Dumping Commission GPO Box 1632 Melbourne VIC 3001, or</p> • facsimile, using the number (03) 8539 2499. |
| Public Record | <p>During an investigation all interested parties are given the opportunity to defend their interests, by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission's website at www.adcommission.gov.au.</p> <p>At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application <u>must</u> be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the conduct of a dumping and/or subsidy investigation, or, if those reasons cannot be summarised, a statement of reasons why summarisation is not possible. If you cannot provide a non-confidential version, contact the Commission's client support section for advice.</p> |

PART A

INJURY

TO AN AUSTRALIAN INDUSTRY

IMPORTANT

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

For advice about completing this part please contact the Commission's client support section on:

Phone: 13 28 46
Fax: (03) 8539 2499
Email: clientsupport@adcommission.gov.au

A-1 Identity and communication.

Please nominate a person in your company for contact about the application:

| | |
|-----------------------|--|
| Contact Name: | Luke Hawkins |
| Company and position: | General Manager, Supply and Industrial Solutions, Capral Limited |
| Address: | Level 4, 60 Phillip Street, Parramatta, NSW 2150 |
| Telephone: | (02) 8222 0113 |
| Facsimile: | (02) 8222 0130 |
| E-mail address: | luke.hawkins@capral.com.au |
| ABN: | 78 004 213 692 |

Alternative contact

Name:
Position in company:
Address:
Telephone:
Facsimile:
E-mail address:

If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).

| | |
|-----------------|--------------------------------------|
| Name: | John O'Connor |
| Business name: | John O'Connor and Associates Pty Ltd |
| Address: | P.O. Box 329, Coorparoo Qld, 4151 |
| Telephone: | (07) 3342 1921 |
| Facsimile: | (07) 3342 1931 |
| E-mail address: | jmoconnor@optusnet.com.au |
| ABN: | 3909 865 0241 |

A-2 Company information.

- 1. State the legal name of your business and its type (eg. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.**

Capral Limited ("Capral") is a publicly listed company on the Australian Securities Exchange (ASX Code: CAA). Capral manufactures and sells aluminium extrusions and other semi-finished, non-ferrous products under its company name.

Capral is a major extruder and distributor of aluminium products. The manufacturing business produces extrusion products at five sites at Bremer Park (Qld), Penrith (NSW), Campbellfield (Vic), Angaston (SA) and Canning Vale (WA).

Capral operates eight major distribution centres and ten 'Capral Aluminium Centres' across all States and the Northern Territory. The distribution business supplies aluminium extrusion products and related components to residential and commercial construction markets, as well as to industrial fabrication and manufacturing markets. Capral also distributes a range of rolled aluminium products and hardware products that are complimentary to its aluminium extrusion products.

2. **Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.**

Capral has included a copy of its internal organisation chart at Confidential Attachment A-2.2.

3. **List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.**

As a listed company Capral's shareholders change, below are the details of substantial shareholders (as notified to Capral) as at 21 August 2017:

| Name | % of shares held |
|--|-------------------------|
| Allan Gray Australia | 18.89 |
| Perpetual Limited | 14.72 |
| Commonwealth Bank of Australia | 8.91 |
| Spheria Asset Management | 5.38 |
| Schroder Investment Management Australia | 5.26 |
| Total | 53.16 |

4. **If your company is a subsidiary of another company list the major shareholders of that company.**

Capral is not a subsidiary of another company.

5. **If your parent company is a subsidiary of another company, list the major shareholders of that company.**

Capral does not have a parent company hence this question is not applicable.

6. **Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).**

Capral has two wholly owned subsidiaries—Aluminium Extrusion & Distribution Pty Ltd (ABN 80 088 099 861) and Austex Dies Pty Ltd (ABN 84105067267).

7. **Are any management fees/corporate allocations charged to your company by your parent or related company?**

This question is Not Applicable to Capral.

8. **Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.**

Capral does not have a relationship with any of the exporters and/or importers of the goods the subject of this application as imported from Zhongya Aluminium Co., Ltd and Thailand. Capral purchases approximately xxx tonnes of select products from the Australian business of [company] which Capral [confidential information identifying exporter].

Capral, however, does import some further select grades of aluminium extrusions from P R China and [country] to supplement local production.

9. **Provide a copy of all annual reports applicable to the data supplied in appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.**

A copy of Capral's 2015 and 2016 Annual Report are available at www.capral.com.au/annual. A copy of Capral's 2015 and 2016 annual reports are included as Non-Confidential Attachment A-2.9.

10. **Provide details of any relevant industry association.**

Capral is a member of:

- Australian Aluminium Extrusions Association
- Australian Window Association (AWA)
- National Security Screen Association (NSSA).

Other manufacturing groups Capral belongs to are Manufacturing Australia (MA), the Manufacturing Trade Alliance (MTA) and the Australian Industry Group (AiG). Capral is also a member of the International Fair Trade Alliance ("IFTA").

A-3 The imported and locally produced goods.

1. **Fully describe the imported product(s) the subject of your application:**
- **Include physical, technical or other properties.**
 - **Where the application covers a range of products, list this information for each make and model in the range.**
 - **Supply technical documentation where appropriate.**

The goods

The imported goods the subject of this application are aluminium extrusions (referred to as "the goods" hereafter) as described in Trade Measures Report No 148 ("Report No 148") applicable to exports from P R China ("China"). The goods are described as follows (as previously described in Reports No. 148 and 362):

Aluminium extrusions produced via an extrusion process, of alloys having metallic elements falling within the alloy designations published by The Aluminium Association commencing with 1, 2, 3, 5, 6 or 7 (or proprietary or other certifying body equivalents), with the finish being as extruded (mill), mechanical, anodized or painted or otherwise coated, whether or not worked, having a wall thickness or diameter greater than 0.5 mm., with a maximum weight per metre of 27 kilograms and a profile or cross-section which fits within a circle having a diameter of 421 mm.

The goods under consideration ("GUC") include aluminium extrusion products that have been further processed or fabricated to a limited extent, after aluminium has been extruded through a die. For example, aluminium extrusion products that have been painted, anodised, or otherwise coated, or worked (e.g. precision cut, machined, punched or drilled) fall within the scope of the goods.

The GUC do not extend to intermediate or finished products that are processed or fabricated to such an extent that they no longer possess the nature and physical characteristics of an aluminium extrusion, but have become a different product.¹

¹ REP 148, p. 18 at 3.2

Capral proposes that the goods description reflect that already used in the Dumping Commodity Register ("DCR") as follows.²

Aluminium extrusions that:

- *are produced by an extrusion process;*
- *are of alloys having metallic elements falling within the alloy designations published by The Aluminium Association commencing with 1, 2, 3, 5, 6 or 7 (or proprietary or other certifying body equivalents);*
- *have finishes being:*
 - *as extruded (mill);*
 - *mechanically worked*
 - *anodized; or*
 - *painted or otherwise coated, whether or not worked;*
- *have a wall thickness or diameter greater than 0.5 mm;*
- *have a maximum weight per metre of 27 kilograms; and*
- *have a profile or cross-section fitting within a circle having a diameter of 421 mm.*

Reports No 148 and 362 reflected the following goods coverage applicable to aluminium extrusions:³

| < GUC > | | | | < Non GUC > | | |
|---|--|---|--|--|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Aluminium extrusions | Aluminium extrusions with minor working | Aluminium extrusions that are parts intended for use in intermediate or finished products | Aluminium extrusions that are themselves finished products | Unassembled products containing aluminium extrusions, e.g. 'kits' that at time of import comprise all necessary parts to assemble finished goods | Intermediate or partly assembled products containing aluminium extrusions | Fully assembled finished products containing aluminium extrusions |
| < Examples > | | | | | | |
| Mill finish, painted, powder coated, anodised, or otherwise coated aluminium extrusions | Precision cut, machined, punched or drilled aluminium extrusions | Aluminium extrusions designed for use in a door or window | Carpet liner, fence posts, heat sinks | Shower frame kits, window kits, unassembled unitised curtain walls | Unglazed window or door frames | Windows, doors |

2. What is the tariff classification and statistical code of the imported goods.

In Investigation No. 362 involving exports from Malaysia and Vietnam, the Commission confirmed the following tariff subheadings within Schedule 3 of the Customs Tariff Act 1995 are applicable to imported aluminium extrusions:

| Tariff subheading/ statistical code | Description |
|--|--|
| 7604.10.00/06 | Non alloyed aluminium bars, rods and profiles |
| 7604.21.00/07 | Aluminium alloy hollow angles and other shapes |

² <http://www.adcommission.gov.au/measures/Documents/Aluminium%20Extrusions/DCR%20-%20aluminium%20extrusions%20150910%20%282%29.pdf>

³ REP 148, p.19 at 3.4.1

| | |
|---------------|--|
| 7604.21.00/08 | Aluminium alloy hollow profiles |
| 7604.29.00/09 | Aluminium alloy non hollow angles and other shapes |
| 7604.29.00/10 | Aluminium alloy non hollow profiles |
| 7608.10.00/09 | Non alloyed aluminium tubes and pipes |
| 7608.20.00/10 | Aluminium alloy tubes and pipes |
| 7610.10.00/12 | Doors, windows and their frames and thresholds for doors |
| 7610.90.00/13 | Other |

The goods exported to Australia from China are the subject of a tariff phasing process. The applicable phasing rates by tariff classification for aluminium extrusions exported from China are as follows:

| Tariff subheading/ statistical code | From 1 Jan 2016 | From 1 Jan 2017 | From 1 Jan 2018 | From 1 Jan 2019 |
|--|--------------------|--------------------|--------------------|--------------------|
| 7604.10.00/06 | 3% | 2% | 1% | Free |
| 7604.21.00/07 | 1.7% | Free | Free | Free |
| 7604.21.00/08 | 1.7% | Free | Free | Free |
| 7604.29.00/09 | 1.7% | Free | Free | Free |
| 7604.29.00/10 | 1.7% | Free | Free | Free |
| 7608.10.00/09 | 3% | 2% | 1% | Free |
| 7608.20.00/10 | 3% | 2% | 1% | Free |
| 7610.10.00/12 | 1.70% | Free | Free | Free |
| 7610.90.00/13 | 1.70% | Free | Free | Free |

Exports of aluminium extrusions from Thailand are subject to the DCS countries rate of duty. The applicable tariff for aluminium extrusions from DCS countries from 1 January 2010 is 5 per cent.

3. Fully describe your product(s) that are 'like' to the imported product:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.
- Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.

The Commission has previously examined aluminium extrusions produced by Capral and other Australian producers (in Investigations No 148, 248, 287 and 362) and has confirmed that all aluminium extrusions produced by the Australian industry, of which Capral is the largest member, are 'like goods' to extrusions exported from China, Malaysia and Vietnam.⁵

The extrusions imported from the Chinese exporters, Jiangsheng and Zhongya, and by all exporters from Thailand, are similar in all aspects to the goods manufactured by Capral and members of the Australian industry.

A copy of Capral's catalogue for generally available standard extrusion profiles is provided as Confidential Attachment A-3.3.1. In addition, Capral (as well as most extruders worldwide) also provides a wide range of profiles made to customer specifications (i.e. exclusive shapes), some of which are multiple-sourced by customers from Australian and overseas producers.

Capral has also included a copy of its publication "Alloy Specifications" detailing extruded alloy codes and descriptions used within the industry, and Capral's Die Catalogue. Please refer to Non-Confidential Attachment A-3.3.2 and A-3.3.3 respectively.

⁵ Refer Report 148, pp.21-26 at 3.5 to 3.6, Report 362, pp 19-20, at 3.5 to 3.6.

4. Describe the ways in which the essential characteristics of the imported goods are alike to the goods produced by the Australian industry.

In Reports No. 148 and 362 the key essential characteristics of the locally produced and imported aluminium extrusions was previously examined. The conclusions of the Commission were as follows:

- The primary physical characteristics of the [imported] goods and locally produced goods are similar;
- The goods and locally produced goods are commercially alike as they are sold to common users, and directly compete in the same market;
- The goods and locally produced goods are functionally alike as they have a similar range of end-uses; and
- The goods and locally produced goods are manufactured in a similar manner.

Capral considers that the goods manufactured by the Australian industry possess the same essential characteristics as aluminium extrusions imported from China (by Jiangsheng and Zhongya) and Thailand and are considered “alike” in all respects.

5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

Aluminium extrusions are covered by the very broad ANZSIC Class 2142 Aluminium Rolling, Drawing, Extruding:

| | |
|----------------|---|
| Division C | Manufacturing |
| Subdivision 21 | Primary Metal and Metal Product Manufacturing |
| Group 214 | Basic Non-Ferrous Metal Product Manufacturing |
| Class 2142 | Aluminium Rolling, Drawing, Extruding |

6. Provide a summary and a diagram of your production process.

Please refer to Non-Confidential Attachment A-3.6 for a detailed description and diagram of the aluminium extrusions manufacturing process.

7. If your product is manufactured from both Australian and imported inputs:

- describe the use of the imported inputs; and
- identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

In the mill extrusion production process, raw material in the form of aluminium billet is substantially transformed into aluminium extrusions via a capital-intensive extrusion manufacturing process. Until 2012 Capral's entire aluminium billet was sourced locally. Due to the closure of the Kurri-Kurri smelter in October 2012, it became necessary for Capral to source some of its billet requirements from alternative overseas sources. In recent years, approximately xx% of Capral's billet has been imported from Middle East. Both local and Middle Eastern smelters use similar LME plus Premiums (inclusive of Major Japanese Port Premium) pricing mechanisms for aluminium billet.

8. If your product is a processed agricultural good, you may need to complete Part C-3 (close processed agricultural goods).

Aluminium extrusions are not considered 'close processed agricultural goods' hence this question does not apply.

9. Supply a list of the names and contact details of all other Australian producers of the product.

The following table lists known Australian aluminium extrusion manufacturers:

| Company | Address | Telephone/Fax |
|--|---|--|
| Almax Aluminium Pty Ltd | 87 Trade Street Lytton QLD 4178 http://www.almax.net.au | Tel: 07 3906 6000 Fax: 07 3906 6066 |
| Aluminium Profiles Australia Pty Ltd (APA) | 25-31 Licola Crescent Dandenong South VIC 3175 http://www.aluminiumprofiles.com.au | Tel: 03 9768 5000 Fax: 03 9768 5050 |
| Aluminium Shapemakers Pty Ltd (AluShapes) | 7 Warringah Close Somersby Industrial Park Somersby NSW 2250 http://www.alushapes.com.au | Tel: 02 4340 4344 Fax: 02 4340 4348 |
| Extrusions Australia Pty Ltd | 25-28 Andretti Court Truganina VIC 3026 http://www.extrusions.com.au | Tel: 03 8348 9300 Fax: 03 8348 9301 |
| G James Extrusion Co Pty Ltd | 1082 Kingsford Smith Drive Eagle Farm QLD 4009 http://gjames.com | Tel: 07 3877 2833 Fax: 07 3877 2890 |
| Independent Extrusions Pty Ltd (Inex) | 33-39 Licola Crescent Dandenong South VIC 3175 http://www.inex.co.nz | Tel: 03 9768 0000 Fax: 03 9768 2748 |
| Olympic Aluminium Co Pty Ltd | 606 Ballarat Road Sunshine VIC 3020 http://www.olympicaluminium.com | Tel: 03 8361 2122 Fax: 03 9363 6643 |
| Ullrich Aluminium Pty Ltd | 20 Ron Boyle Crescent Carole Park QLD 4300 http://www.ullrich.com.au | Tel: 07 3718 1400 Fax: 07 3271 1230 |

A-4 The Australian market.

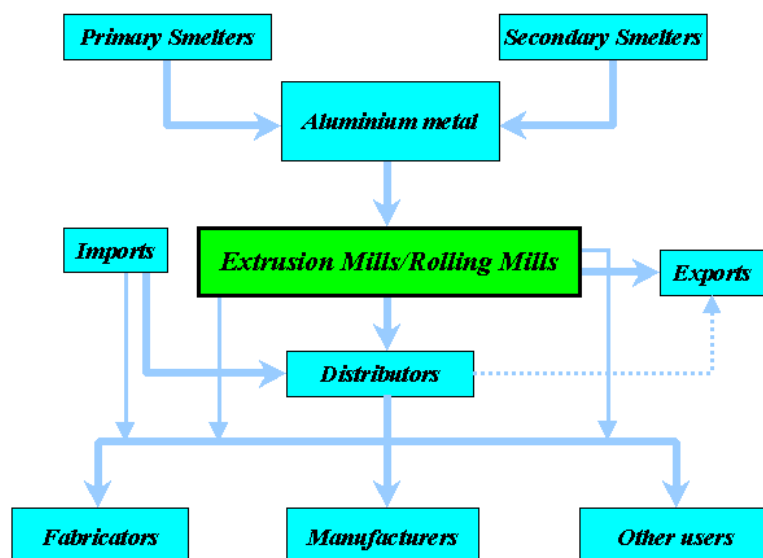
1. Describe the end uses of both your product and the imported goods.

Aluminium extrusions are used in a wide variety of applications, including commercial and residential buildings for window and door frame systems, prefabricated houses/building structures, roofing and exterior cladding, curtain walling, shop fronts, fencing, airframes, road and rail vehicles, marine, electrical and general engineering.

2. Generally describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:

- sources of product demand;
- marketing and distribution arrangements;
- typical customers/users/consumers of the product;
- the presence of market segmentation, such as geographic or product segmentation;
- causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;
- the way in which the imported and Australian product compete; and
- any other factors influencing the market.

The diagram below outlines the aluminium extrusion industry's position (shown as Extrusion Mills/Rolling Mills) in the value chain in most, if not all, domestic markets, including Australia. It also shows the distribution channels to fabricators, manufacturers and other users.



A wide range of small to medium retail and trade end-users (including smaller fabricators, manufacturers and other users) order aluminium extrusions from distributors, metal service centres or retailers, with the choice of intermediary mainly reflecting size and complexity of orders, as well as the type of trading relationships developed over time.

In some instances, in the domestic market very large original equipment manufacturers (OEMs), such as large aluminium window manufacturers, further finishers (e.g. anodisers, powder coat/painters) and fabricators, buy directly from the producers, normally in circumstances where

the size and simplicity of order is such as not to adversely affect relationships between the producer and major distributors.

Manufacturers mainly sell aluminium extrusions to the next level of trade (distributors and OEMs) on a pricing formula reflecting:

1. the London Metal Exchange (LME) base price, plus
2. Premiums (billet premiums and Major Japanese Port ("MJP") premium);
3. a conversion or processing fee (to cover conversion costs, profit and freight to customer store or wharf for export), plus
4. finish extras if applicable (e.g. painting/powder coating or anodising).

The difference between the LME metal price and Premiums, and the selling price, is referred to in the industry as the 'spread'.

In addition, product profiles made to customer specifications will require special dies to be cut, which will either involve a charge to the customer to cover the upfront cost of producing the die, or will alternatively be paid for by the manufacturer with the cost amortised over the expected life of the die or the contract and built into the price of the extrusions.

Dies are sometimes owned by the customer and supplied to the extruder. Normally, die costs will be separated and negotiated for significant sales. However, a feature of some competition from imports is understood to be the offer of 'free' dies, even on small orders without a defined long-term order commitment. It has been usual custom in the industry to recover die costs as a separate item, either upfront for small or uncertain-duration contracts, or amortised over a defined time period for larger orders (cost-reflective pricing), however, in recent years dies have in some instances been included as an attractive enticement in the purchase of imported aluminium extrusions.

Many large customers have been increasingly sourcing a combination of local and imported product of the same specification. Imports almost always undercut domestic prices, however, invariably import products do not cover the whole range of Australian market requirements. Import prices are often used as a 'bargaining' device to obtain lower prices from local aluminium extrusion producers. Another feature of this process is the tendency for common, easier to make profiles to be dual-sourced, with the more difficult and lower-run volume sections mainly supplied from local sources. Multiple sourcing leads to loss of production tonnage, capacity underutilisation and production inefficiencies for local producers, contributing to material injury.

Following the commencement of Investigation No. 362, Capral observed an upsurge in imports from Thailand. Based upon market intelligence, Capral became aware of low-priced exports to Australia by the two-exempt Chinese exporters, Jiangsheng and Zhongya. Capral understands the export volumes from Jiangsheng and Zhongya, and the exports from Thailand, exceed the volume of exports at dumped prices (as per Investigation No. 362) from Malaysia and Vietnam. There was a noticeable increase that emerged as key sources of supply for imported aluminium extrusions following the imposition of anti-dumping and countervailing measures on imports from China.

Demand for aluminium extrusions correlates to the general level of economic growth, especially in building/construction, industrial and transportation activities.

3. Identify if there are any commercially significant market substitutes for the Australian and imported product.

There are currently no commercially significant substitutes to aluminium extrusions available to the Australian market.

There are claims that the market for aluminium extrusions is rising at the expense of other materials such as timber and steel, in industrial and commercial building as well as dwelling

construction. However, there is little independent, research-based evidence known to support this proposition.

4. Complete appendix A1 (Australian production). This data is used to support your declaration at the beginning of this application.

Capral has completed Confidential Appendix A1 for local production of aluminium extrusions up until June 2017.

5. Complete appendix A2 (Australian market).

Capral has completed Confidential Appendix A2 (Australian market) through until June 2017.

6. Use the data from appendix A2 (Australian market) to complete this table:

Indexed table of sales quantities*

| Period | (a) Your Sales | (b) Other Aust ⁿ Sales | (c) Total Aust ⁿ Sales (a+b) | (d) Dumped Imports | (e) Other Imports | (f) Total Imports (d+e) | Total Market (c+f) |
|----------------|----------------------|--|---|--------------------------|-------------------------|----------------------------------|--------------------------|
| | | | | | | | |
| 2012/13 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 2013/14 | 103.3 | 107.8 | 105.9 | 115.3 | 100 | 105.8 | 105.8 |
| 2014/15 | 111.4 | 112.4 | 112.0 | 122.5 | 84.3 | 98.9 | 106.0 |
| 2015/16 | 126.7 | 118.8 | 122.2 | 119.3 | 76.3 | 92.7 | 108.6 |
| 2016/17 | 128.4 | 118.8 | 122.9 | 138.9 | 56.8 | 88.2 | 106.9 |

Note: Years ending March.

The Australian market for aluminium extrusions has experienced modest growth from 2012/13 to 2015/16, with a contraction in 2016/17. Capral and the remaining Australian producers have remained stable in 2016/17, with imports from Malaysia, Vietnam and other source countries declining in 2016/17, as volumes from China and Thailand have increased.

A-5 Applicant's sales.

1. Complete appendix A3 (sales turnover).

Capral has completed Confidential Appendix A3 for all sales made by the company, along with sales of like goods, for both the Australian and export markets.

Please refer to Confidential Appendix A3.

2. Use the data from appendix A3 (sales turnover) to complete these tables.

Data included in the following tables has been sourced from Capral's Confidential Appendix A3 schedule.

*Indexed table of Applicant's sales quantities**

| Quantity | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---------------------|---------|---------|---------|---------|---------|
| All Products | | | | | |
| Aust. Market | 100 | 118.9 | 129.2 | 140.4 | 140.6 |
| Export Market | 100 | 264.0 | 219.7 | 276.0 | 272.3 |
| Total | 100 | 119.3 | 129.5 | 140.8 | 141.0 |
| | | | | | |
| Like Goods | | | | | |
| Aust. Market | 100 | 103.3 | 111.4 | 125.0 | 125.2 |
| Export Market | 100 | 331.1 | 285.8 | 326.1 | 243.0 |
| Total | 100 | 103.7 | 111.6 | 125.3 | 125.4 |
| | | | | | |

Capral's domestic sales of like goods remained flat in 2016/17. As aluminium extrusions considered 'like goods' account for the bulk of Capral's sales, the trend for sales of 'all products' is reflected in the trend for domestic sales of 'like goods'.

*Indexed table of Applicant's sales values**

| Revenues | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---------------------|---------|---------|---------|---------|---------|
| All Products | | | | | |
| Aust. Market | 100 | 117.2 | 132.0 | 141.7 | 141.1 |
| Export Market | 100 | 192.5 | 189.6 | 201.9 | 200.9 |
| Total | 100 | 117.5 | 132.3 | 142.0 | 141.4 |
| | | | | | |
| Like Goods | | | | | |
| Aust. Market | 100 | 104.9 | 121.6 | 129.2 | 131.4 |
| Export Market | 100 | 305.1 | 304.6 | 335.5 | 241.7 |
| Total | 100 | 105.3 | 121.6 | 129.2 | 131.4 |
| | | | | | |

The trend in Capral's sales values (both for 'all products' and 'like goods') reflects that of sales volumes, with like goods accounting for the substantial proportion of Capral's total sales.

3. Complete appendix A5 (sales of other production) if you have made any:

- **internal transfers; or**
- **domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.**

Capral has identified its sales of imports and purchases from other Australian manufacturers at Confidential Appendix A5. Aluminium extrusions not produced by Capral are bought and sold at arm's length by Capral's distribution businesses.

4. Complete appendix A4 (domestic sales).

Capral has completed Confidential Appendix A4 for the period 1 July 2016 to 30 June 2017.

5. If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.

Capral does not have any sales listed in Confidential Appendix A4 to related parties.

6. Attach a copy of distributor or agency agreements/contracts.

Capral does not have a distributor or agency agreement with a third party. A copy of Capral's Supply Agreement between Capral Distribution & Capral Manufacturing is available at Confidential Attachment A-5.6.

7. Provide copies of any price lists.

Capral does not have a price list for the goods the subject of this application. Capral, however, does use a "pricing structure" based upon LME pricing, regional premium and conversion factors. Examples are included at Confidential Attachment A-5.7.

8. If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.

- Where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in appendix A4 (domestic sales).
- If you have issued credit notes (directly or indirectly) provide details if the credited amount has not been reported appendix A4 (domestic sales) as a discount or rebate.

Capral provides, in limited circumstances, early payment discounts and certain 'LME' rebates as outlined in Confidential Attachment A-5.8 Capral accrues for most of these rebates at the time of invoicing. Therefore, A4 will have the net amount in cases where the rebate is accrued.

9. Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank documentation showing proof of payment.

Capral has included two complete sets of commercial documentation for each quarter within the twelve-month period 1 July 2016 to 30 June 2017. Please refer to Confidential Attachment A-5.9.

A-6 General accounting/administration information.

1. Specify your accounting period.

Capral's full financial year is the 12-month period ending 31 December. Capral also provides half year financial accounts for each 6-month period ended 30 June.

2. Provide details of the address(es) where your financial records are held.

Capral's financial records are held at the following addresses:

- L4, 60 Phillip Street, Parramatta, NSW 2150
- Bremer Park, 71 Ashburn Road, Bundamba, QLD 4304

3. To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any subsequent statements:

- chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of

business for the goods.

These documents should relate to:

- 1. the division or section/s of your business responsible for the production and sale of the goods covered by the application, and**
- 2. the company overall.**

A copy of Capral's chart of accounts is available at Confidential Attachment A-6.3.1.

Copies of Capral's annual reports for 2015 and 2016 are provided at Non-Confidential Attachment A-2.9.

A copy of Capral's internal financial statements for the months of September and December 2016, and March and June 2017 are included at Confidential Attachment A-6.3.2. These statements detail:

- (i) profit/loss for each of the five manufacturing operations;
- (ii) distribution operations; and
- (iii) allocated corporate overheads.

Aluminium extrusions are produced at all five manufacturing plants.

- 4. If your accounts are not audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.**

Not applicable.

- 5. If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.**

Capral's accounts comply with Australian accounting standards as certified by independent auditors in the 2016 Annual Report at Non-Confidential Attachment A-2.9.

- 6. Describe your accounting methodology, where applicable, for:**

- The recognition/timing of income, and the impact of discounts, rebates, sales returns warranty claims and intercompany transfers;**

Capral recognises income on the date of invoice. Invoices are raised each night for items shipped to the customer on that day. Some customers' net invoice value is determined on the basis of a list price less customer discount percentage, applied on each invoice and therefore recognised during the month. Customer rebates described above (i.e. early payment discounts and consolidation rebates) are calculated and a credit note raised at the end of each month.

Revenue is measured at the fair value of the consideration received or receivable. Sales revenue comprises sales of goods and services at net invoice values less returns, trade allowances and applicable rebates.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

(i) Capral has transferred to the buyer the significant risks and rewards of ownership of the goods;

(ii) Capral retains neither continuing managerial involvement to the degree normally associated with ownership nor effective control over the goods sold;

(iii) the amount of revenue can be measured reliably;

(iv) it is probable that the economic benefits associated with the transaction will flow to the entity; and

(v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

- **provisions for bad or doubtful debts;**

Doubtful Debt provision is based on a percentage of the total debt for customers who are subject to formal payment plans or legal action and 1.75% of the 90 day and over balances. The provision for doubtful debts is reviewed each month and necessary adjustments made to the provision. The provision is based on estimated irrecoverable amounts from the sale of goods, determined by reference to past experience and knowledge of customers. Allowances are made for known doubtful debts at the time of appointment of administrators, liquidators or other formal insolvency events.

Bad Debts – Debts are determined to be bad and written off when written advice is received from the Receiver, Liquidator or Trustee in Bankruptcy that no further dividend will be paid, or as approved by the Chief Financial Officer.

- **the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;**

Capral's general or overhead costs incurred within the manufacturing business are recognised in the profit and loss of the manufacturing business. These may be captured within a cost centre where they relate to a specific area (e.g. mill, painting, anodising) or they may be captured in a general manufacturing overhead cost centre. In the Confidential Appendix A6 financials, these general overheads have been allocated to Mill, Paint, Anodise and Fabrication (non-like goods) on a per kilogram sold basis.

The costs of performing Capral's shared services functions (e.g. accounts receivable, accounts payable, payroll, finance) are captured in a Corporate profit centre. These overheads are apportioned to each business as part of Capral's annual budget process. This split is based on an estimate by corporate cost centre owners of the percentage each business uses. For example, a large portion of Capral's information technology spend relates to its enterprise resource planning (ERP) system, SAP. As such, a key determinant of IT corporate allocation is the number of SAP users in each business.

A portion of Capral's corporate costs are not allocated as part of the budget process. This relates mainly to its executive management and some property costs. As part of the Confidential Appendix A6 process, these costs were allocated to each business based on the same proportion of total corporate costs that were allocated as part of the budget process.

Capral does not allocate interest expense to businesses. As part of the Confidential Appendix A6 process, interest costs were allocated on the basis of total funds employed in each business.

- **costing methods (eg by tonnes, units, revenue, activity, direct costs etc) and allocation of costs shared with other goods or processes;**

Capral's manufacturing business consists of 5 plants.

All five plants use a standard costing system to allocate metal, labour and overheads to each production order. Metal is allocated based on a standard consumption level for the pieces produced. Labour and overheads are allocated based on a standard output rate multiplied by a standard activity rate. This is based on a manufacturing bill of materials

(BOM) with specific routings to allocate labour and overheads. Angaston and Penrith plants do not maintain stock in SAP for these plants cost of sales and inventory valuation is based on the current LME plus billet premium plus a single average dollar per kilogram standard for Mill Finish, Paint and Anodise.

- **the method of valuation for inventories of raw material, work-in-process, and finished goods (e.g. FIFO, weighted average cost);**

Raw Material – Capral values its log inventory at a standard cost. The standard includes a LME and billet premium component. The standard is updated on a regular basis, in line with movements in the value of the LME and changes in billet premiums. Revaluation gains or losses are posted to the profit and loss each month.

Work in Progress (WIP) – Valued based on a standard metal cost (LME plus billet premium as per above) plus a standard cost for labour and overhead (conversion costs) for each area of production. The valuation is based on the accumulation of standard costs up to the last confirmation point. Note that the standard metal cost includes an allowance for metal waste.

Finished Goods – Valued based on a standard metal cost (LME plus billet premium as per above) plus a standard cost for labour and overhead (conversion costs) for each area of production. For example, a painted product will include a standard metal cost, a standard mill labour and overhead cost and a standard paint labour and overhead cost. Note that the standard metal cost includes an allowance for metal waste. Due to the use of standard costs, finished inventory is compared at least quarterly against actual costs (and net realisable value) and adjustments are posted to the profit and loss as required. Capral also regularly reviews dead and slow moving stock, and posts provisions to the profit and loss as required.

- **valuation methods for scrap, by-products, or joint products;**

In-House Waste – Metal waste (or scrap) is an inevitable part of the extrusion process. This consists of planned and unplanned waste. In-house scrap is booked into scrap inventory as it is generated (ie: daily).

Customer Returns – Capral receives metal returns from customers where the product is damaged or not as per the customer's order. These returns will generally be scrapped. Customer return scrap is booked into scrap inventory upon recognition that the returned goods are not able to be re-worked or re-sold.

Scrap – Scrap is sold based on agreed contract pricing with third parties. The price is generally expressed as a percentage of the market LME rate. Scrap is held in inventory at a standard cost, which is adjusted on a regular basis, in line with movements in the LME.

- **valuation methods for damaged or sub-standard goods generated at the various stages of production;**

As per above, Capral books damaged goods into scrap on a regular basis and re-values this stock to net realisable value on a regular basis (generally monthly). Capral also regularly reviews dead and slow moving stock, and posts provisions to the profit and loss as required.

- **valuation and revaluation of fixed assets;**

Fixed asset valuations and revaluations are in line with generally accepted Australian accounting principles. At each reporting date, Capral reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

- **average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;**

Refer to P. 53 of Capral's 2016 Annual Report.

- **treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and**

Refer to Note 30 of Capral's Financial Statements in the 2016 annual report (p.66).

- **restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.**

Where applicable, provisions are made for expenditure in line with generally accepted Australian accounting principles.

7. **If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.**

Accounting methods have only changed to the extent required by Australian and international accounting standards during the investigation period.

A-7 Cost information

1. **Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.**

Capral has completed Confidential Appendices A-6.1 and A-6.2 for the goods the subject of this application.

A-8 Injury

The principal indicators of injury are prices, volumes and profit effects – although not all of these must be evident. For this application, profit refers to amounts earned. Profitability is the ratio of profit to sales revenue. Where injury is threatened, but has not yet occurred, refer to question C.2.

1. **Estimate the date when the material injury from dumped imports commenced.**

In 2009, Capral made an application for anti-dumping and countervailing measures on exports of aluminium extrusions from China. On 28 October 2009, the then Attorney-General published a dumping duty notice and a countervailing duty notice applicable to aluminium extrusions exported from China (Report No. 148 refers).

Following an appeal to the Trade Measures Review Officer, the Customs and Border Protection conducted a reinvestigation of certain matters. The Attorney-General published new revised notices (Trade Remedies Report No. 175 refers) on 27 August 2011.

In 2012 Wuxi Xisha Photoelectric Aluminium Products Co., Ltd requested a review of the anti-dumping measures. The review was completed in November 2012 (Trade Remedies Report No. 186 refers). A further review of measures applicable to Alnan Aluminium Co., Ltd was conducted in early 2014, with an outcome that the measures remain unaltered. In 2014 Capral made an application for an anti-circumvention inquiry asserting that the applicable measures were being circumvented by PanAsia Aluminium (China) Co., Ltd. The Parliamentary Secretary applied revised measures on the exporter

(Report No. 241 refers).

Following a review of all measures applicable to aluminium extrusions exported from China, the Commission recommended to the Parliamentary Secretary that new variable factors be applied. The new notice was published with effect on 10 September 2015 (Report No. 248 applies).

In January 2015, the Commission commenced an inquiry into the continuation of the anti-dumping measures for a further five-year period beyond the scheduled expiry date of 28 October 2015. Following investigation, the Commission recommended that the measures not be allowed to expire. The Parliamentary Secretary accepted the Commission's recommendations and continued the measures for a further five-year period from 28 October 2015 (Report No. 287 refers).

In July 2016, Capral made an application for anti-dumping and countervailing measures in respect of exports of aluminium extrusions from Malaysia and Vietnam. Preliminary measures were applied to exports from both countries in October 2016. Following investigation (Report 362 refers), the Parliamentary Secretary imposed anti-dumping measures on non-cooperative exporters in Malaysia, and measures to all exporters from Vietnam. Additionally, countervailing measures were applied to non-cooperative exporters from Malaysia.

Coinciding with Investigation 362, exports of aluminium extrusions from the two Chinese exporters – Jiangsheng and Zhongya - continued to cause injury to Capral, with exports from Thailand growing as they displaced exports the subject of measures from Malaysia and Vietnam (with imports from China and Thailand growing by approximately 15 per cent and 28 per cent in 2016/17, respectively).

Table A-8.1 - Aluminium extrusion imports from China and Thailand (Tonnes)

| Country | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|----------|---------|---------|---------|---------|---------|
| China | 29,305 | 33,957 | 36,080 | 33,955 | 39,216 |
| Thailand | 1,621 | 1,689 | 1,806 | 2,925 | 3,746 |

Source: ABS

It is Capral's view that material injury sustained in 2015/16 has continued in 2016/17 as exports from China not the subject of interim anti-dumping measures, and exports from Thailand, have increased and displaced exports from Malaysia and Vietnam that were the subject of investigation (and subject to provisional measures from October 2016).

2. **Using the data from appendix A6 (cost to make and sell), complete the following tables for each model and grade of your production. Pⁿ is the most recent period.**

Capral has completed the following indices from the data included at Confidential Appendix A6.1 on domestic costs to make and sell ("CTM&S") information.

Index of production variations (model, type, grade of goods)

| Period | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--------|---------|---------|---------|---------|---------|
| Index | 100 | 104.0 | 111.9 | 125.6 | 125.2 |

Notes:

1. Period is 1 July to 30 June.
2. Data is from Line 8 of Confidential Appendix A6.1 & Appendix A6.2

Capral's production of aluminium extrusions in 2015/16 and 2016/17 has remained stable.

Index of cost variations (model, type, grade of goods)

| Period | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--------|---------|---------|---------|---------|---------|
| Index | 100 | 99.1 | 105.3 | 100.7 | 100.8 |

Notes:

1. Period is 1 July to 30 June.
2. Data is from Line J49 of Confidential Appendix A6.1

Capral's CTM&S for aluminium extrusions has remained flat in 2016/17, despite the increase in raw material aluminium LME prices. Capral has, however, reduced its selling and general administration costs per tonne to offset rises in raw material prices.

Index of price variations (model, type, grade of goods)

| Period | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--------|---------|---------|---------|---------|---------|
| Index | 100 | 101.6 | 109.0 | 103.1 | 105.1 |

Notes:

1. Period is 1 July to 30 June.
2. Data is from Line J56 of Confidential Appendix A6.1

Capral experienced a slight increase in selling prices in 2016/17, however, selling prices have not recovered to the levels of 2014/15.

Index of profit variations (model, type, grade of goods)

| Period | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--------|---------|---------|---------|---------|---------|
| Index | 100 | Xxxx | Xxxx | Xxxx | xxxx |

Notes:

1. Period is 1 July to 30 June.
2. Data is from Line N60 of Confidential Appendix A6.1

Capral's profit improved in 2016/17, however, its return on sales at less than 1 per cent is considered inadequate for ongoing reinvestment purposes. The profit indices are influenced by the large loss in the base year.

Index of profitability variations (model, type, grade of goods)

| Period | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|--------|---------|---------|---------|---------|---------|
| Index | 100 | xxxx | xxxx | xxxx | xxxx |

Notes:

1. Period is 1 July to 30 June.
2. Data is from Line O62 of Confidential Appendix A6.1

As indicated above, Capral's profitability has improved but remains inadequate in 2016/17 for ongoing reinvestment purposes. The base year was a significant loss, hence subsequent periods do not reflect adequate returns.

3. **Complete appendix A7 (other injury factors).**

Where applicable to injury claims, prepare an indexed table for other injury factor(s) in the format above.

Index of Capital Expenditure

| Period | 2013 | 2014 | 2015 | 2016 |
|--------|------|-------|--------|--------|
| Index | 100 | 91.23 | 127.13 | 107.32 |

Notes:

1. Period is 1 January to 31 December.
2. Data is from Line 12 of Confidential Appendix A7.

Capral has reduced its capital expenditure on aluminium extrusions in 2016/17 to reduce costs in the face of renewed competition at unfair prices from China and Thailand.

Index of Return on Investment

| Period | 2013 | 2014 | 2015 | 2016 |
|--------|------|------|--------|------|
| Index | 100 | 27.5 | -183.2 | 54.6 |

Notes:

1. Period is 1 January to 31 December.
2. Data is from Line 24 of Confidential Appendix A7.

Capral has experienced an improvement in 2016/17, however, this is due to a reducing value of assets employed in the period of investigation.

Index of Wages expenditure

| Period | 2013 | 2014 | 2015 | 2016 |
|--------|------|-------|-------|-------|
| Index | 100 | 104.4 | 114.3 | 127.2 |

Notes:

1. Period is 1 January to 31 December.
2. Data is from Line 63 of Confidential Appendix A7.

Capral has experienced increases in wages in consecutive years since 2013, although final selling prices have been stable.

A-9 Link between injury and dumped imports.

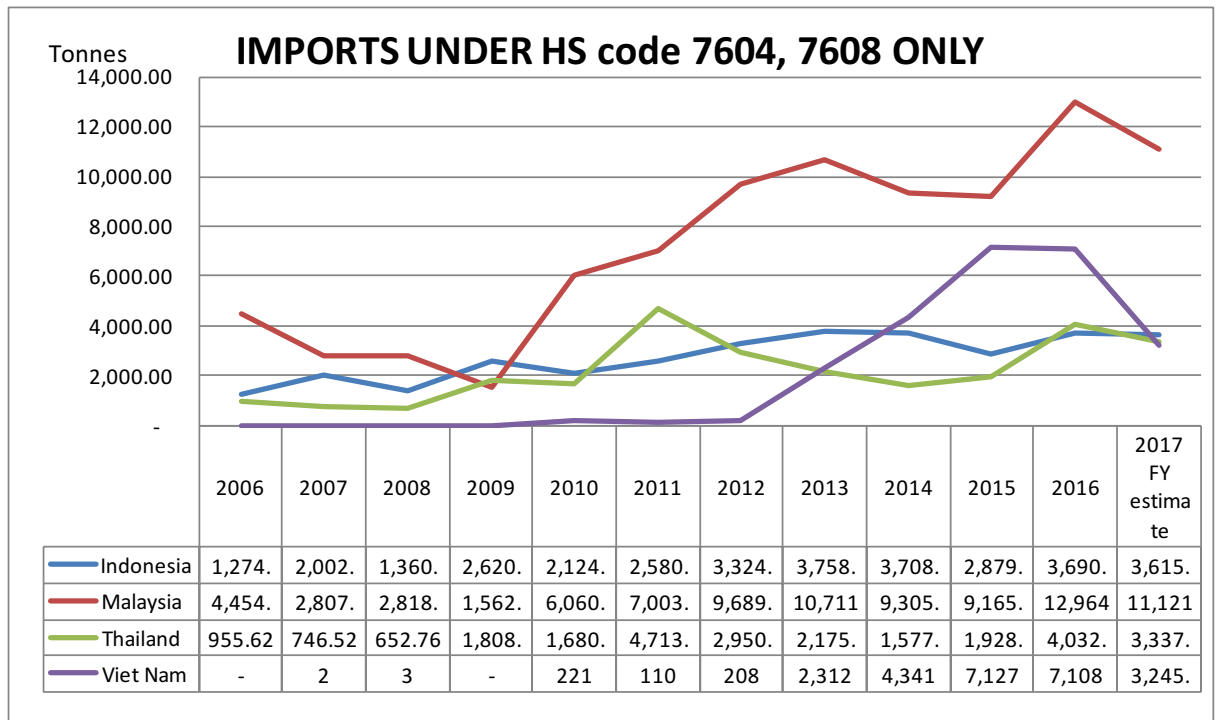
To establish grounds to initiate an investigation there must be evidence of a relationship between the injury and the alleged dumping. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped imports on your quarterly sales volume and market share.

The following graph (Figure A-9.1) highlights the growth in imports of aluminium extrusions from Thailand in 2016/17 as volumes from Malaysia and Vietnam have fallen. It is Capral's assertion that dumped exports from the two Chinese exporters, Jiangsheng and Zhongya, along with exports from Thailand have, on an opportunistic basis, displaced export volumes from Malaysia and Vietnam following the commencement of investigation No. 362.

The availability of dumped exports from China (from exporters not the subject of measures) and Thailand has prevented Capral from recovering sales volumes of dumped exports from Malaysia and Vietnam the subject of measures, on a competitive (and fairly) priced basis.

Figure – A-9.1 – Highlighting Imports of aluminium extrusions from all sources (including China and Thailand)



2. Use the data at appendix A2 (Australian market) to show the influence of the price of dumped imports on your quarterly prices, profits and profitability provided at appendix A6.1 (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

(i) Continued imports from China; growth in Thai imports

Investigation 248 confirmed that Chinese exporters of aluminium extrusions had maintained distribution links into the Australian market. Capral has monitored Chinese exporters following the imposition of the original measures (Report No 148) and observed the emergence in 2016 of exports by the previously unknown Jiangsheng. This exporter is linked to the exportation of aluminium extrusions manufactured by the formerly named Chinese producer Tai Ao Aluminium Industry (Taishan) Co., Ltd ("Tai Ao") and has maintained export volumes at the levels previously held by Tai Ao.

Export volumes of aluminium extrusions from Thailand during 2013 to 2015 were at relatively subdued levels (circa 2000 tonnes per annum) however, in 2016 and 2017, Thailand has increased exports (by approximately 28 per cent) as importers seek to displace exports from Malaysia and Vietnam that are the subject of anti-dumping measures (provisional measures applied from October 2016).

- **China**

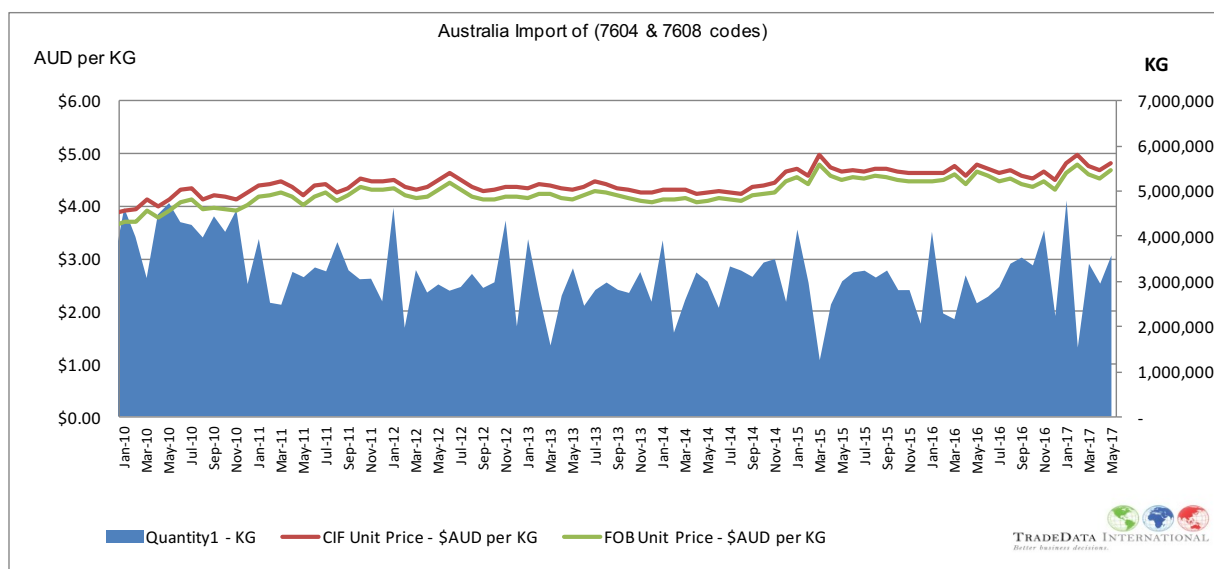
Figure A-9.2 (below) confirms Chinese exports of aluminium extrusions have continued following the imposition of measures in 2011. The continued trend indicates that whereas volumes from China are not as high as the original investigation period (2008/09), China continues to be a predominant source of aluminium extrusions for the Australian market.

Capral considers that the ongoing strong position for Chinese exports has been fuelled by exports from Guangdong Jiangsheng Aluminium Co., Ltd (Jiangsheng) - formerly known as Tai Ao Aluminium (Taishan) Co., Ltd, and also by Zhaoqing New Zhongya Aluminium Co., Ltd (refer Figure A-9.2) that are

not the subject of interim dumping and countervailing measures, and interim dumping measures, respectively.

In 2016/17, exports of aluminium extrusions from China increased by approximately 15 per cent. Capral understands that the two exporters – Jiangsheng and Zhongya – account for a significant proportion of this increase in exports to Australia from China, as evidenced by Chinese declarations of exports by exporter (refer further below).

Figure A-9.2 – Imports of aluminium extrusions from China



Capral has obtained Chinese export data (by exporter) that discloses export volumes to Australia in 2016 and 2017 (year-to-date). The data confirms that exports by Jiangsheng and Zhongya have increased in 2016/17, above the levels of the previous 12-month period (refer to Confidential Attachment A-9.2 for further details by exporter).

Figure A-9.3 Chinese exporter Tai Ao Aluminium Industry (Taishan) Co., Ltd transitioning to Jiangsheng in earlier 2016 (prices (US\$/kg) and tonnes to Australia (June 2014 to May 2017))

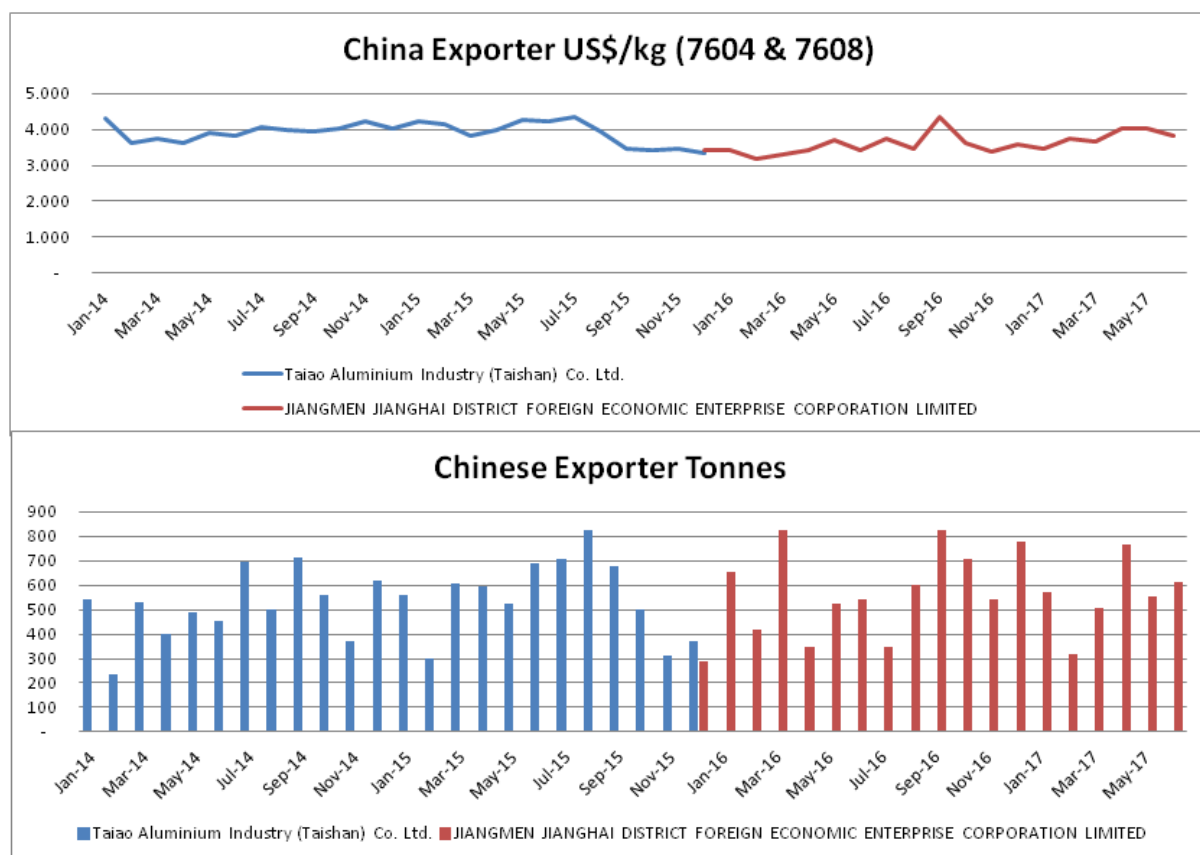
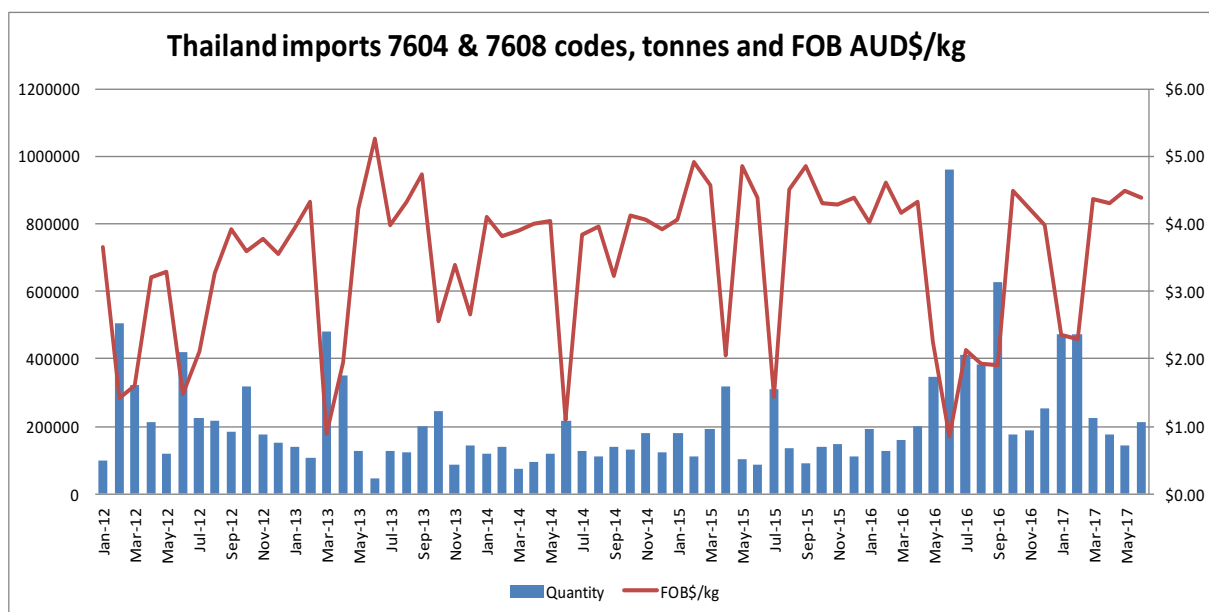


Figure A-9.3 confirms that Jiangsheng has continued exporting to Australia at comparable export volumes (and lower prices) from January 2016, following the apparent corporate name change(s) associated with the former entity.

- **Thailand**

Capral has monitored the recent growth in import volumes of aluminium extrusions from Thailand. It is noted that commensurate with the commencement of Investigation 362 (against exports from Malaysia and Vietnam), there was an increase in import volumes sourced from Thailand.

Figure A-9.4 highlights the increase in import volumes from Vietnam since the beginning of 2010 at prices with a value (predominantly) at or below A\$4 per kg. The growth in Thai exports of aluminium extrusions to Australia in 2016/17 was approximately 28 per cent. Capral attributes this growth in exports from Thailand to the imposition of measures on exports from Malaysia and Vietnam from October 2016. Capral also considers that the volatile pricing can be attributed to a mix of aluminium extrusions exported to Australia – with prices at the low-end, representative of volumes for mill finish only.

Figure A-9.4 – Recent growth in Thailand export volumes (and A\$ FOB prices per kg)

The growth in exports from China and Thailand to Australia in 2016/17 of approximately 19 per cent (in aggregate) reflects an approximate similar decline in export volumes to Australia from all other source countries. Capral considers that this direct substitution of exports from other countries (including, primarily, countries the subject of new measures) confirms that this application is correctly targeted at the Chinese exporters not the subject of measures, and exporters from Thailand.

(ii) Price undercutting examples

Capral has encountered price undercutting from the dumped exports from China (by Jiangsheng and Zhongya) and Thailand. Available examples of price undercutting include the following:

Example 1 – Offer from [importer] (source Zhongya) 27 July 2017

Capral price for finished powder coated product at \$xxx per kg, compared with [importer] offer of Zhongya finished material \$xxx per kg. Level of undercutting – 42 per cent.

Example 2 – [customer] - offer from [importer] (source Zhongya) 3 July 2017

Customer notified that it is purchasing hollow rectangle 50mm x 3mm (6.5m) at \$xxx per kg.

Further states that [customer] is purchasing 50x25x3mm RHS at \$xxxx (\$xxxx/kg based on 6.5 metre lengths). This price is well below Capral and Capral was requested to revise price.

Example 3 – [customer] - offer from [importer] (source Zhongya) 28 February 2017

[customer] advised that competition ([customer] has sourced Zhongya product via [importer]) at \$xxx/kg versus Capral's \$xxx/kg for mill finish product.

Did not purchase from Capral as alternate source much cheaper.

Example 4 – [importer] (source Zhongya) versus Capral at following customers 23 June 2017

- (i) Customer [name] offered \$xxx/kg by [importer] versus Capral's price of \$xxx/kg mill finish, for 25 tonnes per month.
- (ii) Customer –[name] offered \$xxx/kg versus Capral's price of \$xxx/kg for 15 tonnes per month for mill finish.
- (iii) Customer –[name] offered \$xxx per kg versus Capral at \$xxx/kg for 50 tonne per month for mill finish.

Example 5 –[customer] – supplied by [importer] (Thailand) 2016

Customers purchasing from [customer] (sourced from [importer] ex Thailand). Customers included [name] and [name], and [name]. Understand price is circa \$xxx/kg, with Capral \$xxx-xxx/kg higher.

Example 6 – [customer] - offer from [importer] (source Zhongya) 22 June 2017

Customer sourced from [importer] for approximately 100 tonnes for an [name] project. Capral price was \$xxx/kg, with [importer] successful at approx. \$xxx per kg lower.

Example 7 – [customer] – confirmation of purchased from [exporter] 6 September 2016

Confirmation that [customer] purchasing approx. 30 per cent of requirements (approx. xxxx tonnes per annum) from [exporter]. Pricing is at A\$xxx over LME compared with Capral's pricing at A\$xxx/kg over LME.

Example 8 – [customer] – offers in [state]. from [importer] (source Zhongya) June 2017

The following [state] customers have offers/purchased from [importer] (source Zhongya Aluminium):

[customer] – \$xxxx/sq mtr versus Capral at \$xxxx/sq mtr.
[customer] - \$xxxx/sq mtr versus Capral at \$xxxx/sq mtr.
[customer] - \$xxxx/sq mtr versus Capral at \$xxxx/sq mtr.
[customer] - \$xx/sq mtr versus Capral at \$xx/sq mtr.

In [state] price undercutting of up to 40 per cent evident by [importer].

Communications associated with the above examples are included at Confidential Attachment A-9.2. Additionally, Capral has included a price list from Jiangsheng to Alspec (August 2016) which can be contrasted with Capral's price list to Alspec (August 2016) to demonstrate further undercutting by this exporter (Confidential Attachment A-9.2.1). Alspec is Jiangsheng's second largest Australian customer.

Capral has further market intelligence that United Aluminium (Thailand) has supplied [customer] and [customer] in Australia in 2016/17.

(iii) Profit and profitability

In 2016/17 Capral's sales volumes and values, and profit and profitability, have remained at [comparison] to those of 2015/16, a year confirmed by the Commission that the Australian industry suffered material injury from dumping (and subsidisation).

Capral has continued to operate at levels of suppressed selling prices (and consequently, suppressed profits and profitability) in 2016/17 as injurious exports from the two Chinese exporters Jiangsheng and Zhongya, in conjunction with exports from Thailand, have displaced exports at dumped (and subsidised) prices from Malaysia and Vietnam.

3. Compare the data at appendix A2 (Australian market) to identify the influence of dumped imports on your quarterly costs to make and sell at appendix A6.1 (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).

Capral's cost to make and sell aluminium extrusions in 2016/17 remained relatively flat, when contrasted with the previous period. Selling prices, similarly, have remained at similar levels to 2015/16. It was Capral's expectation that the imposition of measures in October 2016 would have enabled it (and the industry) to recover from suppressed levels (pricing and profit and profitability). This has not occurred, as imports from the two Chinese exporters Jiangsheng and Zhongya, and Thailand at dumped prices, which undercut Capral's selling prices have continued the injury previously caused by exports from Malaysia and Vietnam.

Capral, therefore, has continued to experience material injury from dumped exports from China and Thailand, that have displaced the injurious exports from Malaysia and Vietnam.

4. The quantity and prices of dumped imported goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped imports on these factors and where applicable use references to the data you have provided at appendix A7 (other economic factors). If factors other than those listed at appendix A7 (other economic factors) are relevant, include discussion of those in response to this question.

Capral has reduced its capital expenditure for aluminium extrusions in 2016/17 to ensure that it remains competitive against cheaper, dumped imports. Capral's reduced capital expenditure reflects the low return on assets employed in the prior period, impacting confidence to invest against imports from exporters not the subject of measures.

Capral has experienced an overall increase in its wages bill (due to increased workforce) however, the average wages bill increased by approx. xx per cent.

5. Describe how the injury factors caused by dumping and suffered by the Australian industry are considered to be 'material'.

Capral has previously highlighted with the Commission (in its application for measures against exports from Malaysia and Vietnam) that the manufacture of aluminium extrusions is a capital-intensive process, requiring ongoing investment to maintain a viable manufacturing operation. It is therefore not unreasonable for an industry that has committed significant capital (e.g. Bremer Plant \$xxxM) to expect that it can produce and sell goods into the Australian market at fair prices that allow for an adequate return for re-investment purposes.

Following the imposition of preliminary anti-dumping and countervailing measures on aluminium extrusions exported from China in 2009, it was Capral's expectation that it would recover from the injurious impacts of the Chinese exports. Investigation 362 confirmed that importers had shifted sources of supply to Malaysia and Vietnam at prices below China, to undercut the Australian industry's selling prices. This application confirms that importers have again sought-out new sources of supply – from

the two Chinese exporters not currently the subject of measures, and new exporters of aluminium extrusions in Thailand.

The dumped exports from China and Thailand have restricted Capral's ability to recover from the injurious effects of dumping – originally from exports from China, followed by new sources of supply in Malaysia and Vietnam, and now from Chinese exporters not the subject of measures, and new exporters in Thailand. The injury sustained by Capral is material as the company is barely at breakeven in the manufacture of aluminium extrusions, and has not achieved the forecast returns on investment that were anticipated.

6. Discuss factors other than dumped imports that may have caused injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping.

In 2016/17 the Australian market for aluminium extrusions experienced a slight decline. Demand for aluminium extrusions remained stable, as the Australian economy continues to expand. Capral's sales volumes remained flat, although there was an expectation of higher production and sales following the imposition of provisional measures on exports from Malaysia and Vietnam. These additional volumes did not eventuate, as exports from China and Thailand displaced the dumped and injurious exports from Malaysia and Vietnam.

The Australian market for aluminium extrusions is relatively transparent. All participants have visibility to import prices and competitive offers from Australian producers. Capral does not consider that there are 'other' factors that may have contributed to injury sustained by the industry during the 2016/17 period.

7. This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped imports, forecast their impact on your industry's economic condition. Use the data at appendix A2 (Australian market), appendix A6 (cost to make and sell), and appendix A7 (other economic factors) to support your analysis.

In its application for Investigation 362, Capral indicated that it welcomed the imposition of measures on injurious exports of aluminium extrusions from China. It was further indicated that it was Capral's expectation that following this outcome it would experience a recovery from the unfair import prices. Chinese exporters subsequently circumvented the measures, resulting in ongoing material injury to Capral and the remaining Australian industry members. The Commission's investigation (No. 287) addressed circumvention activities by Chinese exporters and applied amended measures to redress the injurious export prices (in 2015).

Capral subsequently highlighted that in parallel with circumvention of goods from China and following thereafter, exports of aluminium extrusions from Malaysia and Vietnam at dumped prices had caused material injury to the Australian industry in 2015/16. The Commission's investigations confirmed that certain exports from Malaysia (from uncooperative exporters), and all exports from Vietnam, were at dumped and injurious prices to the Australian industry.

Coinciding with the lead-up to Investigation 362, importers sought out alternate sources for low-priced imports – from Chinese exporters not the subject of measures, and from Thailand. Exports from these sources have continued the injury suffered by the industry in 2015/16 into 2016/17 (as evidenced by the price undercutting examples at A-9.2 above) to the point that the industry requests, by virtue of this application, that the Commission commence a formal investigation into the dumping by Jiangsheng and Zhongya of China, and by all exporters from Thailand.

Capral contends that anti-dumping measures are required to prevent the growth in dumped and injurious exports from China and Thailand – which increased by 19 per cent in 2016/17 – and enable the Australian industry to compete at fair prices. It was Capral's expectation (and the expectation of other industry members) that it would experience a period of recovery following the imposition of measures on exporters in Malaysia and Vietnam. This has not materialised as importers sourced goods from the two Chinese exporters not the subject of measures, and all exporters from Thailand. The

ongoing material injury experienced by Capral and continuing from Investigation 362 is evidenced in further price suppression, price undercutting from the dumped exports, suppressing profit and profitability injury at levels slightly above breakeven (and substantially below less than adequate returns required for a capital intensive business).

Capral therefore requests that the Anti-Dumping Commission commence a formal investigation into dumping from exports of aluminium extrusions supplied from China (by Jiangsheng and Zhongya, the two exporters not the subject of current measures) and Thailand.

PART B

DUMPING

IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

For advice about completing this part please contact the Commission's client support section on:

Phone: 13 28 46
Fax: (03) 8539 2499
Email: clientsupport@adcommission.gov.au

B-1 Source of exports.**1. Identify the country(ies) of export of the dumped goods.**

The countries of export of the goods the subject of this application are the People's Republic of China (for goods not covered by measures for exports by Jiangsheng and Zhongya) and Thailand.

2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.

Capral understands that the country of export is also the country of origin of the goods.

3. If the source of the exports is a non-market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.

For anti-dumping purposes, China and Thailand are considered "market economy" countries under Australia's Anti-Dumping legislation.

4. Where possible, provide the names, addresses and contact details of:

- producers of the goods exported to Australia**

The following companies are understood to be producers/exporters of aluminium extrusion that has been exported to Australia at dumped prices:

P R China

- (i) Guangdong Jiangsheng Aluminium Co., Ltd
Taishan City
Guangdong Province, China

(formerly Tai Ao Aluminium (Taishan) Co., Ltd).

Capral understands that Tai Ao Aluminium Group Limited is now a dormant company. It was previously acting in the capacity as the sales office for its Taishan manufacturing operations in China that was engaged in the manufacture of aluminium extrusions and associated products.

- (i) Guangdong Zhongya Aluminium Co., Ltd
No.4, D1 Block
Fengchi Material Market
Dali Town, Nanhai District
Foshan City Guangdong Province, China 528231
Tel: +86 757 8109 3134
Fax: +86 757 8118 9069

Thailand

- (i) United Aluminium Industry
25/1 Moo 13 Bangna-Trade Toad,
Km.11.7, Bangpleeyai
Bangplee Samutprakan 10540 Thailand
Tel: +66 2 316 3636-43
Fax: +66 2 316 3644
- (ii) Thai Metal Aluminium Co., Ltd
205 2 Moo 2
Praksa Road, Taibanmai
Samut Prakan Muang 10280 Thailand

Tel: + 66 2 702 8888
Fax: +66 2 702 8559

- (iii) Alusite Precision Co., Ltd
92/3-4 Moo 1
Homsin Road
Homsin Bang Pakong
Chachoengsao 24130 Thailand
Tel: +66 3884 2749
- (iv) USAM Inter Group Co., Ltd
139/2 Moo3,
Malaiman Road.,
Tabluang, Amphur Muang,
Nakornprathom 73000 Thailand
Tel: +66 34 261600
Fax: +66 34 261285
- (v) Muangthong Aluminium Industry Co., Ltd
66 Moo 11 Soi Vilalai Bangna-Trad Road
Banglee Samut Prakan 10540
Thailand
Tel: +66 2 337 2816

- **importers in Australia**

Capral understands the following companies to be importers of aluminium extrusions from the nominated countries:

P R China

- (i) Guangdong Jiangsheng Aluminium (Australia) Pty Ltd
U9, 19-21 Central Road
Miranda, NSW, 2228
Tel: 02 9531 7281
- (ii) Mega Stone Aluminium
Unit 5,35 Bryant Street
Padstow, NSW 2211
Tel: 02 8713 6388
Fax: 02 8713 6399
- (iii) Darley Aluminium
10 Bridge Road
Keysborough Victoria 3171
Tel: 03 9238 3888
Fax: 03 9768 7288

Thailand

- (i) Kingseng Aluminium
42 Brindley Way
Dandenong Victoria 3175
Tel: (03) 9770 8699
- (ii) Almax Aluminium Pty Ltd
87 Trade Street
Lytton QLD 4178
Tel: (07) 3906 6000

(iii) Alsun Aluminium
11 Leonard Cres
Brendale QLD 4500
Tel: (07) 3205 9911
Fax: (07) 3205 9915

(iv) RCR International Pty Ltd
Level 2, 3 Joseph Avenue
Chifley Business Park
Moorabbin Airport Victoria 3194
Tel: (03) 9558 2020
Fax: (03) 9558 3030

5. If the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.

Capral has included a summary of aluminium extrusion imports from all countries for the 2012/13 to 2016/17 (years ending June) periods at Confidential Appendix A2.

The import volumes are summarized in Table B-1.5 below.

Table B-1.5 – Aluminium extrusion import volumes 2012/13 to 2016/17 (kgs)

| Country | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | % of 2016/17 Total Imports |
|-----------------|------------|------------|------------|------------|------------|-------------------------------|
| China | 29,305,374 | 33,957,224 | 36,080,246 | 33,955,199 | 39,215,874 | 53.8% |
| Thailand | 1,621,146 | 1,688,589 | 1,806,302 | 2,924,772 | 3,746,005 | 5.1% |
| | | | | | | |
| Malaysia | 9,644,261 | 11,526,475 | 7,927,956 | 12,433,760 | 11,651,073 | 16.0% |
| Vietnam | 448,474 | 4,152,820 | 5,502,445 | 7,050,157 | 5,464,882 | 7.5% |
| Indonesia | 2,426,808 | 3,715,139 | 3,200,568 | 3,232,560 | 3,997,598 | 5.5% |
| New Zealand | 3,721,817 | 5,510,434 | 5,206,864 | 5,223,145 | 4,523,352 | 6.2% |
| Other | 33,806,309 | 25,137,932 | 20,365,436 | 10,956,598 | 4,240,903 | 5.8% |
| | | | | | | |
| Total | 80,974,189 | 85,688,613 | 80,089,817 | 75,776,191 | 72,839,687 | 100% |

Source: TradeData – ex Australian Bureau of Statistics.

Capral understands that approximately 25 per cent of total imports of aluminium extrusions from China are by Jiangsheng (formerly Tai Ao and affiliated companies) with a further 25 per cent of total Chinese imports sourced from Zhongya (and its affiliated manufacturers), that are not the subject of the anti-dumping measures.

The above Table B-1.5 demonstrates that imports of aluminium extrusions from China and Thailand accounted for approximately 58.9 per cent of all imports of aluminium extrusions to Australia in 2016/17. On the basis that exports by Jiangsheng and Zhongya account for approximately 25 per cent (each) of total exports to Australia, the volume by both exporters accounts for approximately 27 per cent of total imports into Australia in 2016/17. Imports from Thailand accounted for 5.1 per cent of the total import volume in 2016/17.

Import volumes from China by the two identified exporters, and from Thailand, exceed negligible levels in 2016/17.

6. In the case of an application for countervailing measures against exports from a developing country, if the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application

This application does not extend to an application for countervailing measures on exports from China by Jiangsheng. Exports by Zhongya and its affiliated trading companies are already the subject of countervailing measures.

Exports from Thailand are not the subject of an application for countervailing measures.

B-2 Export price

Possible sources of information on export price include export price lists; estimates from the Australian Bureau of Statistics; a deductive export price calculation from the Australian selling price of the imported goods; export sales quotations or invoices; foreign government export trade clearances.

1. Indicate the FOB export price(s) of the imported goods. Where there are different grades, levels of trade, models or types involved, an export price should be supplied for each.

Capral has obtained monthly FOB export prices from (A\$FOB) from published Australian Bureau of Statistics ("ABS") import data for China and Thailand. It is not possible for Capral to identify the actual export prices for Jiangsheng and Zhongya from the ABS data, hence, weighted-average monthly ABS data has been used.

For Thailand, Capral has relied upon monthly weighted-average import data published by the ABS. The quantities and values (A\$FOB per kg) for China and Thailand are reflected in Table B-2.1 below.

Table B-2.1 – Monthly weighted-average A\$FOB export prices (Tariff headings 7604 and 7608)

| Month | China Qty (kg) | China FOB Value A\$ | China A\$FOB/kg | Thailand Qty | Thailand FOB Value A\$ | Thailand A\$FOB/kg |
|----------|----------------|---------------------|-----------------|--------------|------------------------|--------------------|
| Jul 2016 | 2,868,957 | 12,886,601 | 4.48 | 410,410 | 876,161 | 2.13 |
| Aug 2016 | 3,392,256 | 15,406,434 | 4.54 | 384,134 | 739,341 | 1.92 |
| Sep 2016 | 3,519,923 | 15,564,729 | 4.42 | 628,140 | 1,202,305 | 1.91 |
| Oct 2016 | 3,345,535 | 14,643,567 | 4.38 | 177,126 | 793,546 | 4.48 |
| Nov 2016 | 4,123,483 | 18,397,471 | 4.46 | 188,065 | 793,397 | 4.22 |
| Dec 2016 | 2,222,407 | 9,574,946 | 4.31 | 255,173 | 1,014,003 | 3.97 |
| Jan 2017 | 4,785,789 | 22,118,675 | 4.62 | 472,319 | 1,108,261 | 2.35 |
| Feb 2017 | 1,524,066 | 7,293,434 | 4.79 | 473,391 | 1,082,750 | 2.29 |
| Mar 2017 | 3,389,878 | 15,626,212 | 4.61 | 226,810 | 989,925 | 4.36 |
| Apr 2017 | 2,941,341 | 13,320,216 | 4.53 | 174,485 | 751,142 | 4.30 |
| May 2017 | 3,567,140 | 16,677,733 | 4.68 | 142,947 | 641,710 | 4.49 |
| Jun2017 | 3,535,099 | 16,474,260 | 4.66 | 213,005 | 934,440 | 4.39 |

Source: [company] ex ABS.

The monthly A\$FOB values are considered accurate for the purposes of determining export prices for comparison with *prima facie* normal values.

2. Specify the terms and conditions of the sale, where known.

The terms and conditions of the export sales prices are understood to be at wharf, country of export and would include domestic inland freight.

3. If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. Appendix B1 (Deductive Export

Price) can be used to assist your estimation.

Capral considers the ABS import prices as shown in Table B-2.1 to be reliable for the purposes of calculating dumping margins for the goods exported to Australia.

4. It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.

Please refer to Confidential Attachment B-2.1 for import data purchased by Capral from TradeData in support of the information derived in Table B-2.1 above.

B-3 Selling price (normal value) in the exporter's domestic market.

Possible sources of information about domestic selling prices in the country of export include: price lists for domestic sales (with information on discounts); actual quotations or invoices relating to domestic sales; published material providing information on the domestic selling prices; or market research undertaken on behalf of the applicant.

1. State the selling price for each grade, model or type of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.

I. P R China

Market Situation for aluminium extrusions

(i) Introduction

In investigation No. 248 the Commission consider Capral's assertions that domestic prices in China for aluminium extrusions are not suitable for determining normal values under subsection 269TAC(1). Capral alleged that the influence of the Government of China ("GOC") through a broad range of industry plans and policies that impacted raw material primary aluminium prices that caused these input prices to be artificially low. Due to the artificially low input prices of primary aluminium – the key raw material cost input in the manufacture of aluminium extrusions – market selling prices in China for aluminium extrusions are rendered unsuitable for normal value purposes.

(ii) Customs Act provisions

Subsection 269TAC(1) of the *Customs Act* provides that the normal value of goods exported to Australia is the price paid or payable for like goods sold domestically in the ordinary course of trade in arm's length transactions.

Subsection 269TAC(2)(a)(ii) provides that where the normal value cannot be determined under subsection (1), where the Minister is satisfied that:

'...because the situation in the market of the country of export is such that sales in that market are not suitable for use in determining a price under subsection (1),'

the Minister may consider normal values in accordance with subsections 269TAC(2)(c) based upon the costs of production, or under subsection 269TAC(2)(d) based upon third country sales.

Subsection 269TAC(2)(c) provides that a cost construction of normal value includes the sum of the cost of production or manufacture in the country of export (on the assumption that the goods were sold domestically in the ordinary course of trade rather than being exported) and the administrative, selling and general costs associated with the sales and the profit on that sale.

(iii) Costs

Subsection 269TAC(5A) provides that the constructed costs must be determined in accordance with the Regulations.

Subsection 43(2) of the Regulations requires that if:

- The exporter keeps records relating to like goods that are in accordance with generally accepted accounting principles (GAAP) in the country of export; and
- Those records reasonably reflect competitive market costs associated with the production or manufacture of like goods;

the Minister must work out the cost of production or manufacture using information set out in the exporter's records.

With respect to the administrative, selling and general costs, subsection 44(2) requires that if:

- An exporter keeps records relating to like goods that are in accordance with GAAP in the country of export; and
- Those records reasonably reflect the administrative, selling and general costs associated with the sale of like goods;

the Minister must work out the cost of selling, general and administrative expenses using information set out in the exporter's records.

Where these pre-conditions are not met, the Minister can have regard to other information.

(iv) Dumping and Subsidy Manual

The Dumping and Subsidy Manual provides guidance on the determination of a market situation, namely⁶:

"In considering whether sales are not suitable for use in determining a normal value under s.269TAC(1) of the Act because of the situation in the market of the country of export, the Commission may have regard to factors such as:

- *Whether the prices are artificially low; or*
- *Whether there are other conditions in the market which render sales in that market not suitable for use in determining prices under s 269TAC(1).*

Government influence on prices or costs could be one cause of 'artificially low pricing'. Government influence means influence from any level of government.

In investigating whether a market situation exists due to government influence, the Commission will seek to determine whether the impact of the government's involvement in the domestic market has materially distorted competitive conditions. A finding that competitive conditions have been materially distorted may give rise to a finding that domestic prices are artificially low or not substantially the same as they would be if they were determined in a competitive market."

It is considered by the Commission that the determination of a 'market situation' finding constitutes a positive test, having regard to the situation in the exporting market.

(v) Recent investigations

In Investigation No. 181 into aluminium road wheels exported from China, the then Customs and Border Protection ("C&BP") found that⁷ *the GOC macroeconomic policies in relation to the aluminium industry,*

⁶ Dumping and Subsidy Manual, P.36.

⁷ Report No. 248, P. 68.

and related implementing measures demonstrated that the GOC plays a significant role in the aluminium industry in China, through its various policies, plans and implementing measures.

The GOC influence was summarised in four broad categories as follows:

- 1. Measures to drive structural adjustment;*
- 2. Technological, efficiency and environmental development measures;*
- 3. Tariffs, taxes, rebates and licences; and*
- 4. Subsidisation of encouraged practices and products.*

In Report No. 181, C&BP concluded that raw material input costs (i.e. primary aluminium) was likely to have been heavily influenced by the GOC such that the influence had resulted in different ARW prices when compared to what would have been the case if the relevant markets operated in the absence of the GOC intervention.

Specifically⁸:

“The ARW case formed the view that the GOC influence in the aluminium industry is pronounced in the parts of that industry upstream from ARW production. In particular, GOC-driven market distortions resulted in artificially low prices for the key raw materials used in ARW production in China – aluminium and aluminium alloy. In terms of subsection 43(2) of the Regulations, these costs were not considered to reasonably reflect competitive market costs.”

Key to the findings of the C&BP was the comparison between the LME benchmark price and the Shanghai Futures Exchange (SHFE) benchmark. In the ARW investigation period, the LME was higher than the SHFE. As the SHFE was determined to be a distorted price, the LME benchmark was substituted into the exporter's production costs to address the distortion. A further adjustment for the alloy was also made.

In Investigation No. 248, the Commission found in relation to aluminium extrusions exported from China⁹:

“In this review of measures, the Commission has identified various GOC influences and interventions that have affected the markets for primary aluminium and aluminium extrusions in China. These have been identified in the form of:

- 1. The GOC's broad, economic policies and plans that outline aims and objectives for the Chinese aluminium industry, as set out in the 12th Five-Year Plan (FYP); and*
- 2. Implementing measures that go towards executing the aims and objectives of the 12th FYP and other pressing government concern.”*

The Commission identified the GOC's implementing plans for the aluminium industry included the following:

1. The 12th Nonferrous metals five-year plan;
2. The Directory Catalogue on Readjustment of Industrial Structure;
3. Guidelines for Accelerating the Restructuring of the Aluminium Industry;
4. Nonferrous Metal Industry Adjustment and Revitalisation Plan;
5. Notice of the State Council on Further Strengthening the Elimination of Backward Production Capacities;
6. State Bureau of Material Reserve;
7. Export Tariffs on Primary Aluminium;
8. State owned Aluminium Smelters.

For a detailed explanation of each implementation activity in relation to the above identified objectives,

⁸ Report 248, P. 68-69.

⁹ Report No. 248, P.70.

please refer to Report No. 248 at Pages 71-79.

The Commission's assessment of the impact of the implementation of the GOC's plans and policies was that the influences and interventions continued to distort the competitive conditions of the primary aluminium industry in China. The Commission's evaluation included the following analysis:

1. Macroeconomic policies

As the architect of the FYPs, the Commission considers that the NDRC's functions illustrate the situation in the Chinese market. That is, a main government body is tasked to manage and control China's macroeconomy instead of allowing market forces to shape commercial dynamics and outcomes. As noted by the Commission above, the State Council released a plan in May 2013 to tackle overcapacity in a number of industries, including the aluminium industry. The State Council indicated that this plan would not force industries into submission, rather it would focus on "establishing and perfecting" market mechanism.

While a number of the GOC policies identified in the 2011 Directory Catalogue and Backward Production Capacity relate to certain environmental and social policies, such as reduction of outdated and high-cost technologies, the Commission considers that overall, the GOC policies can reasonably be considered to go towards the GOC's policies of management and control of industries, as embodied in the NDRC's functions:

- *pushing forward strategic economic restructuring;*
- *setting and adjustment of prices of important commodities that are regulated by the state;*
- *control of important commodities;*
- *planning of import and export volumes; and*
- *coordination of industrial development.*

2. Nonferrous metals and aluminium-specific measures

Similar to findings in REP 181, the Commission considers that the 2011 Directory Catalogue and Backward Production Notice are examples of sub-policies and measures of GOC macroeconomic policies designed to implement the 'aspirational' aims of GOC policies, in particular the 12th FYP. The Commission considers that the Nonferrous Metals FYP, Restructuring Guidelines, Merger Guidelines and Revitalisation Plans strongly suggest the GOC's influences and interventions in the aluminium industry. These policies establish GOC expectations of industry behaviours in mergers and acquisitions, business expansion, product development, exporting and resource management. The promulgation of these GOC measures suggests that competition and normal market forces are diminished or are supplanted by government policies and measures. As described in Part II above, the Commission identified examples of the GOC's policies that influenced the primary aluminium industry by mandating measures, such as the following:

- *intervention by the GOC in reducing the overcapacity of aluminium production, for example by capping the national annual aluminium output;*
- *increasing mergers in the electrolytic aluminium industry in order to make it more competitive in the overseas market;*
- *increasing bauxite and alumina production (key materials for the production of aluminium);*
- *revitalisation plans designed to curb downward trends in key industries, such as the nonferrous metal industry; and*
- *imposing greater scrutiny of and additional government authorisations for new aluminium smelters.*

The Commission notes that the GOC's attempts to curb local government subsidies to aluminium smelters highlight the continuing efforts by local governments to support

aluminium producers by providing preferential pricing, such as electricity prices. It also highlights the apparent conflict between the central government and local governments in their policies towards aluminium smelters. In addition, the SBMR continues to purchase and stockpile significant quantities of aluminium from the domestic market, depending on the GOC's assessment of supply levels and domestic pricing. The GOC also influences the production of aluminium through state-owned aluminium smelters. As noted above, SOEs and SIEs together account for over 60% of the total national output. Further, the GOC actively controls the primary aluminium supply in China by limiting its exportation by imposing a 15% export tax. These GOC interventions underline the GOC's active role in controlling the supply and demand (and hence pricing) of aluminium in the domestic aluminium market.

3. GOC reforms

During the review period, the Commission observed several examples of the GOC's attempts to reform the nonferrous metals and electrolytic aluminium industry. Certain GOC policies, such as capping of production capacity and limitation of smelters' power usage and restricting access to local government subsidies, were unveiled during the review period. News articles published during the review period report that the GOC seems to have made the reform of the aluminium industry as a priority. The Commission notes that the GOC's attempts at reforming the aluminium industry were also cited in REP 148 and REP 181. Both REP 148 and 181 referred to the GOC's attempts to address overcapacity through structural reforms and elimination of backwards capacity.

The Commission considers that while the GOC has signalled attempts to lessen government influence on the aluminium industry by way of local government subsidies, there has not been sufficient time for recent GOC reforms to address fully the chronic issues of government subsidies in the production of aluminium and other factors contributing to the glut of primary aluminium in the Chinese market. While there appears to be reform in local government subsidies, the central government continues to exert its influence through other policies and measures. The Commission also considers that certain industry analysts have expressed doubt about these reform programs succeeding due to:

- conflicts between the central government's policies and local governments policies;
- potential fallouts, such as widespread bankruptcy of aluminium producers; and
- unrealistic expectations concerning production caps.

Further in Report 248, the Commission examined the impact of the GOC's influences that distorted primary aluminium prices in China on the selling prices for aluminium extrusions. The Commission found that *"the significant GOC influences and intervention has resulted in domestic aluminium prices that are materially distorted and therefore, unsuitable for normal value purposes. In the circumstances, the Commission considers that it would not be reasonable to compare the LME, a global competitive market to the SHFE, a closed exchange that is restricted to Chinese nationals only, because the SHFE is affected by the distorted aluminium prices in China."*¹⁰

In quantifying the impact of the distorted primary aluminium cost on aluminium extrusion producers, the Commission noted that primary aluminium accounted for 70-80 per cent¹¹ of the cost of aluminium extrusions. It is therefore reasonable to conclude that the GOC's plans and implementations on primary aluminium have an impact of the selling prices for aluminium extrusions rendering them unsuitable for normal value purposes.

(vi) This application

¹⁰ Report No. 248, P.82.

¹¹ Report No. 248, P.85.

Capral submits that the GOC's policies and plans for the primary aluminium industry in China have continued to impact selling prices for aluminium extrusions in China in 2016/17, the probable investigation period for this application.

The GOC has not withdrawn or denounced the plans and policies identified by the Commission in Report 248 and they have continued to impact and distort domestic selling prices for the goods in China.

Normal values for aluminium extrusions in China therefore cannot be determined under subsection 269TAC(1). Normal values for aluminium extrusions in China must be determined under subsection 269TAC(2)(c) having regard to the provisions of Regulation 43(2).

Refer to Section B-4.1 for Capral's assessment of normal values for aluminium extrusions manufactured in China.

II. Thailand

Capral has been unable to obtain domestic selling price information in Thailand for aluminium extrusions during 2016/17.

In the absence of domestic selling prices, Capral has relied upon a constructed cost methodology for normal values for Thailand. Please refer to Section B-4.1 below.

2. Specify the terms and conditions of the sale, where known.

(i) P R China

The constructed normal value at Section B-4.1 is a selling price at the ex-factory level.

(ii) Thailand

The constructed normal value at Section B-4.1 is a selling price at the ex-factory level.

3. Provide supporting documentary evidence.

(i) P R China

Refer to Section B-4.1 below.

(ii) Thailand

Refer to Section B-4.1 below.

4. List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.

The Commission is in possession of the contact details of Chinese exporters of aluminium extrusions that are involved in Review Investigation No. 392.

Contact details for Thai producers of aluminium extrusions is included at B-1.3 above.

B-4 Estimate of normal value using another method.

This section is not mandatory. It need only be completed where there is no reliable information available about selling prices in the exporter's domestic market. Other methods of calculating a normal value include:

- the cost to make the exported goods plus the selling and administration costs (as if they were sold in the exporter's domestic market) plus an amount for profit (if applicable);
- OR
- the selling price of like goods from the country of export to a third country.

1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).

(i) China

Capral indicated that a market situation for aluminium extrusions in China continues in 2016/17. As such, Capral has constructed normal value selling prices for producers in China, on a monthly basis, during 2016/17.

Methodology

The constructed selling price is based upon the prevailing LME price for aluminium ingot during the applicable quarter, adjusted for the Major Japanese Port (MJP) premium, a billet premium, plus amounts for conversion, packaging, selling and general administration, and profit.

The LME prices for each month have been sourced from metalprices.com, a reputable industry source of metal prices, including the LME, MJP and billet premiums.

Conversion costs are based upon Capral's 2016/17 variable (excluding LME, MJP and billet premium) fixed costs sourced from Confidential Appendix A6.1. Labour costs have been adjusted to reflect Chinese per capita income (the 2015 China per capita income amount has been used – source World Bank Data).

Packaging costs (which include the use of stillages, etc) is based upon Capral's understanding of these costs as was identified in Investigation 362¹².

Selling and general administration expenses has been sourced from a PanAsia Holdings Hong Kong Consolidated Semi Annual Report (2014). PanAsia is an exporter of aluminium extrusions to Australia and has been involved in Review Investigation 392. A level of profit has also been derived from the PanAsia report.

Capral understands that Chinese exports of aluminium extrusions to Australia are typically a mixture of mill-finish product, and powder-coated or anodized goods. For the purposes of weighted-average normal values, Capral has assumed a 50:50 approximate breakdown between mill-finish goods and powder coated/anodised exports to Australia.

The constructed selling price is for goods packed, ex-factory. Please refer to Confidential Attachment B-4.1 for the Chinese constructed selling price.

(ii) Thailand

Capral has been unable to obtain actual domestic selling price information for aluminium extrusions sold in Vietnam. In the absence of published pricing information, Capral has constructed a normal value selling price for aluminium extrusions sold in Vietnam during 2015/16.

¹² Investigation 362 – Aluminium extrusions exported from Malaysia and Vietnam.

Methodology

Following a similar methodology to the constructed selling price for China (above) the constructed selling price is based upon the prevailing LME price for aluminium ingot during the applicable quarter, adjusted for the Major Japanese Port (MJP) premium, a billet premium, plus amounts for conversion, packaging, selling and general administration, and profit.

Capral has adjusted the labour costs for Thailand to reflect per capita income as per World Bank data for Thailand in 2015.

Capral does not have access to selling, and general administrative costs, or levels of profit for any Thai manufacturer of aluminium extrusions. Capral has therefore used the PanAsia Holdings Report to derive appropriate selling and general administration expenses, plus an amount for profit to be applied to the Thai production costs.

Capral understands that Thai exports of aluminium extrusions to Australia are typically mill-finish product in the main, with approximately 25 per cent of all Thai exports to Australia either powder-coated or anodized goods. For the purposes of weighted-average normal values, Capral has assumed a 75:25 approximate breakdown between mill-finish goods and powder coated/anodised exports to Australia.

The constructed selling price is for goods packed, ex-factory.

2. Provide supporting documentary evidence.

Please refer to Confidential Attachment B-4.1 for the China and Thai constructed selling price normal value for aluminium extrusions.

B-5 Adjustments.

A fair comparison must be made between the export price and the normal value. Adjustments should be made for differences in the terms and circumstances of the sales such as the level of trade, physical characteristics, taxes or other factors that affect price comparability.

1. Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.

It is recognised that published FOB export prices include domestic inland freight. Normal values for Chinese and Thai exporters will require upward adjustments for domestic inland freight expenses.

Capral also considers that there are likely to be differences between domestic and export packaging costs, along with domestic and export credit terms. Adjustments for the differing expenses will be required.

Capral has not made provision for the identified adjustments when calculating dumping margins.

2. State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.

Capral does not have information as to the costs incurred for domestic inland freight, domestic and export credit, for exporters of the GUC. Capral is therefore unable to make the necessary adjustments.

B-6 Dumping margin.

1. **Subtract the export price from the normal value for each grade, model or type of the goods (after adjusting for any differences affecting price comparability).**

Capral has calculated weighted average normal values and export prices for aluminium extrusions sold in China and Thailand and exported to Australia.

The determined dumping margins for aluminium extrusions exported from China and Thailand over the period July 2016 to June 2017 (inclusive) are included in Table B-6.1 below.

Table B-6.1 – Dumping margins – aluminium extrusions exported from China and Thailand

| Month | China Dumping Margin A\$/kg | Margin as % of Export Price | Thailand Dumping Margin A\$/kg | Margin as % of Export Price |
|----------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| Jul 2016 | 0.93 | 20.70% | 2.91 | 136.1% |
| Aug 2016 | 0.85 | 18.64% | 3.09 | 160.6% |
| Sep 2016 | 0.89 | 20.20% | 3.03 | 158.2% |
| Oct 2016 | 1.00 | 22.88% | 0.53 | 11.7% |
| Nov 2016 | 1.05 | 23.61% | 0.92 | 21.9% |
| Dec 2016 | 1.27 | 29.44% | 1.23 | 31.0% |
| Jan 2017 | 1.04 | 22.57% | 2.95 | 125.5% |
| Feb 2017 | 0.90 | 18.81% | 3.03 | 132.3% |
| Mar 2017 | 1.18 | 25.58% | 1.05 | 24.1% |
| Apr 2017 | 1.41 | 31.05% | 1.26 | 29.2% |
| May 2017 | 1.28 | 27.39% | 1.09 | 24.4% |
| Jun 2017 | 1.19 | 25.47% | 1.09 | 24.8% |

The weighted average dumping margin for the GUC from each country over the nominated period were as follows:

- China – A\$1.08 per kg or 23.85 per cent; and
- Thailand – A\$2.28 per kg or 78.1 per cent.

2. **Show dumping margins as a percentage of the export price.**

Please refer to Table B-6.1 for monthly dumping margins as a percentage of export price.

The weighted average dumping margin as a percentage of the export price for the GUC from each country over the nominated period were as follows:

- China – 23.85 per cent; and
- Thailand – 78.1 per cent.

PART C

SUPPLEMENTARY SECTION

IMPORTANT

Replies to questions in Part C are not mandatory in all instances, but may be essential for certain applications.

For advice about completing this part please contact the Commission's client support section on:

Phone: 13 28 46
Fax: (03) 8539 2499
Email: clientsupport@adcommission.gov.au

C-1 Subsidy

This section must be completed where countervailing duties are sought to offset foreign government assistance through subsidies to exporters or producers.

If the application is for countervailing duty alone, the domestic price information required by Part B of the application need not be supplied.

Responses to questions A-9 will need to identify the link between subsidisation and injury.

1. Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:
 - (i) the nature and title of the subsidy;
 - (ii) the government agency responsible for administering the subsidy;
 - (iii) the recipients of the subsidy; and
 - (iv) the amount of the subsidy.

This application does not extend to an application for countervailing measures.

C-2. Threat of material injury

Address this section if the application relies solely on threat of material injury (ie where material injury to an Australian industry is not yet evident).

1. **Identify the change in circumstances that has created a situation where threat of material injury to an Australian industry from dumping/subsidisation is foreseeable and imminent, for example by having regard to:**
 1. the rate of increase of dumped/subsidised imports;
 2. changes to the available capacity of the exporter(s);
 3. the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;
 4. inventories of the product to be investigated; or
 5. any other relevant factor(s).

This application for anti-dumping measures is not based upon a threat of material injury, but on injury that has already been experienced by the Australian industry manufacturing aluminium extrusions.

This question therefore does not apply.

2. **If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that the threat is both foreseeable and imminent.**

This question is not applicable.

C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Commission's client support section before completing this section.**

1. Fully describe the locally produced raw agricultural goods.

Aluminium extrusions are not close processed agricultural goods. This question is not applicable.

2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.

This question is not applicable.

3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.

This question is not applicable.

4. Provide information to establish either:

- a close relationship between the price of the raw agricultural goods and the processed agricultural goods; or
- that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.

This question is not applicable.

C-4. Exports from a non-market economy

Complete this section only if exports from a non-market economy are covered by the application. The domestic price information required by Part B of the application need not be supplied if this question is answered.

Normal values for non-market economies may be established by reference to selling prices or to costs to make and sell the goods in a comparable market economy country.

1. Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.

P R China and Thailand are considered 'market economy' countries for the purposes of Australia's anti-dumping and countervailing provisions. This question is therefore not applicable.

2. Nominate a comparable market economy to establish selling prices.

This question is not applicable.

3. Explain the basis for selection of the comparable market economy country.

This question is not applicable.

4. **Indicate the selling price (or the cost to make and sell) for each grade, model or type of the goods sold in the comparable market economy country. Provide supporting evidence.**

This question is not applicable.

C-5 Exports from an 'economy in transition'

An 'economy in transition' exists where the government of the country of export had a monopoly, or substantial monopoly, on the trade of that country (such as per question C-4) and that situation no longer applies.

Complete this section only if exports from an 'economy in transition' are covered by the application. **Applicants are advised to contact the Commission's client support section before completing this section**

1. **Provide information establishing that the country of export is an 'economy in transition'.**

P R China and Thailand are considered 'market economy' countries for the purposes of Australia's anti-dumping and countervailing provisions. This question is therefore not applicable.

2. **A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.**

This question is not applicable.

3. **Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.**

This question is not applicable.

4. **Estimate a 'normal value' for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.**

This question is not applicable.

C-6 Aggregation of Volumes of dumped goods

Only answer this question if required by question B-1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

| | Quantity | % | Value | % |
|----------------------------|----------|------|-------|------|
| All imports into Australia | | 100% | | 100% |
| Country A* | | | | |
| Country B* | | | | |
| etc* | | | | |
| Total | | | | |

- Only include countries that account for less than 3% of all imports (or 4% in the case of subsidised goods from developing countries). Use the data at [Appendix A.2](#) (Australian Market) to complete the table.

Please refer to Section B-1.5 above where it is established that the exported goods exceed 4 per cent of total import volume in 2016/17 for P R China and 3 per cent of total import volume for Thailand.

APPENDICES

| | |
|---------------|---|
| Appendix A1 | Australian Production |
| Appendix A2 | Australian Market |
| Appendix A3 | Sales Turnover |
| Appendix A4 | Domestic Sales |
| Appendix A5 | Sales of Other Production |
| Appendix A6.1 | Cost to Make and Sell (& profit) Domestic Sales |
| Appendix A6.2 | Cost to Make and Sell (& profit) Export Sales |
| Appendix A7 | Other Injury Factors |
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| Appendix B2 | Constructed Normal Value |



Aluminum Extrusion Process Explained In 10 Illustrated Steps



To create an extrusion, we go through a series of specifications and drawings to ensure quality satisfaction. Calculations and estimates are produced to guarantee accurate shapes and tolerances. Once the design questions have been answered, the actual extrusion process begins with billet, the aluminum material from which profiles are extruded. The billet must be softened by heat prior to extrusion.

First, the heated billet is placed into the extrusion press, a powerful hydraulic device wherein a ram pushes a dummy block that forces the softened metal through a precision opening, known as a die, to produce the desired shape.

- 1 The aluminum extrusion process really begins with the design process, for it is the design of the product—based on its intended use—that determines many of the ultimate production parameters. Questions regarding machinability, finishing, and environment of use will lead to the choice of alloy to be extruded. The function of the profile will determine the design of its form and, hence, the design of the die that shapes it.

- 2 Billet is the starting stock for the extrusion operation. Extrusion billet may be a solid or hollow form, commonly cylindrical, and is the length charged into the extrusion press container. It is usually a cast product but may be a wrought product or powder compact. Often it is cut from a longer length of alloyed aluminum, known as a log.

Alloys are metals composed of more than one metallic element. Aluminum extrusion alloys contain small amounts (usually less than five percent) of elements such as copper, manganese, silicon, magnesium, or zinc. These alloying elements enhance the natural properties of aluminum and influence the extrusion process.

Billet length varies according to a number of factors, including the desired length of the finished profile, the extrusion ratio, the length of the runout, and the requirements of the extrusion press.

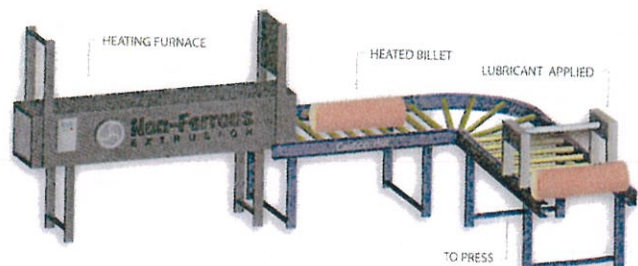
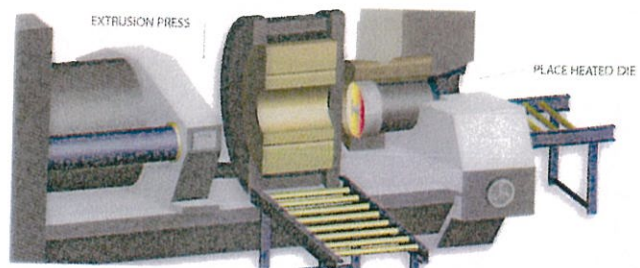
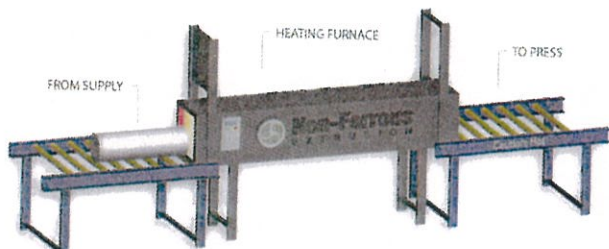
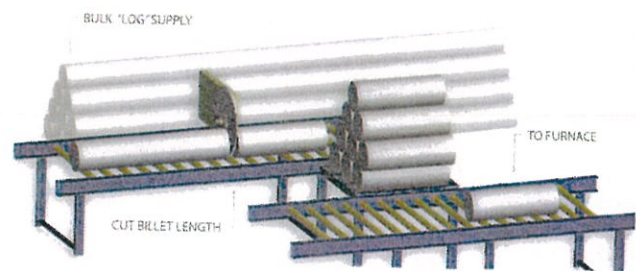
Standard lengths may run from about 26 inches (660 mm) up to 72 inches (1,830 mm). The outside diameter may range from 3 inches (76 mm) to 33 inches (838 mm); 6-inch (155 mm) to 9-inch (228 mm) diameters are the most common.

- 3 During extrusion, the billet is still solid, but has been softened in a heating furnace. The melting point of aluminum varies with the purity of the metal, but is approximately 1,220° Fahrenheit (660° Centigrade). The metal bakes in an oven until a desired temperature is satisfied.

Extrusion operations typically take place with billet heated to temperatures in excess of 700°F (375°C), and—depending upon the alloy being extruded—as high as 930°F (500°C).

- 4 The dies are pulled from the inventory for cleaning and prep. To prepare the die for the actual extrusion process, the extrusion tools and die are preheated. Doing so allows the pressed aluminum to pick up the die characteristics and increase the overall quality of the final product.

- 5 Extrusion of aluminum profiles combines design variation with high production output and is therefore the most economic shaping process. Since the aluminum alloys for extrusion need to be heated to at least 450 °C and must bond at this temperature, it is vital that a release agent or lubricant be applied between the aluminum billet and dummy block.



- 6** The aluminum billet becomes plastic in form. The extrusion process has been likened to squeezing toothpaste out of a tube. When pressure is applied at the closed end, the paste is forced to flow through the open end, accepting the round shape of the opening as it emerges. If the opening is flattened, the paste will emerge as a flat ribbon. Complex shapes can be produced by complex openings. Bakers, for example, use a collection of shaped nozzles to decorate cakes with fancy bands of icing. They're producing extruded shapes.

The actual extrusion process begins when the ram starts applying pressure to the billet within the container. Various hydraulic press designs are capable of exerting anywhere from 100 tons to 15,000 tons of pressure. This pressure capacity of a press determines how large an extrusion it can produce. The extrusion size is measured by its longest cross-sectional dimension, sometimes referred to as its fit within a circumscribing circle diameter (CCD).

As pressure is first applied, the billet is crushed against the die, becoming shorter and wider until its expansion is restricted by full contact with the container walls. Then, as the pressure increases, the soft (but still solid) metal has no place else to go and begins to squeeze out through the shaped orifice of the die to emerge on the other side as a fully formed profile.

Extrusion rates vary, depending on the alloy used and the shape of the die. A hard alloy, given a complex shape, may emerge from the press as slowly as one or two feet per minute; a soft alloy taking on a simple shape may be extruded at a rate of 180 feet per minute, or even faster.

- 7** Depending on billet size and die opening, a continuous extrusion as much as 200 feet long may be produced with each stroke of the press. The newly-formed extrusion is supported on a runout conveyor as it leaves the press. Depending on the alloy, the extrusion is cooled after emerging from the die, either naturally or through the use of air or water quenches. This is a critical step to ensure sufficient metallurgical properties after aging. The extrusion is then transferred to a cooling table.

- 8** A stretcher and/or straightener may be employed, after the profile has been quenched (cooled) to straighten the extrusion and correct any twisting that may have occurred subsequent to extrusion. (The stretcher may also be used to impart cold work to the extrusion.) Conveyors feed the work to the saw.

- 9** Typically, a finish cut saw is used to cut the profile to the specified commercial length. Circular saws are the most common in use today and are generally similar to a radial arm saw that cuts across the profile at a perpendicular angle to the length of the extrusion. Other saws may swing down onto the profile (like a power miter saw), or may operate more like a table saw, with the circular blade rising up to make the cut, then dropping down below the table for the return pass. A typical, circular, finish cut saw may be 16 - 20 inches in diameter, with more than a hundred carbide-tipped teeth. Larger saws are used for larger-diameter presses. Lubricated saws are equipped with delivery systems that feed the lubricant through the teeth of the saw for optimal efficiency and cut surface. Automatic devices clamp profiles in place for sawing.

Some extrusion alloys reach their optimal strength through the process of aging, sometimes known as age-hardening. Natural aging occurs at room temperature. Artificial aging takes place through controlled heating in an aging oven and is sometimes referred to as precipitation heat-treating.

When the profile emerges from the press it is in a semi-solid state, but rapidly solidifies as it cools or is quenched (whether by air or water). Non-heat-treatable aluminum alloys (such as those utilizing manganese or magnesium) derive their strength through natural aging and cold working. Heat-treatable alloys (such as those utilizing copper, zinc, and magnesium with silicon) are further strengthened or hardened through controlled thermal treatments that affect the metallurgical structure of the alloys.

- 10** After sufficient aging, whether in an aging oven or at room temperature, the profiles are moved to other areas of the plant for finishing or fabricating, or to be packed and prepared for shipment to the customer. Profiles are palletized in such a way as to be protected from surface damage, twisting, or other hazards. Customers may specify their own packaging requirements, or the type of extruded product may suggest a particular method of packaging for ease of storage or delivery.

