

EZY TOOLS PTY LTD

17 David Street
Footscray,
Victoria
Australia, 3011

Ph: (03) 93326636

Fax: (03) 9332763

Mob: 0416152666 (Emil)

Mob: 0403688733 (Diann)

Email Factory Office: ezytools@optusnet.com.au

Email Office: dianngrass@optusnet.com.au

FOR PUBLIC FILE: ADC

25/08/17: REVISED TO RECHECK & CHANGE APPENDICES & OTHER DETAILS

Attention: The Commissioner
Ground Floor Customs House Docklands
1010 La Trobe Street
Docklands VIC 3008
Email: clientsupport@adcommission.gov.au
Email: itra@industry.gov.au

Dear Sir/Madam, **Please find here the “NON-CONFIDENTIAL” version**

RE: Application seeking an exemption from anti-dumping and countervailing duties imposed:

We would like to seek an exemption from anti-dumping and countervailing duties which have been imposed on “certain aluminium extrusions” from our supplier in Malaysia.
Please find details and further information below to support our claim for exemption.

Details of Applicant:

- Ezy Tools Pty Ltd (referred to as Ezy Tools)
- 17 David Street, Footscray, Victoria, 3011

Details of contact persons:

- Emil Puskas – Proprietor
- Tel: 03 9332 6636 Mob: 0416152666
- Email: Ezytools@optusnet.com.au
- Diann Grass – Administration & Accounts
- Tel: 03 9332 6636 Mob: 0403688733
- Email: dianngrass@optusnet.com.au (Please reply via this email address)

Applicant’s Interest as an Affected Party:

- Ezy Tools invented, designed and developed a patented LEVEL HANDLE SCREED in 1999. R&D continued for 2 more years until we perfected our unique level vial; at the same time gaining a distribution market in Australia.
- From 1999 to 2005 we had a 6 year Petty Patent and there was no other products ‘like’ it on the market in Australia or worldwide.
- Ezy Tools does its own Manufacturing, Sales & Marketing, & Distribution.

- Ezy Tools went on to gradually invent and develop a range of other tools over the last 18 years, all of these profiles are unique to our company with specific design features, product range, sizes, item descriptions, barcodes and prices.
- **Appendix 1 & 2 “CONFIDENTIAL INFORMATION”**
- While there are ‘like’ tools in the Australian market place (e.g. other screeds/straight edges) our specially Australian designed extrusion profiles are not stock items, and each has been developed to have ‘special features’ to enhance the quality of our tools.
- **Appendix 14: “NON-CONFIDENTIAL DOCUMENT”:** **Specifications, Ezy Tools extrusions**
- They are also not available to others to use for any production.
- **None of Ezy Tools profiles are currently produced by Australian extruders.**
- In January 2017 we received delivery of our order, made at the end of 2016, of several of our unique aluminium extrusions from our supplier in Malaysia.
- On receipt of an Invoice from ICAL International Customs and Logistics, Ezy Tools incurred anti-dumping and countervailing duties totalling \$ [REDACTED]
- At first this was to be around \$ [REDACTED] - but was then roughly doubled to \$ [REDACTED] after a letter was requested as to our intention to import further
- **Appendix 3 “CONFIDENTIAL INFORMATION”, all the documents from this time between Border Protection, ICAL & Ezy Tools**
- **This has now been withdrawn see: Appendix 16: “CONFIDENTIAL DOCUMENT”:** **email from ICAL & Border Force Customs to Ezy Tools (NOT required by the ADC)**
- With such costly duties being imposed on such a small manufacturing business, we may have to reconsider our future as Australian manufacturers. These duties would significantly ‘injure’ our company, decreasing our profits as a small company, considerably.
- **Appendix 3 “CONFIDENTIAL INFORMATION” includes our letter.**

Details of Other Parties Likely to Have an Interest in This Exemption Application

- **USERS:** assuming we fit this term, Ezy Tools **exclusively** “uses” our unique, specific and Australian designed extrusions imported from our Malaysian supplier, Alumac, **to manufacture** a range of concrete/trade tools for both the Australian market and for exports (to date we have exported level screeds to: NZ, Canada and the USA, we are looking at Ireland next).
- **Ezy Tools does not sell our extrusions to any other company in Australia. They are for our consumption only. We are not in ‘competition’ with the Australian extruders.**
- As the only ‘user’ of our specific type of extrusions, the last (?) manufacturer of hand tools here we know of, there are actually no other extrusions for sale “like” ours in Australia. Our extrusions themselves are “not offered for sale in Australia” to any others either.
- We **transform** our specific extrusions into a range of hand tools.
- **All our competitors import fully made “like” hand tools** and not ‘raw’ extrusions as Ezy Tools imports. They do not buy “like or directly competitive goods” from Australian extruders as they no longer manufacture in Australia (except possibly the Queensland one, EF, and we do not know where they get their materials from, we think China).
- So, Ezy Tools can safely claim that for the first part of Exemption One, “no like or directly competitive goods are offered for sale in Australia to all purchasers” – as we are now the only “purchaser” left in Australia for such specific extrusions, that we know of. And we are importing our own extrusions from our Malaysian supplier, Alumac, now versus sourcing from ‘middle men’ here; who in reality probably also buy from overseas sources, in the main. All other potential purchasers of such ‘raw extrusions’ have ‘gone offshore’ with their

aluminium hand tools and other tools purchasing. We are the only ones (probably) left buying any 'raw' aluminium extrusions designed to manufacture/transform into these hand tools.

- There are no other manufacturers of concrete hand tools like Ezy Tools' products in Australia, except perhaps one in Queensland; however, we cannot confirm this. It is possible they manufacture, but it is also possible that they import fully or partially assembled and/or pre-cut/drilled aluminium extrusions; we are not sure. One of their sales representatives once had a discussion with us that **made us suspicious that they were not** "fully made in Australia" but we have not investigated this yet. And we do not know which country they import from; we think their extrusions ('raw' or pre-cut/drilled) come from China. The best possible address located for them was from the internet: EF Extrusions Facilities, 33 Cameron Street, Clontarf, Queensland, 4019, Tel: (07) 3284 2174.
- All of our competitors import fully manufactured and finished hand tools, mostly Made in China. Our competitors are **unlikely to have an interest in this specific exemption application, as they fall under different Tariff codes**, and from what we understand, they pay less than what is being proposed for Ezy Tools to pay for importing our raw extrusions in order to manufacture hand tools 'onshore' in Australia.
- As per The Public Record page 19 the Australian Industry consists of: Capral, G. James Extrusion Co Pty Ltd (INEX), Aluminium Shapemakers Pty Ltd (AluShapes), Almax Aluminium Pty Ltd, Aluminium Profiles Australia Pty Ltd (APA), Extrusions Australia Pty Ltd (EA), Olympic Aluminium Co Pty (Olympic) and Ullrich Aluminium Pty Ltd (Ullrich).
- On page 21 of the Public Record these same Companies are again listed in 4.4 Australian Producers, "the application was lodged on behalf of the Australian Industry producing aluminium extrusions... and supported by Capral, G. James, INEX, Ullrich, AluShapes, EA and Olympic... the Commission estimates that collectively these producers account for over 80% of Australian production". Verification visits were done by the ADC at Capral and G. James ("second largest aluminium extrusion producer in Australia in March 2017") p.21, but not INEX (having a: "relatively low proportion of the total production volume of the Australian Industry" p.22). The names, addresses and contact details of the "known Australian extrusion manufacturers" are tabled on page 12 & 13 of the document "Public File" Form B108 – Application for dumping and/or countervailing duties ADC.
- **See Appendix 4 & 4a: both "Not Confidential" for Australian Extruders contact details.**

Importers:

- We received an Anti-Dumping Commission letter, as we import our own unique aluminium extruded profiles from our supplier in Malaysia, Alumac.
- Ezy Tools is a small company that manufactures hand tools. We were identified as an importer from the Australian Border Force's (ABF) import data base, with ABRA, ASH and PMAA accounting for "78% of imports of aluminium extrusions from Malaysia and Vietnam during the investigation period". We would be the very smallest of importers, no doubt.
- **Importers** were identified on page 22 of the Public Record using the ABF's import data base. Three importers accounted for 78% of imports of aluminium extrusions from Malaysia and Vietnam: ABRA Metals Pty Ltd (ABRA), Aus Star Holdings International Pty Ltd (ASH) and Press Metal Aluminium (Australia) Pty Ltd (PMAA).
- In the November 2015 CAPRAL "Application for the publication and/or countervailing duty notices for aluminium extrusions exported from Malaysia & Vietnam" (For Public Record) it states on pages 34 – 36 the Malaysian/Vietnamese exporters to Australia Capral is concerned about: for Malaysia they are: PMB, LBA, ACE Extrusions, SAB, and for the importers in Australia for Malaysia it is: PMAA.
- Our Malaysian extruder, Alumac, is not mentioned here, nor is Ezy Tools.

- **Q.** Does this omission in the original document of our names have any bearing on our appeal?
- **See APPENDIX 4B: NOT CONFIDENTIAL for specific contact details for the importers listed above for Malaysia (not Vietnam)**
- **Please see APPENDIX 10 “CONFIDENTIAL”** regarding where our Malaysian aluminium extruder supplier, Alumac, “fits into” the % s given above. Please read their page 6, reason 12.1; this is new information to Ezy Tools and FURTHER SUPPORTS our claims we think. The information provided supports our conjecture that they are not dumping and are a small company, like Ezy Tools. Both our companies are being adversely and unfairly affected by the Capral ADC application for Anti-Dumping Duties and Countervailing Subsidies to be applied to both of us. Like Ezy Tools, they are facing the same “stiff” market competitions and are forced to control prices as strictly as possible to gain and retain sales and customers against much “bigger” competitors. **We both seek to make a profit and are therefore not “dumping” as suggested, and in terms of ‘getting subsidies’ or ‘free dies’ etc., we are not.**

GROUND ON WHICH EXEMPTION ARE BEING SOUGHT:

Ezy Tools Pty Ltd is applying on the grounds of: Exemption One:

“Like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade”.

- There no known companies in Australia who are willing to make our Australian designed 12 unique extrusions, with free tooling of our dies and supply Ezy Tools with the lower volumes we can order & afford, as an Australian SME. As a SME (‘micro’) we are not treated on ‘equal terms’ with other SME or larger companies seeking extrusions here in Australia from the local extruders. In terms of both free dies and volumes we feel we face ‘discrimination’.
- Unlike other larger companies here that can order in huge volumes and thereby get free dies, we are ‘not on a level playing field’ and would be charged significantly higher prices for dies than those free dies larger purchasers are able to negotiate for. So, we cannot obtain “like or directly competitive goods” (aluminium extrusions) “on equal terms” compared to larger companies with the ability to place orders for higher volumes than we can.
- When we have tried to source the extrusions here from Australian manufacturers, recently and in the past, we have not been successful in getting an equal bargain compared to other “purchasers on equal terms under like conditions having regard to the custom and usage of trade”. They do get free dies, we do not.
- **See APPENDIX 5 “CONFIDENTIAL” e.g. of one such attempt to negotiate this (to also secure free dies like other purchasers do actually get, but we do not)**
- It is now well beyond our financial capabilities to ‘retool’ 12+ dies with Australian extruders, and remain in a position to competitively sell our manufactured tools both here in Australia or for our overseas exports. This is especially given the current costs of dies (2017).
- Another significant factor is that Ezy Tools cannot rely on the quality of the dies and/or extrusions, as our past experience has shown us.
- **SEE APPENDIX 7 “CONFIDENTIAL” our dual order example & other comments throughout this submission regarding that experience.**
- Once a die is ‘signed off’ on, that is it. After seeing a MF sample, you sign off and that is the contracted extrusion you will get. Unfortunately, the tooling set up doesn’t always end up matching expectations, for e.g. our ribbed handle was satisfactory with our Malaysian supplier, Alumac, but not with PMAA. It looked OK, but was, in fact, too fine once the powder-coating was done and became in effect ‘rib less’. As we had signed off that meant we

would have to pay for yet another die if we wanted it redone. These are the risks you take with dies.

- Another factor also is that due to the smaller quantities Ezy Tools orders, we have had an unreliable delivery of extrusions in the past as our orders are used to ‘top up’ orders by others to ‘fill containers’, versus giving us a reliable service & supply chain of our ‘raw’ extrusions. This again places us at a disadvantage and we are treated differently to others seeking the same service and delivery times. We have even had our extrusions ‘off loaded’ so other bigger companies could have their stock delivered ahead of our extrusions via ship.
- This adversely affects our manufacturing and marketing business and puts us in a position of being ‘left short’ and without stock for significant periods of time. Our current supplier, Alumac, never does this to us and has been extremely reliable. Thus, we can plan our orders ‘more tightly’ with more confidence in their service and delivery times and to match our cash flow better.
- We have made attempts to use Australian manufacturers and/or suppliers (importers) in the past. We have run out of our raw aluminium profiles three times previously due to being ‘put last’ or used to ‘top up’ other companies’ orders (obviously affecting our business negatively) and that prompted us to find our own extruder overseas, as the local ones were too expensive for dies, would not offer us the capacity to order smaller volumes and therefore would not offer us “like deals” compared to their high volume customers. We feel they deprived us of the ability to negotiate on a ‘level playing field’ as we are ‘too small’ for them.
- We pay for dies we never ‘actually own’, even when they are specific only for our business and are not ‘stock items’ but designed by us for our tool manufacturing only. This prevents us from taking dies to another extruder in order to negotiate for better prices. We are ‘held hostage’ by the companies that have the dies we paid for and they can charge whatever they like for the extrusions because they know it is too costly for us as a small company to go elsewhere. This is especially true now that we have 12+ dies to ‘transfer’ for re-tooling. We are happy to continue to be supplied by Alumac as their quality, service and delivery times have been reliable for us as a small company.
- We are not on ‘a level playing field’ with other medium to larger companies that can command FREE DIES via their LARGE VOLUMES; they are in a more powerful position to command more favourable deals. Our goods are “not like or directly competitive” given this fact, “on equal terms” with large companies. When sourcing from large companies extruding here in Australia, ‘micro’ SME like ours are not dealt with “on equal terms having regard to the custom and usage of trade”.

3.6 Commissioner’s assessment of ‘like goods’:

- Our raw aluminium extrusions are not “like” the ones Capral is producing, being specifically designed for our manufacturing business and hand tools. Also, we cannot see how our manufactured products (from these extrusions) are alike in any way to products Capral makes, given what products they concentrate on; and so we are not ‘harming’ them in any commercial way.
- Capral does not produce our specific extrusions because we are the only ones importing these, to manufacture our hand tools in Australia. No one else wants these extrusions here.
- All of our other competitors have now gone “off shore” and import fully made tools (even the one in Queensland we suspect of importing ‘pre-cut/drilled’ extrusions from China; probably to get around Anti-Dumping Duties or other Tariffs imposed on ‘raw’ extrusions, as China has already had Capral submit ADC appeals).
- We think this because we have been advised to “go offshore” to do exactly this. To “get around” the tariffs we “should be looking at bringing in partly or fully made tools” etc. has been the advice; to fall under other ‘cheaper’ tariffs.

- We are reluctant to do this for several reasons, but mainly as that would negate our “Australian Made” registration. We feel this is an advantage when exporting, as “Made in Australia” has a positive response overseas compared to “Made in China”, especially given the current political climate in the US, to where we are currently exporting.
- We do not have “common uses” for our extrusions either; the Australian Industry (e.g. Capral) make very different products compared to ours.
- We do not have goods that are “commercially alike as they are sold”: Capral sells doors/windows and such, we sell 12 hand tools. Our end users are also not similar; we sell to retail outlets (hardware shops, garden supply outlets, speciality outlets like concreters supply stores) which in turn sell to tradies and the DIY market. Capral is on a much bigger ‘playing field’ compared to us and we do not know ‘everything’ about their business, but we do know they deal with very large construction and other companies.
- We do not have “common users” of our products; ours are individuals and theirs are companies and other big businesses, to our knowledge.
- We do not compete “directly in the same market” as Capral at all, as we do not sell the same ‘end’ products as them, windows/doors and so on...
- Our goods and those of Capral are in no way “functionally alike” and they most certainly do not have “a similar range of end-uses” or “users”.
- We do import Ezy Tools ‘raw’ aluminium unique extrusions which do fit the very general descriptions of the 000s of extrusions available (p.18 e.g. hollow profiles), BUT the Ezy Tools extrusion profiles are particular and specific to our manufacturing business and our extrusions are unavailable and useless to anyone else. They are only for the manufacture of our specific range of 12 hand tools and are fully for our exclusive use in our own value added complex manufacturing processes.
- We do not import our extrusions to ‘on sell’ to any others at all.
- **See APPENDIX 14: “NON-CONFIDENTIAL” Ezy Tools Design Specification Drawings**
- **See APPENDIX 15: “NON-CONFIDENTIAL” Chemical composition**
- **See APPENDIX 17: “CONFIDENTIAL” US Customs document detailing the complex and substantial manufacturing processes for one of our tools**

4.4 Australian Producers/Extruders:

- When Ezy Tools first started, (1999) we sourced our three basic profiles for our first patented tool, the Level Handle Screed, from Capral (the box base, the clamp and the round handle).
- We had to pay for these dies as we were too low in volumes to qualify for free dies as per larger companies with higher volumes than us. It was very expensive for us as a small start-up company; around \$██████ to \$██████+ back then, in 1999/2000; this was expensive then and today it would cost even more undoubtedly. We get quotes now for around \$██████ to \$██████ for each die, but “if we could order huge volumes these would be free”.
- In our experience none of our suppliers back then based their prices on the LME for aluminium; to us, with our research, their prices never reflected the LME and always kept rising. We watch the LME very closely, as we do the AU\$ movements. Every few months we’d get a letter increasing our prices despite no increase in the LME, and even if it dropped their prices did not. Our current supplier will negotiate on the LME, up/down of course.
- We stayed with Capral a few years as we had little experience and were ‘locked in’. Later other local suppliers ‘poached us’ from them and each other, and we had dies with some of these ones, we suspect they sourced from China mostly. We found the next Australian suppliers to be similar, and our prices would just keep rising. All this was unsatisfactory.

- **IT HAS TO BE STRESSED again** - no die, even though paid for and ‘supposedly owned’, is ever released to the purchaser, the extruders keep them. We can’t take them to go get a better deal elsewhere; we are ‘locked in’. Any changes have to be **factored into the budget** and paid for by our small company, **we do not get FREE dies when negotiating**.
- Even today, we would not be given any ‘special privileges or deals’ by such Australian extruding companies, despite being Australian Made.
- When we design a new tool, we always ‘shop around’ and that includes the Australian Industry extruders. We find when we do approach the Australian Industry extruders that they want to charge us full prices for dies (between AU\$████ and AU\$████) and require minimum volumes (3 to 4 tonnes per die, with 2 tonnes costing around AU\$████). Some tools may involve multiple dies; so this can be a very expensive exercise for us.
- These volumes are beyond our requirements as a small manufacturer. With a new product we need small volumes to test the market, as we found with our new design for a Shot Crete Trowel; which has failed to come up to our sales expectations over a 7 month period (January 2017 to August 2017). This is the risk with any new tool design; the reality is that some do fail to sell. Innovation is not always a guarantee for success. Others take a while to achieve better sales figures as we do not spend much on advertising.
- As a small company we could not ‘sit on’ large volumes of unsold stock. However, with our Malaysian supplier, as an example, for this tool the die cost was negotiated at US\$████ (around AU\$████) for the one die, with a 500kg minimum order, around US\$████ (UA\$████), for a total of about AU\$████, not including transport etc. costs. This for us as a SME was a reasonable risk to take. Half of the stock is sold, but we are now left ‘sitting on’ the other half. We will continue to slowly sell the stock/tool, but will only need to order very small volumes of this extrusion in future orders to keep supply to a few shops going.
- The costs of the actual extrusions are ‘comparable’, with Malaysia being more expensive, but it is the **unwillingness to do small volumes with a small company** that puts us “on unequal terms regarding the custom and usage of trade” compared with other larger companies. Our Malaysian supplier, Alumac, is willing to take a risk with our attempts to expand our range of tools; some ‘take off’ others do not. They accept our smaller volumes.
- The cost of dies in Malaysia reflects a more reasonable pricing approach, we feel, compared to that of the Australian extruders. We have been told that the **Australian extruders have ‘in-house die making facilities’** (as the Malaysians probably do as well, we assume), however, we as a smaller company are not afforded “equal terms” to those of larger companies that get free dies by ordering larger volumes.
- Ezy Tools always pays for dies with our Malaysian extruder; the prices vary with the complexity of the die, being US\$████ to US\$████. This, to us, is **still ‘not cheap’** and definitely **‘not free’** either as Capral suggests in their appeal. It is the **smaller volumes** that are more **negotiable for our small company** and therefore to us attractive and fair.
- **APPENDIX 5: CONFIDENTIAL Document and information:** A recent example was when Ezy Tools approached one Australian extruder about yet another tool we are planning to design, produce and sell. Orally, during negotiations, we were told that we would need to order 10 tons in our first order for this one extrusion to get a free die! This is far too much for us to do for one extruded piece; especially given it is one of three parts to this potential tool. Then their email reply, after we tried negotiating further, was that we do not have enough volume for them to offer us cheaper dies. This shows us they do certainly do deals for bigger companies. We were also made aware that this extruder actually also has **in-house** die manufacturing facilities, so they should be able to give us a better deal, but they won’t.
- We have a tight budget as a SME and have to order low volumes, at a time, of our 12 extrusions, and only as needed, to manufacture our tools and then sell on ASAP. We do not

hold large amounts of stock ever, as we do not have the storage room or the excess cash flow available to do this. We plan very tightly as a small company; stock control is paramount. Our business is cash flow positive and we plan to keep it that way.

- The reality is that we are too small a company for the Australian extruders to bother with and they are far too expensive for us as a small company and require volumes beyond our needs.
- Capral is a very large company and produces items that have nothing to do with the hand tools Ezy Tools manufactures.
- **Ezy Tools submits that we have been caught up in the Capral objection to other, also big extruders, from producing “like products” to theirs and bringing them into Australia for sale, chiefly doors/windows and commercial building products we think.**
- When reading the Capral submission, Ezy Tools could see clearly that our company was suffering from “dumping” by our competitors; and experiencing “injury”. As a small company we do not have the time or resources or legal support to fight our competitors, as Capral does. **This submission is another reflection of this – we are doing it ourselves.**

OUR DIRECT COMPETITORS ARE: Master Finish (AG Paulie), Ox, Flextool, Masonry Hardware, Spear & Jackson, EF, and other ‘unbranded’ tools seen in bulk in stores & sold cheaply. (There may be others). Additional to this, we saw a reference **to the duties paid by our competitors** on one sight on the internet that was around **4 to 5%** paid on fully completed and imported hand tools. This compares VERY UNFAVOURABLY to the **14.5%+** (or more) told to us via ICAL about the delivery in January 2017. **(NOTE: IT IS NOW 16.3% EXTRA DUTIES WE HAVE TO PAY).** Why does a registered “Australian Made” Manufacturer have to pay higher duties than an importer/wholesaler of products made fully overseas and not creating jobs here? Any claims they make that they are “Australian Made” are false (with one ‘possible’ exception, EF, in Qld.). We have no doubt that these companies are most likely benefitting from subsidised products and especially bulk purchasing of overseas products. We are too small a company, with very limited resources, in comparison to these competitors, to mount a legal challenge in order to prove our suspicions and verify rumours we hear.

EVIDENCE THAT ALL KNOWN AUSTRALIAN PRODUCERS HAVE BEEN CONTACTED: THE ADC WILL BE FOLLOWING THIS UP WITH QUESTIONNAIRES.

DETAILS OF THE CURRENT INVESTIGATION OR ANTI-DUMPING MEASURES APPLYING TO THE GOODS:-

4.2 Introduction – the list of “applications” for aluminium extrusions does not apply to our company which is a manufacturer of Ezy Tool’s specific ‘Australian Made and Designed’ hand tools. The list concerns large building items supplied to other large firms, chiefly in construction. As an importer we do not supply “distributors, fabricators, processors and original equipment manufacturers”. We make and sell our own unique hand tools; we do not “on sell” our extrusions.

DETAILED DESCRIPTION OF THE GOODS COVERED BY THE INVESTIGATION OR MEASURE AND THEIR TARIFF CLASSIFICATIONS – SEE THE APPENDICES:

- **APPENDIX 11: “NOT CONFIDENTIAL” ADC NOTICE No. 2017/74 (two tables)**
- **APPENDIX 12: “NOT CONFIDENTIAL” ADC 362 (also details goods covered by the investigation/tariffs)**

EZY TOOLS EXTRUSIONS (FURTHER DESCRIPTIONS/DETAILS):

Ezy Tools extrusions have ‘characteristics’ that do ‘broadly resemble’ some of those under investigation, but are not in any practical way truly “like” those Capral is seeking to protect from

other companies it is objecting to as “dumping like products” comparable to those here in Australia that Capral manufactures. “Broadly speaking” refers to the “heading” for example of “hollow” extrusions; this does not take into account the obvious difference between such extrusions Capral is focused on and the actual extrusions Ezy Tools imports. Ezy Tools brings in our own and unique ‘raw’ aluminium extrusions that are in no way of any manufacturing use to Capral, as they do not manufacture hand tools “like” ours. Nor do they extrude pieces “like” ours for anyone in this Australian manufacturing sector, **namely and specifically for hand tools**. As Ezy Tools is one of the last, if not the last, manufacturer of these types of hand tools in Australia, it is obvious that Capral is not protecting itself against our products, or our extrusions, nor supplying any “others” with such extrusions in the broad market sense. Ezy Tools does not compete in any way with Capral by bringing in our own extrusions; we are in no way ‘harming’ them. We seek to be treated “on equal terms under like conditions having regard to the custom and usage of trade”, as they too bring in billets to extrude and manufacture goods, as we bring in our extrusions to transform and manufacture into our hand tools.

SEE THE FOLLOWING FOR EXTRA DETAILS:

- Alloy/Temper 6063/T5
- **APPENDIX 15 “NON-CONFIDENTIAL” alloy 6063 chemical composition**
- Ordered in various longer lengths: screed handles 4.340m, rake handles 3.210m, rake blade 3010mm, box 50x50mm 5.6m, screed box & straight edge small/medium/large profiles 6m, straight edge small profile also 5.1m, clamps 3.6m & new shot crete trowel 3.0m
- All extrusions are “transformed” in our manufacturing processes.
- Each extrusion has a variety of thicknesses as each is designed to a specific Ezy Tools ‘shape’ (with non-uniform widths for each extrusion).
- **APPENDIX 14 “NON-CONFIDENTIAL” drawings for the actual details for each extrusion**
- Ezy Tools Tariff Codes are: 7604.21, 7604.29, 7608.20
- **APPENDIX 13 “NON-CONFIDENTIAL” tariff codes for Ezy Tools extrusions**

When the ADC assesses the **physical, commercial, functional and production** “likenesses” it should see that Capral does not produce extrusions physically and specifically/exactly “like” ours (all extrusions can be ordered in different ‘finishes’: MF/anodised/powder-coated/painted). The Australian Industry products (extrusions) are not “like” our extrusions as ours are so specific and uniquely designed to be commercially different to their extrusions. Our imported extrusions do not compete in any way with their extrusions as we do not sell our extrusions here in Australia to any other hand tool manufacturers. Ezy Tools does not “supply imported extrusions to many (read any) customers of the Australian Industry”. Capral (representing the Australian Industry) has different commercially manufactured ‘end’ products and markets and end users to ours. Our Ezy Tools extrusions do not have “comparable or identical end-uses as evidenced by the Australian industry customers that source equivalent imported extrusions” and so our “functional likeness” is not the same. We have very different functional uses for our extrusions. Their production of extrusions is clearly focused elsewhere in terms of what they use them for once ready to on sell in the market, and all this is unrelated to our extrusions. Ezy Tools does not have “directly competitive goods” that Capral is focused on extruding, and then transforming into their products for sale. Australian Industry products do not have “production likeness” to Ezy Tools products as we are possibly the last hand tool manufacturer in Australia and it is obvious none of them make our manufactured products from “like extrusions” (nor are interested in doing so). They do not make our specific extrusions and they do not make our specific products. Our extrusions cannot be “considered alike in all respects” as Capral suggests in their application.

EXEMPTION ONE - FURTHER POINTS:

If Capral, and other Australian extruders, could produce extrusions at a competitive rate, with reasonably priced dies, then why have the Australian manufacturers of hand tools “gone offshore” (except Ezy Tools)? “Like or directly competitive goods” should be “offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade”, but this is not our experience. Perhaps the other manufacturers decided it was more profitable to source the fully made product from China (subsidised possibly too)? We as a small company are obviously treated differently when we seek to buy our specific extrusions (versus shelf stock) from Australian companies; with expected volumes being far too high for us and die costs being passed on to us, yet not the high volume clients. This is blatantly unfair.

P.75 BILLETS:

An interesting point here to us. Since the ‘meltdown’ at █████ – the question arises – where does Capral source its billets now? This is the redacted information no doubt. All of the Australian suppliers must be sourcing from overseas, bringing it into Australia and then extruding and manufacturing as we do with our extrusions – bring in and then manufacture. As a huge company, Capral would have far more power in terms of “real bargaining” (as referenced between PMB and PMAA on p.32) compared to our small company’s efforts and outcomes. We have no doubt that they all can and do get better prices for billets/dies/extrusions etc. than we ever could due to their ‘economies of scale’. **As one Australian extruder recently said to us, if we could order the tonnage our dies would be free.** Concerning the reference to Capral and “hold stock longer” – we order small, and regular, and manufacture and sell everything we can before ordering again, we keep it very tight and do not “hold stock longer”. We sell everything we make (12 to 13 types of hand tools, we have one new one and another we are looking into currently). Our prices remain the same regardless of extrusion prices and other costs rising. We do face a lot of competition from others, all wholesalers not manufacturers, in the Australian market.

P. 78 Public Record 8.2.4 Conditions of Competition – Malaysia and Vietnam

- Ezy Tools has purchased extrusions from both the Australian Industry and from Malaysian suppliers, either directly or via ‘middle men’ or through an importer/wholesaler. We did a direct “dual sourcing” from our Malaysian supplier, Alumac, and PMAA, (dated: 29/6/15) within the investigation period.
- **“The Commission also understands that purchasers of aluminium extrusions can readily switch suppliers if lower priced offers become available in the market.”**
- This is one of the most objectionable findings to us! This is totally incorrect. This needs to be reassessed by the ADC. For Ezy Tools, the time alone to have our UNIQUE dies made, after the drawings and samples are sent back and forth, is very lengthy – so, NO, the idea we “can readily switch” is NOT true.
- Even after dies are completed and the hard commercial bargaining is done and the contracts worked out (for minimum orders/set times and so on), it does NOT mean the die always works out and that our extrusions are satisfactory, for e.g. the die done by PMAA for our ribbed handle was too fine after they did it and powder-coating meant it was virtually ‘rib less’!
- Even after having extrusions delivered there will often be ‘problems’, e.g. PMAA and all the dents/misshapen and bendy ones means we had more wastage than we ever did with our Malaysian supplier’s, Alumac’s, extrusions. Quality is essential!
- Our extrusions are not “stock items” and so we (and we suspect many others) cannot just take up “lower price offers”. No one has ever offered us “lower prices” either, as suggested in the ADC’s quote above! We took particular umbrage with those comments in that paragraph I must say!

- Additional to this, even when we pay for “our aluminium dies”, we never have access to them and CANNOT move them to other extruders, so they are not “transferrable”. In comparison, we had our plastic dies made and we own and have these in our possession. We could “shop around” but instead we bought two plastics machines and make our own plastics (cost cutting).
- Also, to have **all** of our 12 aluminium dies “redone” elsewhere is beyond our financial capability, it would be extremely costly (money and time). And why should we have to do this? We have an excellent supplier now and are very happy with all aspects of their service and delivery, not just the extrusions.
- **Aluminium extrusions industry:** you cannot “shop around” easily as suggested. For us, with 12 dies, and being a small family owned company, it is prohibitive to seek out other suppliers for all our dies after all the 18 years spent building up our business this is too much to ask of us. We did try 2 with PMAA, as outlined above. That didn’t go as well as we had hoped. We can only imagine what that would be like even for bigger companies with many more dies than us to “switch”. Everyone has a budget and needs to make profits. This needs to be reconsidered by the ADC as a factor, as it is incorrect.

P. 78: CUSTOMER SEGMENTS:

- **Four identified as – “large window and door, general industrial, fabricators and distributor”.** Ezy Tools does not fit any of these; we are certainly not “general industrial”. When I look that up, it is all over the place, referencing all manner of things, but nothing for us. We always find it difficult to find any “category” for us when doing many of the documents we need to complete, or go on government websites, or for other searches, even the Australian Made one. We can never find a category for a small manufacturer of hand tools; the really big manufacturers do get “categories” but not us. And in particular, manufacturers of “hand tools”: it is just not done in this country any more. We “fall through the cracks”. And we get badly affected by the actions of others, and the government too, due to this.
- **Our “domestically made goods” are not made and/or imported by Capral,** but similar ones are by other wholesalers into Australia as fully finished tools from overseas suppliers.

P.83: Finishing costs: powder coating/anodised, the reality:

- When trying to negotiate these, Ezy Tools was clearly told by those in the industry here that the local extruders could not match the prices offered by overseas extruders **BECAUSE:** the overseas price is based on weight of metal so it is cheaper, **BUT** in Australia price is based on the area of metal so it is more expensive. NOTE: A third category for pricing exists and that is by the piece and it is even more expensive! (As we have experienced here in Australia, before we set up our own in-house powder-coating).
- **It is not a “subsidy” when it is a choice to do pricing in any of these three ways.** To us, this is a way of increasing profits. And they will not negotiate on this here in Australia at all, they are inflexible.
- **An example: we have had actual experience with the third pricing method (by the piece) in the Australian Industry:** We used to use a local powder-coater to do our work, but this became more and more expensive over time and there were quality issues too; so we now do our own. Our original plastics supplier also increased prices frequently, was unreliable and had quality issues too, so we now do our own. We also make our own labels as these were also too expensive and delivery times were too long for our needs. (Do you see a ‘trend’ here? We have found it is more cost effective to do as many of our manufacturing processes as is possible ourselves.)

10.4.1 SMEs p. 103:

- Ezy Tools is an SME by definition; however we'd be more likely classified as a "micro" business by these definitions. We employ ourselves (two) and want our two sons to inherit and expand our business even more (as they are younger than us).

P.107: LME prices increasing:

- Our latest order and Quote from our Malaysian supplier reflects this. Their prices have gone up/down as the LME fluctuates. We always try to bargain them down when the LME is down, and they are responsive to this, especially if the LME is lower, and **we think this is fairer than the local Australian Industry experiences we have had in the past**. Alumac also passes on increases in their costs to us, for e.g. when their powder coater or anodiser raises prices for them; as has happened in the latest order.

We do not think this case for imposing Anti-Dumping Duties on Ezy Tools extrusions from our Malaysian supplier, Alumac, is appropriate, or fair to an Australian manufacturer, and we are **seeking an exemption from any dumping duties being imposed on us and our all our current and future extrusions from Malaysia.**

Over the 18 years Ezy Tools has been in business, we have made attempts to purchase our extrusions from Australian producers, or via 'middle men' (who have sourced here or from overseas). We have not been satisfied with many of these as dies were too expensive, their volume requirements to get free dies have been far too large for our small business, delivery has been an issue on many occasions as well, quality of both dies and extrusions has been another issue for us (we cannot right off so much 'waste' as easily as larger companies) and being small we need a reliable source of quality product in smaller volumes than bigger companies are 'happy' to supply. Australian producers do not cater for low volume 'boutique' manufacturers on an equal footing. Australian producers import their billets in order to manufacture their extrusions and goods for sale – this is the same as we import extrusions to manufacture into our hand tools and then to sell, domestically and as exports. It is because of the unsuccessful attempts by SME manufacturers such as Ezy Tools to source local supply at reasonable prices and good quality, that others (in our field) have moved their manufacturing offshore. To our knowledge, we are one of only two concrete hand tools manufacturers left in Australia (possibly the only one still fully manufacturing hand tools?).

We hope in this application we have provided enough commentary and supporting evidence for the Commission to look favourably on our submission and request here; namely that all current and future Ezy Tools' extrusions, and thereby our manufactured products, be exempt from anti-dumping and countervailing duties (and the resultant 'injuries') being imposed. It is a very difficult and onerous exercise trying to work out if we are able to meet "certain conditions" in order to obtain an exemption. We are an Australian manufacturer, and some of our raw materials, our extrusions, are sourced from Malaysia.

We will be forwarding this application twice (one for the PUBLIC DOMAIN **and** one ONLY FOR THE ADC to read). Only one is for the ADC for PUBLIC FILING. Please do not hesitate to contact us for any further information needed or questions you may have.

Yours sincerely,

Emil Puskas (Proprietor)

Diann Grass (Administration, Accounts, Sales & Marketing)

APPENDICES LIST:

These have now been RECHECKED (18/8/17) & (25/8/17)

APPENDIX 1: CONFIDENTIAL DOCUMENT

EZY TOOLS PRICE LIST, BARCODES & PRODUCT DESCRIPTIONS

APPENDIX 2: CONFIDENTIAL DOCUMENT

EZY TOOLS BROCHURE (COPY PROVIDED TO ADC)

APPENDIX 3: CONFIDENTIAL DOCUMENTS

BORDER PROTECTION DOCUMENTS, ORDER No. 10 & SECURITY DOCUMENTS, ICAL DOCUMENTS & LETTER REGARDING FUTURE ORDERS (RAMIFICATIONS ON OUR BUSINESS)

APPENDIX 4: NOT CONFIDENTIAL DOCUMENT

PUBLIC RECORD Page 19 THE AUSTRALIAN INDUSTRY

APPENDIX 4 A: NOT CONFIDENTIAL DOCUMENT

PUBLIC RECORD PAGES 12 & 13 ADDRESSES OF THE AUSTRALIAN INDUSTRY PARTICIPANTS

APPENDIX 4B: NOT CONFIDENTIAL DOCUMENT

PUBLIC RECORD PAGES 34 to 36 IMPORTERS CONTACT DETAILS and ADDRESSES

APPENDIX 5: CONFIDENTIAL DOCUMENT

Example EMAIL TO EZY TOOLS (DIE COST/TONNAGE REQUIRED)

APPENDIX 6: NOT CONFIDENTIAL DOCUMENT

PUBLIC RECORD Page 22 IMPORTERS

APPENDIX 7: CONFIDENTIAL DOCUMENTS

OUR MALAYSIAN SUPPLIER, ALUMAC., & PMAA 'DUAL ORDER' BY EZY TOOLS 29 JUNE 2015, PRICE COMPARISON FOR OUR BOX SCREED EXTRUSION

APPENDIX 8: CONFIDENTIAL DOCUMENT

EMAIL TO GAVIN CROOKS with OUR ADC SUBMISSION (NOT PUBLISHED EVEN THOUGH ON TIME)

APPENDIX 9: CONFIDENTIAL DOCUMENT

FOLLOW UP EMAILS TO GAVIN CROOKS and EZY TOOLS WITHDRAWAL

APPENDIX 10: CONFIDENTIAL DOCUMENT

OUR MALAYSIAN SUPPLIER's ADRP SUBMISSION

APPENDIX 11: NOT CONFIDENTIAL DOCUMENTS

(ADN) 2017/74 (24 May 2017), (ADN) 2017/72 (ADN) 2017/73 (BOTH SIGNED 22 JUNE 2017 BY CRAIG LAUNDY) THESE DOCUMENTS INCLUDE THE TARIFF CODES & DESCRIPTIONS OF THE GOODS INVESTIGATED

APPENDIX 12: NOT CONFIDENTIAL

ADC 362 ALSO INCLUDES THE TARIFF CODES & DESCRIPTION OF THE GOODS INVESTIGATED

APPENDIX 13: NON-CONFIDENTIAL DOCUMENT (Changed 25/8/17 for ADC request)

ICAL DOCUMENT WITH EZY TOOLS TARIFF CODES & DESCRIPTIONS FOR GOODS DELIVERED in Order No. 10 in January 2017.

APPENDIX 14: NON-CONFIDENTIAL DOCUMENT: (Changed 25/8/17 for ADC request)

Malaysian Specifications FOR Ezy tools Aluminium Extrusions (Drawings, measurements)

APPENDIX 15: NON-CONFIDENTIAL DOCUMENT: (Changed 25/8/17 for ADC request)

Malaysian CHEMICAL & METAL ELEMENTS EZY TOOLS EXTRUSIONS

APPENDIX 16: CONFIDENTIAL DOCUMENT - NOT REQUIRED

ABF CUSTOMS EMAIL DROPPING ORDER 10 SECURITY IMPOSED TO 0%

APPENDIX 17: CONFIDENTIAL DOCUMENT

USA CUSTOMS DOCUMENT ILLUSTRATING MANUFACTURING PROCESSES

I HAVE ATTACHED AN APPENDICES LIST (PAGES 13 to 14)

I HAVE NOTED WHICH DOCUMENTS ARE “**NON-CONFIDENTIAL**” AND WHICH ARE “**CONFIDENTIAL**”. (Some of these have been altered at the request of the ADC, 25/8/17).

THE **CONFIDENTIAL DOCUMENTS ARE NOT TO BECOME “PUBLIC”**

I GAVE CONSIDERATION TO MY SOURCES WHO MAY NOT WANT THEIR DOCUMENTS IN THE “PUBLIC” DOMAIN. I HAVE ALSO ‘GENERALISED’ NAMES OF COMPANIES WHERE APPROPRIATE, e.g. “an Australian extruder”...

The name of our Malaysian Supplier (Alumac) has now been included at the request of the ADC, in order to proceed with our submission (25/8/17).

I HAVE ‘REDACTED’ SOME INFORMATION ON THE “CONFIDENTIAL” SUBMISSION, BUT HAVE LEFT THIS ON THE “NON-CONFIDENTIAL” SUBMISSION FOR THE ADC TO READ. IT IS NOT TO BE MADE PUBLIC.