



MINUTE PAPER

Meeting With Capral Ltd 6 June 2012

Attendees

Capral Limited

Phil Jobe
Andrew Barlow
Justin Wickes (Consultant)

Customs and Border Protection

Kim Farrant
John Bracic
Scott Wilson
Tom O'Connor

Prior to the meeting, Capral Limited (Capral) provided Customs and Border Protection with an agenda. The agenda identified a number of topics (in bold below) for discussion.

Primarily, Capral's purpose to call the meeting was to seek Customs and Border Protection's approach to the bolded agenda items below.

Market Situation

Capral sought Customs and Border Protection's approach to investigating Market Situation.

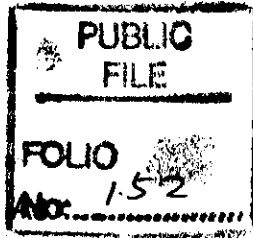
Customs and Border Protection indicated that it had sent the exporter questionnaire to Wuxi Xisha Photoelectric Aluminium Products Co. Ltd (WXPAP) and it was waiting for its response to determine the next course of action. Customs and Border Protection also indicated that should new programs be identified a questionnaire will be sent to the Government of China (GOC) and it would then consider its options depending on the GOC response.

Subsidies

Capral was concerned that there are a number of subsidies that Customs and Border Protection has not identified, and/or the behaviour of exporters not to tell Customs and Border Protection will mean certain subsidies will not be identified.

Customs and Border Protection indicated that exporters, by completing the exporter declaration, are deemed to be honest unless it can be found otherwise.

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Customs and Border Protection advised that the questionnaire sent sought answers to the subsidy programs identified during the original investigation. With all subsidy questionnaires there is a "catch all" question relating to any other subsidies that the company may have received that is yet to be identified. A response to this question is also sought.

Reasonableness of costs and use of external benchmarks

Capral indicated that the cost structures of the Chinese aluminium smelters are some of the highest in the world. Hence how is Customs and Border Protection going to treat the domestic purchases of aluminium?

Customs and Border Protection may propose an outcome similar to that as used in the original investigation. However it will wait for the return of the exporter questionnaire and all other information before it will decide an appropriate course of action.

Industry expert

Capral indicated that it identified a very competent independent expert to assist Customs and Border Protection with verification visits. Capral also suggested that the independent expert could assist Customs and Border Protection in the pre visit analysis, and following the return of the officers to Australia, assist in its analysis of the production information provided during those visits.

Customs and Border Protection indicated that when it conducts verification visits, any persons other than the Customs and Border Protection officers are an exception, and certain diplomatic notification rules apply.

Following on from the International Trade Remedies Forum recommendations, Customs and Border Protection is drafting policy with regard to the use of experts. At this time; however, the proposed policy would probably not extend to the proposals suggested by Capral.

Non co-operation

In the event of non cooperation, Capral sought the views of Customs and Border Protection. Customs and Border Protection indicated that the policy had not changed and that non cooperation was considered together with all available information.

Procedural matters

It was discussed that the review's Statement of Essential Facts is due on or before 10 September 2012 and the Final report on or before 23 October 2012. Capral were advised that verification visits to both the importer B&D (Aust) Pty Ltd and WXPAP were the only other visits apart from itself that were being considered at this stage.

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