

7 December 2017

Mr Tim King
Case Manager
Operations 3
Anti-Dumping Commission
Level 35
55 Collins Street
Melbourne Victoria 3000

Email: tim.king@adcommission.gov.au

Public File

Dear Mr King

Investigation No. 442 – Aluminium extrusions exported from P R China (by Jiangsheng Aluminium Co., Ltd and Zhongya Aluminium Co., Ltd) and exports from Thailand – Submission on behalf of RCR International Pty Ltd

I. Introduction

I refer to the submission on behalf of RCR International Pty Ltd (“RCR”) dated 27 November 2017 confirming the company is an importer of aluminium extrusions from Thailand during the investigation period.

Capral Limited (“Capral”) has examined RCR’s claims concerning its supply of goods to which it refers to as “pre-cut geometric aluminium profiles”. Capral seeks to address RCR’s claims that the pre-cut geometric shapes it imports and supplies to hardware stores is not a ‘like good’ to the goods the subject of Investigation No. 447.

II. Like Goods

It is argued on behalf of RCR that the imported pre-cur geometric profiles are not like goods to aluminium extrusions manufactured by the Australian industry due to the following reasons:

• **Physical likeness**

- RCR states the imported goods are not physically the same as locally produced goods;
- The imported goods are not custom made using custom dies;
- Lengths are not customer specific for commercial use;
- Imported goods are standard geometric profiles and not customized to shape;
- Imported goods are made using generic dies, not custom dies;
- The imported goods are not cut to custom lengths;

• **Commercial likeness**

- RCR claims that the imported goods do not compete directly with locally manufactured goods or in the same market sector as the locally produced goods;

- The imported goods are designed for home handyman use;
- RCR claims locally produced goods are marketed at commercial customers, whereas the imported goods are not;
- RCR sells the imported goods based upon a wholesale price list for retail customers;
- RCR identifies three further claims which it has not summarized in a non-confidential manner for interested parties to be adequately informed of the substance of these claims, and therefore must not be considered by the Commission;
- Price is not the sole determinant in respect of the imported goods;
- RCR's business model is dependent upon an "extensive field sales network and merchandising back-up services";

- **Functional likeness**

- The imported goods are not custom made or supplied for specific large scale projects;
- The imported goods are multi-purpose and supplied for DIY purposes;
- RCR claims the imported goods are 'largely not substitutable' and do not have finishes applied;
- The imported goods do not have 'comparable functionality';
- The imported goods do not have the same end-use applications as locally produced goods;

- **Production likeness**

- RCR concedes that the imported goods are manufactured via the extrusion process but not from custom dies (i.e. from generic dies);
- RCR appears to suggest imported goods are of mill finish, and not painted or anodized

Based upon RCR's comments concerning each of the above four factors of physical, commercial, functional and production likeness, RCR claims that it does not import goods that are alike to the locally produced aluminium extrusions. Capral, respectfully, rejects these irrelevant assertions that fail to address the primary issue that the Australian industry does manufacture and supply standard geometric shapes that are alike to the goods imported by RCR.

RCR's claims that the imported goods are not alike to locally produced geometric shapes is incorrect.

Capral does supply standard geometric shapes as outlined in its application for measures and detailed in the 'Capral Die Catalogue' (refer Non-Confidential Attachment A-3.3.3). The dies used are generic dies (RCR acknowledges generic dies are used) that are available to all customers. As would be expected, there are some specific dies required e.g. competitor customers.

Capral also stocks ranges of 'standard geometric shapes' as demonstrated in the Capral Industrial Product Catalogue, as previously provided to the Commission. It should also be noted that the 'Capral Little Green Book' catalogue provided at the recent verification visit, details the most commonly stocked (but not all) industrial/standard geometric sections, primarily within the Capral Aluminium Centre Network ("ACN"). The Capral ACN offers customers a pick up or delivery option and specifically aims to target amongst its customers, the home handyman, DIY builders, sub contractors and smaller fabrication businesses. The Capral ACN therefore competes with the goods sold through hardware stores.

Capral would also highlight that with regard to length of the goods, many of Capral's sites offer a cut-to-length service. Capral also sells in bulk cut-to-length direct from mill. The Commission sighted various cut-to-length products whilst touring the Capral Bremer site.

Capral does sell to certain hardware stores including [customer], and also has customers that compete with the large hardware stores.

With respect to finish, Capral will supply to customers all finish grades, including mill finish.

It is therefore irrefutable that Capral is a manufacturer and supplier of goods that are standard geometric shapes, in the form and finish equivalent to the imported goods supplied by RCR.

III. Australian market

RCR seeks to argue that its 'minimal market share' is 'inconsequential' to the Australian industry.. As has been evidenced by Capral, RCR's supplier also supplies other customers in Australia including [customer]. Capral rejects that RCR's imports are inconsequential. Capral supplies locally produced standard geometric shapes that compete directly with the imported goods supplied to RCR. In no way can RCR's imports be considered minimal or inconsequential.

RCR seeks to have the investigation terminate in so far as it relates to its imports from Thailand. Capral has evidenced to the Commission that it manufactures goods that are alike in all respects to the imported goods and supplies into the same channels as the imported goods on the Australian market. There can be no basis, therefore, for the termination of the investigation as it relates to Thai exports of aluminium extrusions to RCR.

IV. Exemption from measures

RCR has taken a pre-emptive stance and suggests that its exports should be exempted from any dumping measures imposed as its imports are not 'like goods' to locally produced aluminium extrusions. As outlined, Capral manufactures goods that compete directly with the goods imported by RCR and would oppose an application for exemption from measures imposed.

V. Conclusions

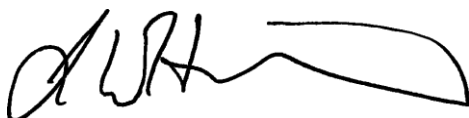
Capral is a manufacturer of standard geometric shapes that are considered 'alike' in all respects to imported standard geometric shapes from Thailand by RCR. Capral manufactures goods in the same form and finish as the imported standard geometric shapes from Thailand, and offers cut-to-length services at many of its ACN outlets.

Capral rejects RCR's claims that the imported goods do not compete with locally manufactured standard geometric shapes. Capral further rejects that the imported goods account for a minimal or inconsequential proportion of the Australian market to not be considered in the current investigation.

Capral requests the Commission to continue inquiries into all Thai exports of aluminium extrusions to Australia during the investigation period. Capral does not consider that RCR has demonstrated that the imported goods are the locally produced goods are not alike and therefore the investigation into Thai exports to RCR should not be terminated.

If you have any questions concerning this submission, please do not hesitate to contact me on (02) 8222 0113 or Capral's representative Mr John O'Connor on (07) 3342 1921.

Yours sincerely



Luke Hawkins
General M
anager – Supply and Industrial Solutions