



3 October 2014

The Director
Operations 3
Anti-Dumping Commission
1010 Latrobe Street
Melbourne Docklands VIC 3008

Inquiry 241: Response to Issues Paper 2014/02

This submission is made on behalf of Capral Limited (Capral), the applicant, in relation to the anti-circumvention inquiry into aluminium extrusions from China. We specifically refer to Issues Paper 2014/02 published by the Anti-Dumping Commission (the Commission) on 18 September 2014.

Capral welcomes the issues paper and we support the proposed methodologies for determining sales at a loss, a non-circumvention export price and a revised dumping duty rate. Our specific comments are limited to the calculation of the non-circumvention export price and the proposed implementation of measures.

Profit

Capral notes that the Commission will calculate the non-circumvention export price using the deductive export price methodology by deducting import costs, applicable duties, SG&A and a reasonable profit margin from the importer's weighted average unit selling price. We fully support the inclusion of a profit margin in this calculation and reiterate that a margin of 10.9% is reasonable, as outlined in our earlier submission on this issue.¹

Implementation of measures

Capral notes that the Commission may recommend that the notices be altered to apply to imports by certain specified importers, with a new export price calculated for each importer found to be engaging in circumvention activity. This implies that the five importers subject of this inquiry would each end up with a different revised dumping duty rate.

¹ Submission of 20 August 2014 from Wickes & Associates, Document no. 019 on EPR 241

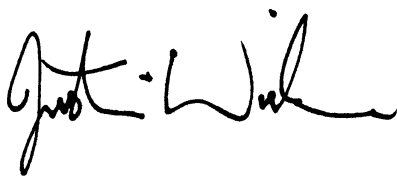
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As outlined in our earlier submission on the treatment of the importers,² we believe the historical links between the importers remain, particularly between the 'P&O Group' of four companies. If they each receive different revised dumping duty rates, then all imports are likely to be channelled through the importer with the lowest rate. Alternatively, a new entity or entities could be established to commence importing on behalf of the P&O Group and Oceanic. We urge the Commission to consider these possibilities before making its final recommendations to the Parliamentary Secretary.

We also note that the issues paper does not address the retrospective application of any alterations to the notices. In our application we requested that the Commission recommend that the Parliamentary Secretary exercise his discretion (under s.269ZDBH(8) of the Customs Act) to make any alterations to the notices effective from the date of initiation of this inquiry. We repeated this request in our submission in response to the first extension of time and reiterate the importance of making any increase to the dumping duties applicable from the earliest date possible, due to the:

- extensive delays to this inquiry—the two extensions have resulted in almost doubling the length of this 'expedited' type of inquiry
- absence of any change in behaviour by the importers in response to this inquiry, and
- ongoing injury caused to the Australian industry by the importers' continued circumvention of the duties.

Capral will be extremely disappointed if any alterations to the notices are applicable only from the date of the Parliamentary Secretary's decision and not from the date of initiation of this inquiry. Despite being put on notice by this inquiry the importers have not adjusted their prices in the market and implementation of any increase in duties back to the inquiry initiation date is the only way to remedy this behaviour.



Justin Wickes
Director

² Submission of 10 July 2014 from Wickes & Associates, Document no. 013 on EPR 241