



J.BRACIC & ASSOCIATES
TRADE REMEDY ADVISORS

PO Box 3026
Manuka, ACT 2603
Mobile: +61 499 056 729
Email: john@jbracic.com.au
Web: www.jbracic.com.au

9 October 2014

Ms Candy Caballero
Director, Operations 3
Anti-Dumping Commission
1010 La Trobe Street
DOCKLANDS VIC 3008
acu@adcommission.gov.au

Dear Ms Caballero

Anti-circumvention inquiry – Aluminium extrusions exported from China

This submission is made on behalf of Oceanic Aluminium Pty Ltd (Oceanic), P&O Aluminium (Perth) Pty Ltd (P&O Perth) and P&O Aluminium (Sydney) Pty Ltd (P&O Sydney). The three companies are collectively referred to as the 'subject importers' throughout this submission.

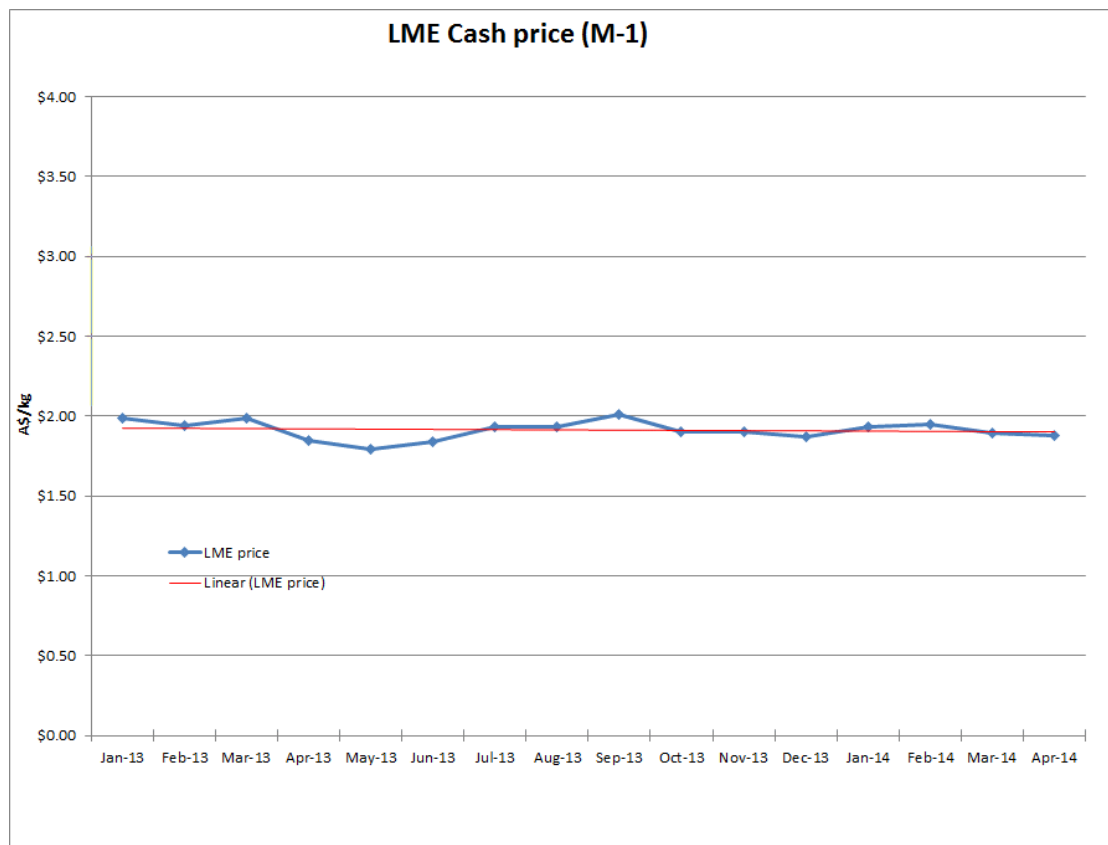
The submission is made in response to Capral Ltd's (Capral) submission of 3 October 2014.

In its submission¹, Capral claims that there has been an "absence of any change in behaviour by the importers in response to this inquiry" and "Despite being put on notice by this inquiry the importers have not adjusted their prices in the market...".

The subject importers note that the LME price for aluminium, the primary driver of the cost of aluminium extrusions, has trended flat throughout the 2013 inquiry period and subsequent months as shown in the chart below. Therefore, it is reasonable to conclude that changes in the base metal price would not have impacted greatly on selling prices in the Australian market.

¹ Public Record No.30 - Capral Response to Issues Paper 2014/02; page 2.

NON-CONFIDENTIAL



However since the start of the inquiry period, the only observable factor that has exhibited significant change which has impacted on the subject importers' fully absorbed cost to import and sell, has been the amendment of the interim dumping and countervailing duties and the ascertained export price following the Federal Court's decision in September 2013. As outlined in our earlier submission of 18 July 2014, the impact of replacing the measures which were differentiated by finish with a product based measure has been significant.

All other things being equal, the impact of amending the measures has resulted in the subject importers' purchase costs being:

- [REDACTED] % lower for mill finish extrusions;
- [REDACTED] % lower for anodised extrusions; and
- [REDACTED] % lower for powder coated extrusions.

Based on the Commission's profitability calculations for the subject importers, it is evident that [REDACTED]

[REDACTED] when the corrected measures are taken into account. Whilst [REDACTED]

[REDACTED]. [Trading performance of the subject importers]

Therefore, if selling prices by the subject importers are unchanged as claimed by Capral, then the logical explanation is that the subject importers' fully absorbed costs of the

NON-CONFIDENTIAL

imported goods are now significantly reduced since the amendment of the measures on 10 October 2013. In that scenario, it is also reasonable to conclude that the subject importers' sales of imported aluminium extrusions from China are profitable.

This further supports the repeated view of the subject importers that the unlawful imposition of differentiated measures was the key driver of any unprofitable sales during the inquiry period and not, as claimed by Capral, a decision by the subject importers to circumvent the measures by not increasing their prices commensurate with the total amount of duty payable.

Yours sincerely

John Bracic