

21 March 2018

Mr Tim King
Investigations 3
Anti-Dumping Commission
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Melbourne Victoria 3000

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Public File

Dear Mr King

Investigation No. 442 - Aluminium extrusions exported from P R China and Thailand – Submission on behalf of Darley Aluminium dated 14 February 2018

Capral Limited (“Capral”) takes this opportunity to comment on the representations of Darley Aluminium (“Darley”) as detailed in its submission of 14 February 2018.

Darley repeats its earlier representations that Capral is not claiming volume-based injury. Capral considers this to be a question of fact as it relates to its own sales, however, the Commission may determine otherwise for remaining members of the Australian industry.

In seeking to rebut Capral’s assertion that exports by Guangdong Jiangsheng Aluminium Co., Ltd (“Jiangsheng”) and Guangdong Zhongya Aluminium Company Limited (“Zhongya”) of China, and exporters from Thailand, have displaced exports from other countries, Darley claims that the Chinese exporters have not increased actual export volumes to Australia and that the volumes from Thailand are ‘minimal’. It should be recalled that the export volumes by Jiangsheng and Zhongya account for approximately 50 per cent of the total Chinese export volumes to Australia, and that the volumes from Thailand were increasing during 2016/17. It cannot be concluded that export volumes to Australia of this magnitude at dumped prices have minimal or no impact on exports from other sources or upon the Australian industry’s selling prices.

Darley’s representative contends that Capral’s claims that the selling prices for aluminium extrusions sold by Darley (which sources from Zhongya) undercut the selling prices of suppliers of goods the subject of measures “are misleading and misinformed”. Darley further alleges that the fact that the two Chinese exporters’ volumes remained the same (for many years) that this is supportive of a view that these exports were not a cause of injury to the Australian industry. Capral rejects this suggestion. Review Investigation No. 392 confirmed that the Chinese exports the subject of measures were at dumped prices during the 2016 year. During this period – and throughout 2017 during the conduct of Review Investigation No. 392 – exports by Jiangsheng and Zhongya would have been priced at similar levels to the “dumped” exports by the remaining Chinese exporters the subject of measures – otherwise, maintenance of export volumes would not have been possible. Capral again reiterates that the two Chinese exporters Jiangsheng and Zhongya exported at dumped prices that undercut the Australian industry’s selling prices and the export prices of other suppliers to hold market share in Australia.

Darley's submission further contends that Capral's return on investment injury claim cannot be sustained unless it can be attributed to the dumped exports the subject of the investigation. Capral does not disagree with this viewpoint. Capral does however refer the Commission to the price suppression it experienced in 2016/17 that has been influenced by the export prices of Jiangsheng and Zhongya, and exporters from Thailand. It should be recalled that the exporters in Malaysia and Vietnam were impacted by provisional measures from the commencement of the 2016/17 year, hence, the low return on investment experienced by Capral can be attributed to the dumping by Jiangsheng and Zhongya and exporters in Thailand.

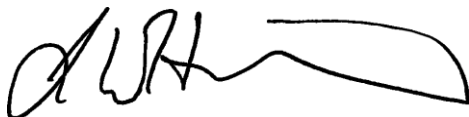
The Darley submission suggests that Capral has failed to consider other injury factors that may have contributed to the injury sustained by Capral during the investigation period. It points to injury from other imports that have been found to have caused injury to the Australian industry historically, past and present circumvention activities and competition within the Australian industry. Darley acknowledges that it is possible for the Australian industry to suffer material injury from a number of causes. Whilst a number of causes of injury may occur simultaneously, the Minister is required to be satisfied that injury from the dumped exports (i.e. from exports by Jiangsheng and Zhongya, and exporters in Thailand) is material. Capral's application for anti-dumping measures has demonstrated that the impact of the dumping from Jiangsheng and Zhongya has continued to injure the Australian industry in 2016/17 – when provisional measures were in place on exports from Malaysia and Vietnam – and that the export prices from the two Chinese exporters and Thailand were at levels undercutting Capral's selling prices (with all remaining export prices from China at higher levels). The price undercutting from Jiangsheng and Zhongya and Thai exports has been the prime cause of price suppression in 2016/17, with the Australian industry unable to raise selling prices to recover increases in raw material aluminium costs. It is therefore reasonable for the Commission to conclude, and for the Minister to be satisfied, that the Australian industry has suffered injury that is material from the dumped exports to Australia by Jiangsheng and Zhongya, and from all Thai exporters.

Capral is concerned by unsupported and unsubstantiated comments by Darley concerning what it terms "first hand knowledge of fierce competition" between members of the Australian industry. Capral would anticipate that the Commission would seek Darley to provide supporting evidence to broad claims that 'fierce' competition was occurring simultaneously with the price undercutting from the dumped exports during 2016/17.

Capral requests that the Commission exercise caution in accepting any of the unsupported claims of Darley in its 14 February 2018 submission. It is not unusual for an importer involved in an anti-dumping investigation to allege that the injury experienced by an Australian industry has not been caused by dumping but in fact by the existence of a range of other factors. Capral reiterates that it has suffered injury that is material from the dumping from the Chinese exporters Jiangsheng and Zhongya, and Thai exporters, as evidenced by the contraction in its margin (i.e. selling price over raw materials) and commented on its most recent submission dated 12 March 2018.

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



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