

PUBLIC RECORD



Australian Government
**Department of Industry,
Innovation and Science**

**Anti-Dumping
Commission**

DUMPING AND SUBSIDY INVESTIGATION NO. 362

**CERTAIN ALUMINIUM EXTRUSIONS EXPORTED FROM
MALAYSIA AND THE SOCIALIST REPUBLIC OF VIETNAM**

VERIFICATION REPORT - IMPORTER

**PRESS METAL ALUMINIUM
(AUSTRALIA) PTY LTD**

**THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN
WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT
THE FINAL POSITION OF THE ANTI-DUMPING COMMISSION**

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PUBLIC RECORD

CONTENTS

1	BACKGROUND	3
2	AUSTRALIAN SALES	4
2.1	VERIFICATION OF SALES TO AUDITED FINANCIAL STATEMENTS.....	4
2.2	VERIFICATION OF SALES TO SOURCE DOCUMENTS.....	4
2.3	REBATES AND DISCOUNTS	4
2.4	RELATED PARTY CUSTOMERS	4
3	IMPORTS	5
3.1	THE GOODS	5
3.2	VERIFICATION OF IMPORTATION AND SELLING COSTS	5
3.3	IMPORT LISTING	5
3.4	FORWARD ORDERS	5
3.5	PROFITABILITY OF SALES	5
3.6	THE EXPORTER.....	6
3.7	THE IMPORTER	6
3.8	RELATED PARTY SUPPLIERS	6
3.9	ARMS LENGTH.....	6
4	RECOMMENDATIONS	7
5	ATTACHMENTS	8

1 BACKGROUND

On 16 August 2016, the Commissioner of the Anti-Dumping Commission (the Commissioner) gave public notice of his decision to initiate an investigation in respect of the alleged dumping and subsidisation of aluminium extrusions exported from Malaysia and the Socialist Republic of Vietnam (Vietnam).

Anti-Dumping Notice (ADN) No. 2016/77 provides further information on the investigation and is available on the Anti-Dumping Commission's (the Commission's) electronic public record (EPR) at www.adcommission.gov.au.

The background relating to the initiation of this investigation is contained in Consideration Report No. 362 (CON 362).

Following this initiation, the Commission wrote to Press Metal Aluminium (Australia) Pty Ltd (PMAA) inviting it to cooperate with the investigation. PMAA provided a completed importer questionnaire response (RIQ) and relevant attachments for the investigation period (1 July 2015 to 30 June 2016).

At an exporter visit to PMAA's related party exporter Press Metal Berhad (PMB), the Commission was able to collect a significant amount of verified information relating to PMAA's imports. As such, in this instance, the Commission elected not to conduct an on-site verification visit to PMAA and verified the remaining aspects of PMAA's RIQ remotely.

2 AUSTRALIAN SALES

2.1 Verification of sales to audited financial statements

The verification team verified the completeness and relevance of PMAA's sales listing by reconciling it to audited financial statements in accordance with ADN. No 2016/30.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

The verification team observed that PMAA did not identify the goods under consideration (GUC) in its sales listing. PMAA provided an updated sales listing that identified the GUC and non-GUC products. No other issues with the verification of the sales listing to audited financial statements were observed.

2.2 Verification of sales to source documents

The verification team verified the accuracy of PMAA's sales listing by reconciling it to source documents in accordance with ADN. No 2016/30.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

The verification team compared the details on PMAA's sales invoices to the relevant lines in the sales listing. For each invoice examined, the details were found to be correct.

2.3 Rebates and discounts

The verification team identified a number of discounts within the sales listing.

During verification, selected sales invoices were compared to proof of payment documentation which confirmed that the invoiced prices were the prices paid.

2.4 Related party customers

The verification team did not find evidence that PMAA is related to any of its Australian customers during the investigation period.

3 IMPORTS

3.1 The goods

During the investigation period PMAA imported aluminium extrusions of varying lengths, wall thicknesses, sizes, temper grades and profiles. The aluminium extrusions for the export market were in the general surface finish categories of either mill, anodised, powder coated and bright dip finishes.

3.2 Verification of importation and selling costs

Due to the delivery terms of the goods imported by PMAA the verification of importation costs was predominately conducted as part of the verification visit to PMB in Malaysia. During this visit the Commission verified the accuracy of the importation and selling costs by reconciling selected exports to the source documents in accordance with ADN 2016/30.

The verification team reconciled PMAA's 30 December 2015 financial statements and 2016 financial statements to the reported selling, general and administration costs (SG&A) incurred during the investigation period. The verification team examined various accounts in PMAA's general ledger and found that the amounts of SG&A are relevant, accurate and complete. Further, PMAA also advised that it did not distinguish separate SG&A costs for its sales of aluminium extrusions. As a result, the verification team allocated SG&A costs based on the percentage of revenue earned from the sales of aluminium extrusions over the investigation period.

Details of the verification are contained within the verification work program as **Confidential Attachment 1**.

3.3 Import listing

PMAA confirmed that the import listing extracted from the Australian Border Force (ABF) import database is a complete list of imports of the goods over the investigation period. The verification team also found that the volume of goods declared on importations reconciled to the ABF import data. The import listing is at **Confidential Appendix 1**.

3.4 Forward orders

The verification team verified PMAA's forward orders by reconciling the details provided in the RIQ to the company's records. Full documentation for two of the forward orders was also provided. Details of the forward orders subject to verification are contained at **Confidential Attachment 1**.

3.5 Profitability of sales

The verification team selected 13 Australian sales invoices to assess the profitability of PMAA's sales of the goods. The sample of invoices accounted for 89 individual transactions. Using the verified exporter's data and the importer's sales and cost data, the verification team determined that on a weighted average basis, net of discounts or

rebates, PMAA's sales of the goods were profitable. Details are contained in **Confidential Attachment 1**.

3.6 The exporter

Having visited PMAA's supplier of aluminium extrusions from Malaysia, the verification team considers PMB to be the exporter of the goods.¹

3.7 The importer

The verification team notes that PMB sells to PMAA on a delivered duty paid basis. The verification team considers PMB to be the beneficial owner of the goods at the time of importation and therefore the importer.

3.8 Related party suppliers

The verification team identified that a significant volume of PMAA's aluminium extrusions were sourced from related party supplier, PMB.

3.9 Arms length

In respect of imports of aluminium extrusions by PMAA during the investigation period, the verification team found that:

- there was no other consideration payable for, or in respect of, the goods other than its price; or
- the price was not influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller.

Therefore, the verification team is satisfied that the import transactions between PMAA and its supplier are arms length transactions.

¹ The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

4 RECOMMENDATIONS

The verification team considers that the goods have been exported to Australia by the importer and have been purchased by PMAA from the importer (PMB) in arms length transactions.

The verification team recommends that the export price for the goods purchased by PMAA from PMB be established under subsection 269TAB(1)(c) of the *Customs Act 1901*, having regard to the circumstances of the exportation, using the invoiced price, less deductions to the FOB level as required.

PUBLIC RECORD

5 ATTACHMENTS

Confidential Appendix 1	Import Listing
Confidential Attachment 1	Verification Work Program