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Anti-Dumping Commission
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Public File Version

Dear Mr Crooks

Aluminium Extrusions exported from Malaysia and Vietnam (Investigation No. 362) – Exporter Verification Report – East Asia Aluminium

Introduction

Capral Limited (“Capral”) has reviewed the East Asia Aluminium Company Limited (“EAA”) exporter verification report (“the Report”). The Report contains a number of matters requiring further investigation.

Related party purchases

It is noted at Section 4.3 of the Report that EAA purchases raw materials from a related party supplier. It is further noted that the purchases are of imported raw materials. Capral understands that EAA and its associated parties are not manufacturers of billet, hence, the Commission has not validated the purchase price as comparable with the cost to produce billet. However, Capral submits that the Commission must examine whether the purchase price for the imported billet is determined on a competitive basis and reflects the prevailing LME price plus Major Japanese Port (“MJP”) premium, plus Product premiums (billet, alloy etc) plus additional delivery costs.

The validation of the raw material input price (i.e. billet) is the key influencing factor for EAA’s domestic selling prices.

Packing costs

Section 6.1 of the Report indicates that “EAA stated that they believe there is no difference in the costs relating to packing the goods for export and the goods sold domestically”. This statement does not provide the reviewer with a definitive understanding that EAA is aware of the actual costs for packing in for both domestic and export sales. Capral has demonstrated to the Commission that it incurs additional costs for export to ensure goods are not damaged during transportation. This additional expense would also be incurred by EAA (and other exporters, whether Malaysian or Vietnamese, and whether this is denied or otherwise).

As previously indicated in Capral’s submission in relation to the LB Aluminium exporter verification report, the packing required for exportation is of a higher quality than that required for export to ensure transported goods are not damaged (and hence attracts a higher associated cost). Capral therefore does not agree that minimal differences exist in packing costs between domestic and export sales.

Export handling costs

Capral notes that in the Press Metal Berhad (“PMB”) Exporter Verification Report an upward adjustment was made for “export handling and other costs” that relate to costs associated with exporting aluminium extrusions to Australia. Capral anticipates that an upward adjustment as was applied to Press Metal Berhad’s normal value a similar adjustment is required to EAA’s normal value.

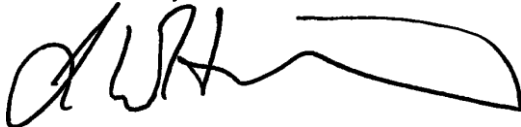
It is also considered that EAA would incur costs associated with the metal pallets/skids used to load the containers for export. The cost of this facility is estimated at [REDACTED]. This is a cost incurred on export sales that does not occur in respect of domestic sales and must be included as an adjustment to the EAA’s normal value.

Conclusion

Capral submits that upward adjustments to EAA’s normal value is required for export handling charges and export packing. In addition, Capral requests the Commission to examine the purchase price for raw materials sourced from EAA’s related party supplier to ensure that the raw material inputs are reflective of competitive prices.

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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