

7 February 2017

Mr Gavin Crooks
Case Manager
Operations 3
Anti-Dumping Commission
Level 35
55 Collins Street
Melbourne Victoria 3000

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Email: Gavin.Crooks@adcommission.gov.au

Public File

Dear Mr Crooks

Re Investigation No. 362 – Submission by East Asia Aluminium

I refer to the submission by East Asia Aluminium (“EAA”) dated 2 February 2017.

The submission relates to adjustments to EAA’s normal value(s) that is requested following the completion of the Anti-Dumping Commission’s (“the Commission”) verification visit with EAA.

EAA is seeking downward adjustments to normal value to account for volume based discounts that it contends impact on the final net price. However, the Commission has rejected the adjustments as proposed by EAA (that EAA would apply directly to the customer’s sales) as the Commission’s view is that the adjustment should be *“the weighted average percentage difference between the two prices over the investigation period should be the amount applied as the adjustment”*.

The quoted approach is detailed in the Dumping and Subsidy Manual (P.71).

EAA references the three approaches that the Commission may consider when making an adjustment for volume discounts. EAA relies upon its claim that the discounts impact the actual net prices and seeks a downward adjustment on this basis.

The Dumping and Subsidy Manual, however, is clear in its examination of volume discounts and whether to grant adjustments:

“As part of deciding the relevant discount the Commission will examine whether the discount is generally available for domestic sales having the same or similar volume as the export sales to Australia.”

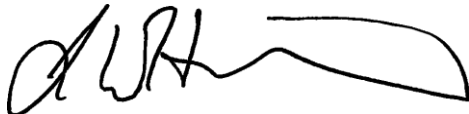
It is clear from the manual that the discount for the domestic sales can only be made where the domestic sales volumes are of the same volume as export sales. EAA has indicated that the domestic sales of aluminium extrusions *“is very small”* compared with *“the large monthly volumes purchased by EAA’s main export customer.”*

As the sales volumes on the domestic and export markets are not comparable, the Commission cannot provide a sales volume discount based upon the smaller domestic sales volumes.

On the basis of the guidance in the Dumping and Subsidy Manual, and EAA's admission that the volume of sales on the domestic market are small compared with the large export sales volumes, EAA's claim for a volume discount adjustment must fail.

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

A handwritten signature in black ink, appearing to read 'LHAWKINS', with a long horizontal flourish extending to the right.

Luke Hawkins
General Manager – Supply and Industrial Solutions