

4 June 2018

Mr Tim King
Investigations 3
Anti-Dumping Commission
Level 35
55 Collins Street
Melbourne Victoria 3000

Email: investigations3@adcommission.gov.au

Public File

Dear Mr King

Investigation No. 442 – Aluminium Extrusions exported from P R China and Thailand – Importer Visit Report – BLC Aluminium Pty Ltd

I refer to the Importer Verification Report for BLC Aluminium Pty Ltd (“BLC”). The BLC importer verification report identifies a number of matters of concern to Capral Limited (“Capral”).

The Anti-Dumping Commission’s verification team found that BLC’s financial statements were not audited. The verification team determined that BLC was not required to have its statements audited. Capral considers that this raises concern as to the reliability of the data furnished by BLC for the purposes of the verification report.

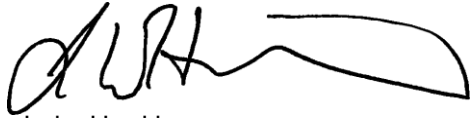
The verification team identified BLC is an importer of aluminium extrusions from Thailand. BLC has sales in the investigation period to a related customer, BLC Imports Exports Pty Ltd. The verification team states that BLC Imports Exports Pty Ltd is used by BLC for “administrative purposes”. Whilst the Commission has concluded that the sales by BLC to unrelated parties were arms-length, the selling arrangements of BLC raise questions as to how the costs for BLC Imports and Exports Pty Ltd are accounted for.

The Commission also found that BLC’s indirect shipments were marginally unprofitable, whereas its direct shipments were profitable. Whilst the overall shipments were profitable, Capral is concerned by two factors. The first relates to the exclusion of the warehousing costs from direct to end-user sales. These costs are akin to fixed costs that must be accounted for (and not excluded) irrespective of whether the goods transit through the warehouse or not, as they are costs incurred. The second matter relates to the unprofitable shipments that are likely low-volume, higher value powder coated and anodized aluminium extrusions that should bear a higher proportion of S,G&A expenses. The higher value products that are sold at a loss are causing injury to the Australian industry and subsequently eroding the margin on these value-added categories.

Capral requests the Commission to be satisfied as to the accuracy of the information furnished by BLC. It is important that the Commission can be confident that the data verified is reliable to assist in any deductive export price calculations (as required), and to determine reliable margins of dumping (and injury).

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, sweeping horizontal stroke extending to the right.

Luke Hawkins
General Manager – Supply and Industrial Solutions