

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

AUS STAR HOLDINGS INTERNATIONAL 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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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 Aus Star Holdings International Pty Ltd (ASH) inviting it to cooperate with the investigation. ASH provided a completed importer questionnaire response (RIQ) and relevant attachments for the investigation period (1 July 2015 to 30 June 2016).

The Commission met with ASH in late January 2017 to discuss its views on the investigation and conduct preliminary verification of the data it provided in support of its RIQ. Subsequent to the meeting ASH made a public record submission which elaborated on the items discussed.¹

¹ Public Record Item 57

2 AUSTRALIAN SALES

2.1 Verification of sales to audited financial statements

The verification team verified the completeness and relevance of ASH's sales listing by reconciling it to available financial records having regard to the procedures outlined in 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 ASH's sales listing only identified the goods under consideration (GUC) relevant to its imports of aluminium extrusions sourced from Vietnam. Following further enquiries on the composition of its sales data ASH provided additional documentation which satisfied the verification team that all sales relevant to the investigation had been reported.

ASH was unable to provide audited financial statements because it is a relatively new company and it was yet to prepare statements for the 2016 financial year. The verification team adopted an alternative approach which sought to compare its sales data to monthly Australian Tax Office Business Activity Statements. The verification team was able to reconcile the data in ASH's sales listing to its monthly profit and loss statement and Business Activity Statements.

2.2 Verification of sales to source documents

The verification team verified the accuracy of ASH's sales listing by reconciling it to source documents having regard to the procedures outlined in 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 ASH'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 did not identify discounts or rebates being offered by ASH.

During verification, the sample of sales invoices subject to verification were compared to proof of payment documentation which confirmed that the invoiced prices were the prices paid by ASH's customers.

2.4 Related party customers

The verification team did not find evidence that ASH was related to any of its Australian customers during the investigation period. This assessment included obtaining copies of Australian Securities and Investment Commission (ASIC) company extracts relating to ASH and its parent company.

3 IMPORTS

3.1 The goods

During the investigation period ASH imported aluminium extrusions of varying lengths, wall thicknesses, sizes, temper grades and profiles. The aluminium extrusions exported to Australian were in the general surface finish categories of either mill, anodised or powder coated.

3.2 Verification of importation and selling costs

The verification team verified the accuracy of the importation and selling costs reported by ASH by reconciling selected exports to source documents and having regard to the procedures outlined in ADN 2016/30.

To verify importation costs the verification team obtained source documents in relation to a sample of 12 importations which occurred during the investigation period. The importations subject to verification were selected by the verification team and covered each month of the investigation period where ASH had declared an importation. With the exception of a number of entries reported in ASH's RIQ, the importation data was found to be accurate when compared to the relevant source documents. Data which was observed to be inaccurate was amended to ensure that the calculation of the weighted average importation cost per kilogram was accurate.

To verify selling, general and administration costs (SG&A) incurred during the investigation period, the verification team relied on the figures reported in ASH's profit and loss statement, general ledger extracts and source documents. Source documents relating to significant cost items were obtained to ensure the details in the ledger were accurate. The verification team examined various accounts in ASH's general ledger and source documents and was satisfied that the costs reported in relation to SG&A expenses were relevant, accurate and complete. ASH also advised that it allocated SG&A costs to the GUC based on the percentage of revenue earned from the sales of aluminium extrusions sourced from Vietnam. The verification team considers this approach to be reasonable.

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

3.3 Import listing

ASH confirmed that the import listing extracted from the Australian Border Force (ABF) import database is a complete list of imports of the goods from Vietnam over the investigation period. The verification team also found that the volume of goods declared on selected transactions reconciled to the ABF import data.

The import listing is at **Confidential Appendix 1**.

3.4 Forward orders

The verification team obtained forward order data for the quarter following the investigation period.

3.5 Profitability of sales

Using verified exporter's sales data and the importer's SG&A and import cost data, the verification team compared ASH's selling prices in each month of the investigation period to the monthly weighted average total cost to import and sell for each finish type. The verification team determined that overall ASH's sales of the goods were profitable. The verification team's profitability analysis also showed that sales in each finish type were profitable. Details are contained in **Confidential Attachment 1**.

3.6 The exporter

The verification team has conducted verification of ASH's supplier of aluminium extrusions from Vietnam, the Verification team considers East Asia Aluminium (EAA) to be the exporter of the goods.²

3.7 The importer

The verification team notes that ASH's Vietnamese supplier of aluminium extrusions, EAA, sells to ASH on free on board shipping terms. The Verification team therefore considers ASH 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 is satisfied that ASH is not related to EAA.

3.9 Arms length

In respect of imports of aluminium extrusions by ASH from Vietnam 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 ASH and its supplier EAA are arms length transactions.

² 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 exporter and have been purchased by the importer from the exporter in arms length transactions.

The verification team recommends that the export price for the goods purchased by ASH from EAA be established under subsection 269TAB(1)(a) of the *Customs Act 1901*.

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5 ATTACHMENTS

Confidential Appendix 1	Import Listing
Confidential Attachment 1	Verification Work Program