

5 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 – Exporter Verification Report – United Aluminium Industry Co., Ltd

Introduction

I refer to the Exporter Verification Report for United Aluminium Co., Ltd (“United Aluminium”) recently placed on the electronic public record (EPR). Capral Limited (“Capral”) would like to highlight the following concerns with the determination of normal value for United Aluminium.

Verification of United Aluminium costs

The Anti-Dumping Commission (“the Commission”) verified United Aluminium’s costs to make aluminium extrusions. The United Aluminium verification report indicates that the exporter was not related to any of its raw material suppliers. The verification report, however, does not disclose whether the Commission verified if United Aluminium’s purchase price for aluminium included the following:

- Aluminium at the London Metal Exchange (“LME”) rate; plus
- Billet premiums; plus
- Major Japanese Port (“MJP”) premium (applicable to all aluminium purchases in South East Asia).

The failure to include each of these components in United Aluminium’s purchase price for raw material input aluminium understates the true value of the good.

United Aluminium normal values

The Report confirms that the Commission was able to identify “*domestic sales of identical export models made in the OCOT for all models exported to Australia during the investigation period*”.

Capral is surprised that the Commission has found that for all models exported to Australia by United Aluminium that there are sufficient levels of domestic sales made in the ordinary course of trade. The export prices to Australia for aluminium extrusions exported from Thailand were alarmingly low throughout the investigation period. For the Commission to determine that United Aluminium’s domestic sales were in the ordinary course of trade with a weighted average dumping margin of 1.6 per cent, also

confirms that the Thai domestic selling prices are low (when contrasted with selling prices that are consistent with the LME plus billet premium plus MJP premium across the investigation period).

Adjustments

The Commission has made a number of upwards adjustments to United Aluminium's subsection 269TAC(1) normal values for the following costs associated with the export of the goods to Australia:

- Export barcode stickers;
- Export trolley;
- Export beam wood;
- Export packing;
- Export other charges (punching);
- Export-related labour;
- Export inland freight;
- Export handling and other charges;
- Export other costs (port fees); and
- Export fumigation.

Capral anticipates that the identified export expenses have each been individually verified and the appropriate expenses identified for inclusion in the adjustment.

It is noted that no adjustments have been included for bank charges associated with export sales to Australia. No finance charges are mentioned.

Capral highlights with the Commission the representations of United Aluminium's Australian importer RCR International Pty Ltd ("RCR") that stated¹:

*"The applicant's pricing includes "finish extras if applicable". In RCR's case the finish extras, which the Applicant refers to in its Application, are not simply sundry items which may be applicable to the imported goods. **The finish extras are vital to RCR's business model as they are key to supplying any and all hardware retail stores. RCR's definition of finish extras is quite different to the Applicant's and includes labelling, display stands and a list of instore merchandising services.**" (emphasis added).*

RCR's statements confirm that the finish extras provided in respect of United Aluminium supplied aluminium extrusions are beyond the usual standard mill finish, painted and anodised aluminium extrusions. As a minimum, an upwards adjustment for specification differences in relation to finish for each model exported to Australia is required, as these finishes would not exist on goods sold domestically by United Aluminium.

Conclusion

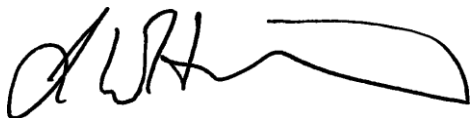
Capral requests that the Commission confirm that United Aluminium's cost to make includes the full cost of aluminium as per the LME plus billet premium plus MJP premium costs associated with the major raw material component.

Additionally, Capral requests the Commission to examine RCR's statements that differentiate the imported goods in terms of finish from standard aluminium extrusions to validate an upward adjustment for specification differences between the goods exported to Australia and goods sold domestically in Thailand. Additionally, Capral anticipates that United Aluminium would have incurred bank charges associated with export sales to Australia (for which no adjustment has been made).

¹ EPR Document 009, Submission by RCR International Pty Ltd, 27 November 2017.

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