

21 September 2017

Mr Reuben McGovern
Case Manager
Operations 3
Anti-Dumping Commission
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Melbourne Victoria 3000

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Public File

Dear Mr McGovern

Investigation No. 392 – Review of measures applicable to aluminium extrusions exported from P R China – Submission by PanAsia Aluminium (China) Co. Ltd

I refer to the submission on behalf of PanAsia Aluminium (China) Co., Ltd ("PanAsia") dated 15 September 2017 in respect of Statement of Essential Facts No. 392 ("SEF 392").

PanAsia contends that it has identified an error in the profit calculation, an incorrect profit uplift, and due allowance errors relating to VAT and export credit terms, in arriving at PanAsia's normal values.

(i) Profit calculation

PanAsia claims that the profit on goods with no finish designation have been incorrectly included in the profit calculation (with the full revenue amount included as opposed to an amount for profit).

It is difficult for Capral to comment on this issue.

(ii) Profit on high end powder coated products

This issue related to whether the so-termed high end powder coated goods are considered like goods by the Commission. If the powder coated products are like goods, the profit achieved on the domestic sales will be included in the profit calculation for the goods under subsection 269TAC(2)(c).

(iii) Profit for uplifted CTMS

PanAsia suggests the Commission has erred by calculating a level of profit in the current investigation that has been determined based upon a different methodology to that in the original investigation (No. 148).

Capral's assessment of PanAsia's representations suggests that the level of profit determined in the original investigation was incorrect as it included an adjustment for benchmark aluminium before calculating the profit on domestic sales. This is incorrect. The correct methodology does not include an adjusted primary aluminium benchmark.

The correct methodology for determining profit on domestic sales for Pan Asia has been used by the Commission in Review 392.

(iv) Adjustment for non-refundable VAT

PanAsia has argued that the Commission has incorrectly levied the upward adjustment for VAT based upon an FOB export price ex-Macau rather than an FOB price ex-China. However, it is noted that the Commission has included PanAsia's related trading company's (i.e. OPAL Macau) costs in the transaction (i.e. S,G&A, and level of profit) and it would seem that the true FOB value for the goods exported to Australia includes the trading-arm costs.

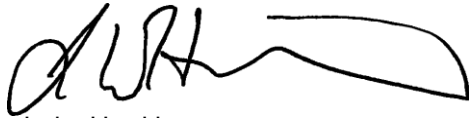
Capral supports the methodology followed by the Commission in levying the VAT non-refund adjustment based upon OPAL Macao's export price to Australia.

(v) Adjustment for export credit terms

Pan Asia alleges that the Commission has made an incorrect adjustment for export credit terms. However, the adjustment made was based upon the number of payment days and not an internal arrangement between PanAsia Australia and the related exporter.

If you have any questions concerning this letter, 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



Luke Hawkins
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