

**By email**

To:	Mr. Gavin Crooks, Mr. Matthew Williams,	Anti-Dumping Commission Director Operations 3
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Date:	1 May, 2017	
Pages:	4	

**For public**

Dear Sirs,

**ADC 362 – Investigation into Alleged Dumping and Subsidization concerning the imports of Certain Aluminium extrusions exported from Malaysia and the Socialist Republic of Vietnam—Comments on SEFs**

**Our client: Mien Hua Precision Mechanical Co., Ltd, (hereinafter as “Mien Hua”)**

Our client wish to submit the following comments on the dumping margin calculation:

**1. Packing cost adjustment**

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The adjustment for packing expenses is not required to ensure a fair comparison to the export price.

Currently, the Commission established the packing cost for Australian sale in the following methodology:

- Australian Sale: [LIMITED INFORMATION] USD per Ton
- Domestic Sale: [LIMITED INFORMATION] USD per Ton

In Mien Hua's original EQR, Mien Hua did describe its packing costs as above. However, such description is roughly estimation which are inaccurate. In Australian market, Mien Hua has 3 customers while in domestic market, Mien Hua has 55 customers. Normally, the goods would be packed as per customer's request. For certain customers, they may have additional packing requirements, happened occasionally in both domestic market and oversea market. In most situation, the packing cost is almost the same.

Aluminium extrusions are used for construction or decoration, which are hard, stable, not easy to deformation. And more importantly, such goods are fine but inexpensive. Therefore, plain packaging is a standard industry practice for any markets. There is no difference in the costs relating to packing the goods for export and the goods sold domestically. Thus, any costs relating packing expenses are identical for the goods exported and like goods sold domestically. Such practice has been observed and confirmed by the Commission during the on-spot verification to other cooperated producers, such as Press Metal Berhad<sup>1</sup>, East Asia Aluminium<sup>2</sup>, LB Aluminium Berhad<sup>3</sup>.

All of Mien Hua's Australian sales is normal and inexpensive aluminium extrusion, with dozens of specifications. On the contrary, Mien Hua's domestic sales cover thousands of high-end, middle-end and low-end specifications.

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<sup>1</sup>Please refer to section 6.1 of 047 - Verification Report - Exporter - Press Metal Berhad

<sup>2</sup> Please refer to section 6.1 of 048 - Verification Report - Exporter - East Asia Aluminium

<sup>3</sup> Please refer to section 6.1 of 049 - Verification Report - Exporter - LB Aluminium Berhad

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The adjustment for packing cost is therefore not necessary, for the purpose of fair comparison.

### **2. Domestic physical characters adjustment for Powder- coated finished**

In previous submissions, Mien Hua requests for domestic physical characters adjustment for powder-coated finished. Mien Hua's claim on this issue is based on a clear logic:

- a. The powder used for in-door purpose and for out-door purpose is different. For the in-door purpose, normal grade of powder is used, with no warranty requirement which is mandatory for out-door purpose. The purchase price of such powder is much cheaper than out-door purpose. Furthermore, the unit consumption for in-door purpose is much lesser than out-door purpose. Please see our previous submission on this argument.
- b. Technically, Mien Hua needs to add the following information in both spreadsheets of "Australian Sale" and "domestic Sale": 1) brand of the powder used. 2) purchase price of the powder used, 3) unit consumed volume of powder. Unfortunately, Mien Hua is in a difficult situation to qualify such claim on T-BY-T basis.
- c. However, what Mien Hua could prove is powder-coating finished products to Australia are all for indoor purpose. The requirements for coating are all stipulated clearly in the proforma invoices and during the POI, MH has just [LIMITED INFORMATION] transactions sales of powder-coating finished product to Australia. Please see our previous submission on this argument.
- d. During the POI, MH has [LIMITED INFORMATION] transactions of the powder-coated finished sold in domestic market. Part of which are for building purpose. The domestic clients have ten or twenty years' warranty requirement. The powder used for is with higher quality. To ensure the

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better performance, the unit consumption for out-door purpose is much higher.

- e. Mien Hua hereby suggests another methodology to qualify the physical character differences. Judging from the unit price of powder-coating finished product to domestic market, Mien Hua estimates the portion with high quality powder is [LIMITED INFORMATION] % of the total domestic sales. The average price for the rest of [LIMITED INFORMATION] % is [LIMITED INFORMATION] USD/KG while the average price for all domestic sales is [LIMITED INFORMATION] USD/KG. Mien Hua therefore claims for a physical character adjustment of [LIMITED INFORMATION] USD/KG. For details, please see Annex I.

Powder coating adjustment								
Market	Number of transactions	Quantity (Ton)	%	Physical characters adjustment (usd /kg)	Value (USD)	Lowest unit price	Highest unit price	Average price (USD/KG)
Australia (Normal-quality)								
<b>Domestic</b>								[LIMITED INFORMATION]
high-quality								
normal-quality								

We look forward to receiving the Commission's revised finds as soon as possible.

Kind regards,

Song Qing