

24 November 2022

[REDACTED]  
Case Manager  
Investigations 3  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601

Dear Mr Hawke

**Public File**

**investigation No. 609 – Review of variable factors - aluminium extrusions exported from China**

**I. Summary**

Capral Limited (“Capral”) seeks to draw to the attention of the Anti-Dumping Commission (“the Commission”) the recent increases in aluminium/billet premiums and the increased energy costs associated with the casting of billet by aluminium extruders.

Both the increased billet premium and the higher energy cost associated with casting of billet will have contributed to higher production costs for Chinese aluminium extruders during the investigation period in Investigation No. 609.

**II. Billet premium**

Aluminium extrusion manufacturers extrude the aluminium from an aluminium billet. Suppliers of aluminium billet (i.e. smelters) apply a number of base premiums for extrusion billet supply that is added to the billet purchase price.

The billet premiums applied by the suppliers have increased substantially during 2022 due to demand outstripping supply. Prior to this the billet premium was relatively stable (over the last decade).

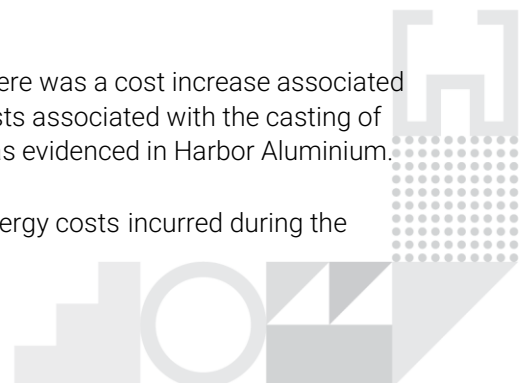
Please see the attached letter forwarded by Capral to customers (dated 5 October 2021) confirming increases in the billet premium of up to xx per cent (Confidential Attachment 1). Confirmation that billet premiums were the subject of increases in the last quarter of 2021 are included in Confidential Attachments 2 and 3 from aluminium ingot suppliers.

Capral anticipates that the Commission should validate the increases in billet premiums for Chinese aluminium extrusion manufacturers during the Investigation No. 609 investigation period.

**III. Billet & Energy costs**

For aluminium extruders that cast their own billet (i.e. integrated producers) there was a cost increase associated with the premium for the aluminium ingot as well as the increase in energy costs associated with the casting of the billet. Refer to Confidential Attachment 4 for increases in ingot premiums as evidenced in Harbor Aluminium.

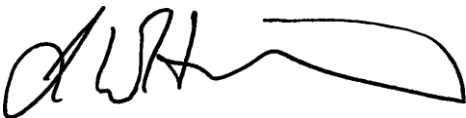
Capral anticipates that aluminium extruders that cast billet will show higher energy costs incurred during the 2021/22 investigation period.



Capral welcomes any questions from the Commission concerning the elevated billet premium and increased energy costs to assist with the Commission's verification process.

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



Luke Hawkins  
General Manager – Supply and Industrial Solutions

