

19 May 2023

[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 – Exporter Verification Report – Goomax Metal Co Ltd**

**I. Introduction**

We refer to the Goomax Metal Co., Ltd (“Goomax”) Exporter Verification Report recently placed on the EPR in Review of Measures Investigation No. 609.

Goomax was a cooperative exporter in Continuation of measures investigation No. 543. In that investigation, the Anti-Dumping Commission (“the Commission”) determined that Goomax’ exports to Australia were calculated at negative 6.0 per cent dumping margin and a 1.0 percent countervailing margin.

Goomax continues to be a not insignificant exporter of aluminium extrusions to Australia. Capral notes that the Commission has identified a number of matters that required Goomax to address during the verification process including the inclusion of certain costs that had been omitted from Goomax’ cost-to-make-and-sell data.

**II. Exporter Verification Report**

The Commission has prepared the Exporter Verification Report for Goomax has been prepared on an exception-based reporting methodology. The Commission has identified items where it considered that the certain cost or expense was not included.

We have examined the items identified by the Commission and agree with the follow-up actions of the Commission.

Capral has reviewed Section 5 of the Goomax Report “Verification of cost to make and sell completeness and relevance”. It is noted that the Commission has reconciled the cost of goods as per Goomax’ EQR. The Commission will recall that Capral has highlighted that there are additional costs to the export packaging of aluminium extrusions that are not incurred on domestic sales (i.e. cradles for the stacking of the goods). The Commission has previously verified (in investigations subsequent to Invest No. 362 on aluminium extrusions from Malaysia and Vietnam) the cost of the export freight packaging and made adjustments to normal value for the differences between domestic and export freight costs.

It is further noted in the Guangdong Jinxi Cheng Al Manufacturing Co., Ltd (“Jinxi Cheng”) Exporter Verification Report that Jinxi Cheng confirmed that<sup>1</sup>:

<sup>1</sup> Guangdong Jinxi Cheng Exporter Verification Report, Investigation No. 609, Section 2.1, P. 7.



*"Certain packaging materials are only used in export sales, including wooden trays, paper cartons and metal frames, with their use dependent on customer requirements".*

In Invest 543 Goomax claimed that there were no cost differences for the goods between those sold domestically and those for export. As mentioned, different costs have been verified by the Commission.

As there is an absence of information verified by the Commission in respect of packaging costs (as detailed in the Jinxiecheng Report) incurred by Goomax, we are assuming that the exporter continues to maintain that packaging costs for domestic sales and export sales are "no different". Respectfully, this must be challenged by Capral and the Commission is urged to highlight this with exporter and seek full disclosure of packaging costs for both domestic and export sales.

### III. Export sales

The Goomax verification report confirms that the Commission is satisfied that the export sales by the exporter are at arms-length. This was previously confirmed in Invest 543. However, it is noted from the current Goomax verification report that Goomax has identified sales of two additional finishes for goods exported to Australia – woodgrain (WG) and electrophoresis (E) finishes.

Capral submits that the finishes for these goods are at a higher cost than the general mill-finish aluminium extrusions and that the Commission should closely examine the relevant costs incurred with both finishes and apply the higher profit mark-up that goods with such finishes attract. This is important to assess the correct margin of dumping between the constructed cost-based normal value and the actual export price.

Where there exist new export models that have been introduced to the market it is not uncommon that these goods are sold at suppressed levels to permit the exporter to grow its export volumes. Capral considers it is prudent that the Commission assess the full cost structure for the two new product finishes exported by Goomax

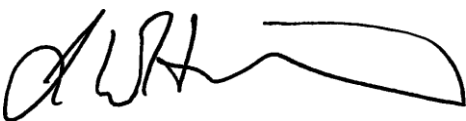
### IV. Subsidies

The Commission has confirmed that Goomax continues to benefit from a broad range of subsidies provided by the Government of China (GOC) on goods manufactured and exported to Australia.

It is not apparent from the Goomax verification report if the Commission has raised with Goomax any additional subsidy programs that may have provided a benefit to Goomax subsequent to Invest 543 that have not been included in Section 12.4 of the Goomax verification report

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  
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