

20 July 2023

The Director
Investigations Unit 4
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Dear Director

Public File

Reinvestigation No. 591 – Anti-Dumping Commission Preliminary Reinvestigation Report – Submission by PMAA and PMBA

We refer to the submission of 10 July 2023 by Press Metal Aluminium (Australia) Pty Limited (PMAA), PMB Aluminium Sdn Bhd (PMBA) and related entities (collectively “Press Metal”) commenting on the Anti-Dumping Commission’s (The Commission) Preliminary Reinvestigation Report (PRR) into Report No. 591 involving the continuation of measures on aluminium extrusions exported to Australia from Malaysia and Vietnam.

Capral Limited (“Capral”) seeks to address matters raised in the Press Metal submission.

We do not seek to comment on Press Metal’s speculation about the evidence relied upon by the Commission in its reinvestigation of price undercutting as directed by the ADRP. The Commission’s approach and methodology are explained in the PRR, along with the revised findings based upon the correct level of trade comparisons.

The Press Metal submission disputes each element of the Commission’s findings and evidence relied upon in the PRR. Capral has examined the Press Metal claims and provides the following comments on each of the areas of disputation raised by Press Metal.

(i) Price undercutting analysis – product

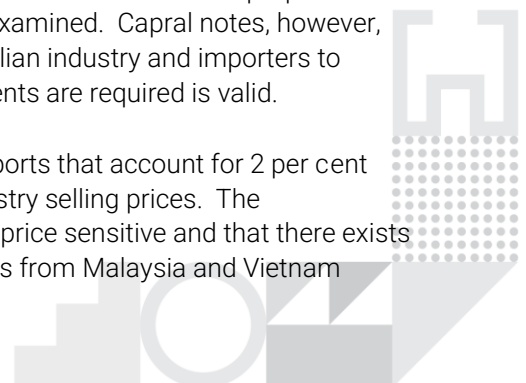
Press Metal questions what it is that the Commission’s has examined and based its price undercutting analysis on. The Commission has access to Australian industry selling prices at the distributor and customer level. It also has access to selling prices for imported goods (at same levels). This information has been used to compare selling prices and determine whether price undercutting has occurred.

Contrary to Press Metal’s query as to “what is being measured or sought to be measured is not apparent” the Commission has selling price information from relevant parties to compare.

(ii) Price undercutting analysis – preliminary finding

Press metal argues that the comparisons made in the price undercutting analysis do not constitute proper comparisons as no adjustments have been made within the MCC categories examined. Capral notes, however, that the Commission can identify the relevant MCCs as provided by the Australian industry and importers to assist it with its analysis. It is not clear that Press Metal’s claims that adjustments are required is valid.

Press Metal further asserts that there is an absence of causal link and that imports that account for 2 per cent market share cannot have an influencing effect on the broader Australian industry selling prices. The Commission has found that the Australian market for aluminium extrusions is price sensitive and that there exists a high degree of price transparency in the market. The selling prices for imports from Malaysia and Vietnam



across the three broad categories of MCC (mill finish, powder coated, and anodised) confirmed price undercutting from Malaysia and Vietnam, with the former having the lowest selling prices across all import sources (being China, Malaysia and Vietnam).

Importantly, the Commission identified that suppliers of Malaysian and Vietnam imports had access to up to 25 per cent of all Australian industry customers – demonstrating well established distribution links for the goods imported from Malaysia and Vietnam. In the absence of measures, importers of aluminium extrusions from Malaysia and Vietnam would seek to increase sales into those customers where imports have previously been sold.

The absence of a causal link between the dumped exports from Malaysia and Vietnam, past sales history at customers on the Australian market, reductions in import costs and lowest pricing in the Australian market, supports a conclusion that a recurrence of material injury from dumped exports from Malaysia and Vietnam is likely should the measures be allowed to expire.

(iii) Price undercutting analysis – further problems

Press Metal again speculates about the information before the Commission for the price undercutting analysis. Press Metal states “As we do not have access to the Commission’s price undercutting calculations in the Confidential Attachments” raising serious doubts about its ability to comment and conclude that the Commission’s price undercutting analysis is “deficient”.

Capral disputes Press Metal’s ability to be able to challenge the Commission’s price undercutting analysis based purely on speculation about the evidence before the Commission.

(iv) Customer purchasing behaviour – preliminary findings

Press Metal questions the reliability of the information relied upon by the Commission as it was not sourced from “customers” in the Australian market. The Commission had access to selling prices of the Australian industry and Australian importers. This information was considered reliable.

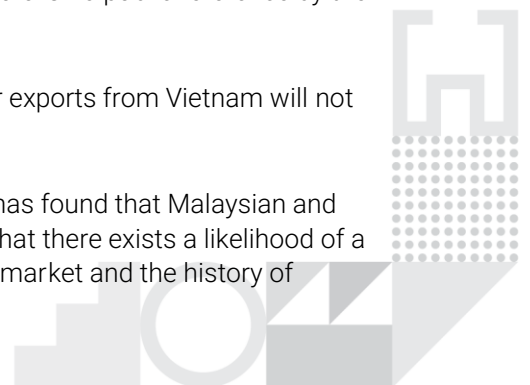
Press Metal states that as the dumped imports from Malaysia only accounted for 2 per cent of the Australian market, that the Minister cannot be satisfied that Malaysian export volumes would increase should the measures expire. As indicated, this convenient, narrow interpretation ignores that historically importers have sold imported Malaysian and Vietnamese aluminium extrusions across a customer base that represents up to approximately 25 per cent of the Australian industry’s sales volumes. In the absence of measures (and due to the relative ease of switching between supply sources where price transparency is high) it is likely that injury to the Australian industry would occur.

(v) Exporter pricing behaviour – preliminary finding

Press Metal states that it has taken steps to assure the Commission it will not export at dumped prices. Capral is not privy to how Press Metal has demonstrated this to the Commission and there is no public reference by the Commission to it having been satisfied by Press Metal’s assurances.

Also, it is not clear on what basis that Press Metal can comment as to whether exports from Vietnam will not increase in the absence of measures.

In light of the price undercutting analysis undertaken by the Commission that has found that Malaysian and Vietnamese selling prices are the lowest in the market, there can be no doubt that there exists a likelihood of a recurrence of injury to the Australian industry due to the price sensitivity in the market and the history of



customers switching sources of supply.

(vi) *Reinvestigation – material injury*

Press Metal seeks to challenge the Commission's assessment of Capral, G James and INEX financial records as being representative of the Australian industry.

Capral understands that the Commission had access to financial information from industry participants for it to be satisfied that the information was representative of the Australian industry.

Press Metal's comments are purely speculative.

Conclusion

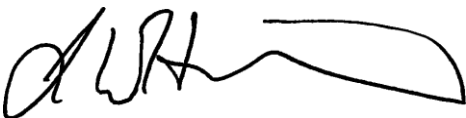
The submission by Press Metal seeks to dispute the Commission's findings in the PRR by speculating about the evidence before the Commission and whether it can be relied upon. It is further contended that as the imports from Malaysia account for only 2 per cent of the Australian market that in the absence of the measures, export volumes from Malaysia would not increase.

The Commission's findings, however, confirm an alternate interpretation. The exports from Malaysia are at dumped prices; price undercutting is evident across all finishes with Malaysian selling prices the lowest in the Australian market. The costs of importing following the pandemic have declined, and suppliers of imports from Malaysia and Vietnam have previously supplied to customers that account for up to 25 per cent of the Australian industry's sales volumes. Should the measures be allowed to expire it is therefore likely that importers would seek to source from Malaysia and Vietnam, resulting in a recurrence of material injury that the measures are intended to prevent.

Capral requests the Commissioner to recommend to the ADRP that the measures on exports from Malaysia and Vietnam not be allowed to expire.

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

