



Australian Government  
Department of Industry,  
Science and Resources

**Public Record**

# Anti-Dumping Commission

## Review 640

### Aluminium Extrusions

#### Exported from Malaysia by PMB Aluminium Sdn Bhd

#### File Note

The Anti-Dumping Commission (the commission) met with Capral Limited (Capral) on 3 May 2024 regarding the commission's upcoming on-site verification of the exporter questionnaire response provided by PMB Aluminium Sdn Bhd (PMBA).

At the meeting Capral provided its comments concerning PMBA's response to the exporter questionnaire and the on-site verification. These comments are detailed in Attachment A.

3 May 2024

Director  
Investigations 2  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601

Email: [investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au)

Dear Director

**Public File**

**Review of Measures Investigation No. 640 – Press Metal Berhad Aluminium Sdn Bhd - Exporter Briefing**

**I. Introduction**

As you are aware, Capral Limited (“Capral”) is an Australian manufacturer of aluminium extrusions. Capral has a direct interest in Investigation No. 640 (“Invest 640”) concerning the review of variable factors applicable to the Malaysian exporter Press Metal Berhad Aluminium Sdn Bhd (“PMBA”).

Capral takes this opportunity to provide the Anti-Dumping Commission (“the Commission”) with its comments in respect of the forthcoming exporter verification visit with the exporter, PMBA.

**II. Model Control Codes**

In Invest 591, the Commission made changes to the MCC structure for PMBA for differences in pricing (natural and coloured anodised goods) and price lists reflecting apparent differences.

Capral notes the Commission’s observation that “*PMBA does not consider anodising microns in its pricing of the goods*”<sup>1</sup>. Capral is concerned by these claims.

Capral requests the Commission to ensure that all costs associated with anodising are correctly recorded and reflected in normal values for PMBA.

**III. Exporter of the goods – arms length sales**

In Invest 591 the Commission identified that PMBA was the producer and exporter of the goods from Malaysia. PMBA sells goods to Australia via an intermediary, Press Metal Berhad (“PMB”). The goods are on-sold to Press Metal Aluminium Australia Pty Ltd (“PMAA”) who is the importer of the goods into Australia.

All parties are related in the transactions involving goods exported to Australia.

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<sup>1</sup> Table 8, Section 6.3.2, Report 541, P. 38.



In the investigation period in Invest 591, PMBA reimbursed PMAA for importation costs. Credit notes were issued.

It was further observed by the Commission that PMBA had made downward price adjustments that were not related to actual cost reimbursements (“adjustments made on non-actual costs”).

As a consequence of the reimbursements and the price adjustments, the Commission determined that certain PMBA sales (those that were identified as CIF altering to FOB due to subsequent reimbursements) could not be considered arms-length transactions.

Capral urges the Commission to carefully examine the sales by PMBA via its affiliated agent, PMB and understand whether PMAA is being reimbursed by PMBA for any importation costs (or there has been price reductions granted) during the investigation period. It is reasonable to assume that PMBA’s previous practices have not altered for sales made during the current investigation period.

Capral anticipates that PMBA is continuing to sell goods exported to Australia via its intermediary company PMB. This would mean that the importer (PMAA) has not purchased the goods from the exporter PMBA. PMBA’s export prices, therefore, cannot be determined under subsection 269TAB(1)(a) or 269TAB(1)(b). It is also considered that the export sales would continue to be not at arms length, and that export prices will again be assessed in accordance with section 269TAB(1)(c).

Capral continues to view sales by PMAA in the Australian market as not reflective of the full-absorbed costs for the goods due to the pricing position of PMAA’s sales that typically undercut the Australian industry.

#### IV. Normal values

Capral understands that PMBA sells aluminium extrusions on the domestic market in Malaysia. In Invest 591, the Commission identified three models where insufficient domestic sales were made for which normal values under section 269TAC(1) could be determined.

The Commission made specification adjustments (under section 269TAC(8)) to domestic sales of other models for the goods where insufficient sales were identified. It is important that where specification adjustments are made that the profit included also reflects the additional value-adding that occurs.

Capral considers that the Commission will encounter similar instances of insufficient domestic sales for certain models sold by PMBA domestically.

#### V. Adjustments

In the PMBA verification report in Invest 591 (EPR Document 023) the Commission made adjustments to PMBA’s normal value for differences in packaging costs between domestic and export markets.

Capral anticipates adjustments to be made for differences in packaging costs between domestic and export markets in the current investigation.

In respect of adjustment(s) for specification differences, Capral asserts that adjustments will be required for the cost of anodising of the goods (even though it appears that PMBA does not recognise such costs in selling prices).



Capral draws to the attention of the Commission the redactions at Section E-5 of PMBA's EQR identifies "Other Adjustment Claims". PMBA's response to this section has been fully redacted. This is unreasonable and is inconsistent with the disclosure requirements for the Public File version of an EQR.

Capral is seeking disclosure of the other claimed adjustments to PMBA's normal values.

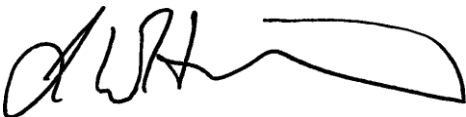
VI. Conclusions

Capral considers there are a number of matters requiring the Commission's attention in the forthcoming exporter verification with the Malaysian exporter PMBA. These include the re-visiting of whether the export sales by PMBA via its affiliate to PMAA are arms-length in nature and the apparent additional adjustment claims (redacted) that have not been disclosed in PMBA's EQR.

Capral considers that on the basis that PMBA has not altered its export sales arrangements – i.e. to not be via its affiliate PMB – then PMBA's export sales to Australia would again be considered not at arms-length. The role of PMB is an important consideration in the export transactions analysis. PMB also operates as an intermediary between the affiliated Chinese manufacturer of aluminium extrusions. Capral is concerned about the selling prices of PMAA in Australia that typically undercut the Australian industry and appear not to reflect the fully absorbed costs to make and sell the goods in the export transactions, including the costs associated with selling via an affiliate party.

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

