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**HSS Exporter Briefing – Alpine Pipe Manufacturing Sdn Bhd**Key Comments

Alpine Pipe Manufacturing Sdn Bhd ("Alpine") has been an exporter of HSS to Australia involved in two previous anti-dumping investigations into HSS.

In the initial investigation (2008) Alpine's dumping margins on HSS exports to Australia were determined at less than 2 per cent and considered "negligible".

In the 2008/09 investigation, Alpine's dumping margins on HSS were initially determined at negative 0.8 per cent. Alpine's dumping margins were subsequently reviewed by C&BP and assessed at (positive) 15 per cent.

In each investigation (including the current inquiry) ATM has maintained that the Malaysian domestic HRC producer – Megasteel – provided Alpine with rebates on HRC purchases. The rebates were paid at intervals following consumption, and were identifiable in Alpine's parent company, Hiap Tek's notes to annual financial statements. In the 2009 recommenced investigation into HSS exported from China and Malaysia, C&BP challenged Alpine as to the existence of the rebates payable by Megasteel to Alpine's parent, Hiap Tek for HRC purchases by Alpine. C&BP determined that Alpine's data provided at the original verification visit, considered in conjunction with responses to questions posed by Customs in Feb/Mar 2010, could not be relied upon.

C&BP determined that exports of HSS by Alpine in 2008 were at dumped margins of 15 per cent.

Alpine Exporter Questionnaire Response

In this investigation, Alpine has referred to "credits provisionally accrued" by one of its raw material suppliers. It has suggested that the balance for the year ended July 2010 and included in the accounts for the subsequent period have been "written off".

Alpine has "rejected" C&BP's findings in the previous investigation (2009/10) and further suggested that the rebates received did not affect "the actual money price paid for the GUC". Alpine then advances that the importer did not receive any further benefit from Alpine. This is not the issue. Alpine has been compensated for an "artificially high" export price for goods exported to Australia.

Alpine has stated that no provision (for rebates received) in July 2010 and July 2011 years (and stated July 2010 provision brought forward).

Additional Comments:[comment on raw material price]

Alpine has commented in its Exporter Questionnaire response on the following:

- Asserts all sales to Australia are to "wholesaler", whereas domestic sales are to "stockists, fabricators and end-users". Claim for level of trade adjustment. C&BP to assess Alpine's domestic sales to substantiate claims of no wholesalers (similar claims in 2009/10 Inquiry)
  - ATM does not consider that a level of trade adjustment is warranted [Comment on price]
- Alpine further states that domestic sales vary by distribution channel. This suggests that there are likely to be sales to distributors/wholesalers in Malaysia;
- Ownership of goods transfers at time of loading on vessel;

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- Three month order delivery timeframe – impacts domestic and export selling price comparisons (see previous representations re Date of Export);
  - Claims that no. of credit notes issued "negligible". C&BP to sight all credit notes taken to account;
  - Despite the claim for few credits, it is noted Alpine indicates that it offers warranties on export sales;
  - Claims that S,G&A for export is substantially lower than for domestic – what actual evidence is provided to C&BP to verify these claims? Despite these claims, it is noted that [*Comment on export product*]
  - Alpine also claim that domestic product is oiled whereas exported product is painted. Information presented to C&BPS by ATM in the form of [*Comment on import market offers*]
  - Alpine claims that HSS exported to Australia is made in accordance with AS1163. [*Comment on product standards*]
  - It is understood Alpine exports AS1163 450 MPa product to Australia. [*Comment on product standard*]
    - Alpine claims that export product is identical to domestic [*Comment on product standards*]
  - Alpine claims there is no difference in quality, chemical composition between export sales and domestic sales. [*Comment on information provided to Customs by Alpine*]
  - C&BP to verify cost differences between packing domestically and for export – suggestion that packing is same for both markets.
  - Appears that all HRC purchased by Alpine is sourced domestically as no drawback of duty on imported HRC is claimed.
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- Alpine claim only hold 1 months inventory on export sales. C&BPS should test this claim. ATM suggests that this is not the case given the nature of the supply chain required to support exports to Australia. [*Comment re supply chain*]

The Australian industry made a submission to C&BP prior to the Alpine Verification visit in  
Attached is the Confidential submission provided to C&BP prior to that visit – [*Comment on submission*]