

14 November 2018

Ms Leisa Baynham  
Assistant Director  
Investigations 4  
Anti-Dumping Commission  
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**Public File Version**

Dear Ms Baynham

**Investigation No. 482 – Aluminium extrusions exported from P R China – Megastone Aluminium Pty Ltd**

Referring to the Megastone Aluminium Pty Ltd (“Mega Stone”) importer verification report (refer EPR Document No. 15) in the review of measures investigation for aluminium extrusions exported from the People’s Republic of China (“China”).

The verification report indicates that the Anti-Dumping Commission (“the Commission”) conducted a verification visit with Mega Stone to verify data in its importer questionnaire response. Included with the response were Mega Stone’s unaudited, draft financial statements.

The Commission’s comments concerning the sale of the imported goods at a profit by Mega Stone. Specifically, the Commission has stated at Section 3.6 of the Mega Stone Importer Verification report:

*“At the visit, Mega Stone stated that the goods supplied by various suppliers (imported and domestically sourced) is mixed and sold collectively as they do not differ in models/types etc. and can be used for the same end-use function. Mega Stone does not separate the goods sold by supplier. As such the verification team was not able to calculate the profit and profitability of the 12 selected shipments.”*

It was further noted by the Commission that the goods the subject of the investigation represent about 72 per cent of Mega Stone’s total sales.

The Commission, surprisingly (given its inability to determine whether the imported goods were sold at a profit), concludes that the transactions between Mega Stone and its suppliers were “at arms-length”.

It does not appear reasonable for the Commission to conclude that Mega Stone’s sales are at “arms-length” when the individual transactions cannot be tested as to whether they are profitable (or otherwise).

The following highlight this point:

- [Commercially sensitive Example 1]

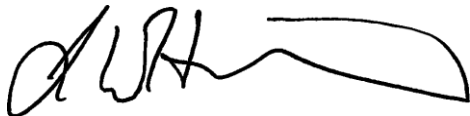
- [Commercially sensitive Example 2]
- [Commercially sensitive Example 3]

Capral therefore questions the reasonableness of the Commission to conclude that Mega Stone's sales are arms-length when it would appear Mega Stone would unlikely be selling at a profit.

Capral therefore requests that the Commission further investigate the profit and profitability of sales of imported aluminium extrusions by Mega Stone to be fully satisfied as to the arms-length nature of the sales.

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

A handwritten signature in black ink, appearing to read 'LHAWKINS', with a long horizontal flourish extending to the right.

Luke Hawkins  
General Manager – Supply and Industrial Solutions