

10 December 2018

Ms Leisa Baynham
Assistant Director
Investigations 4
Anti-Dumping Commission
Level 35
55 Collins Street
Melbourne Victoria 3000

Email: leisa.baynham@adcommission.gov.au

Public File Verison

Dear Ms Baynham

Investigation No. 482 – Aluminium extrusions exported from P R China – LME aluminium movements

I. Summary

Capral Limited (“Capral”) seeks to highlight with the Anti-Dumping Commission trends in the London Metal Exchange (“LME”) primary aluminium price plus the Major Japanese Port (MJP) premium since the end of review of measures Investigation No. 392 versus Chinese export prices to Australia over the same period.

It is evident to Capral that Chinese export prices have **not** increased to reflect higher aluminium costs since the end of the investigation period¹ in Review Investigation No. 392.

II. Price movements

In the period following the investigation period in review Investigation No. 392, LME and MJP prices have increased. The following movements in prices to the end of the investigation period in Review Investigation 482 (i.e. until 30 June 2018) have been observed:

- In US\$ terms, the average price of aluminium plus MJP has increased by 32 per cent (or US\$ 542 per tonne);
- In A\$ terms, the average price of aluminium plus MJP has increased by 27 per cent of A\$607 per tonne),

Please refer to Confidential Attachment 1 depicting the prices for LME and MJP sourced from Harbour Aluminium.

By contrast, the weighted average export prices for aluminium extrusions exported to Australia from 1 January 2016 to July 2018 have remained relatively flat – as depicted in the graph at Confidential Attachment 2.

¹ Investigation period in Invest 392 was 1 January 2016 to 31 December 2016.

The comparison demonstrates that average Chinese export prices to Australia following review Investigation No. 392 have not increased to reflect higher prices for LME movements in aluminium. The Australian industry, therefore, continues to experience material injury from exports of aluminium extrusions to Australia at dumped prices following completion of review Investigation No. 392.

It is evident that Chinese exporters delay increases in export prices and Australian importers only pay the IDD liability that is due at the time of importation, and do not move prices to reflect higher raw material aluminium costs.

Capral also notes that the Shanghai Metals Exchange (SHFE) price for aluminium only increased by 15 per cent over the same time period as depicted in Confidential Attachment 1.

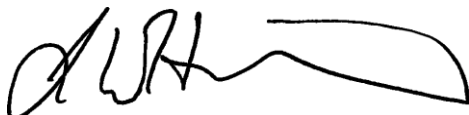
III. Recommendations

Capral anticipates that the Commission will again find Chinese exporters the subject of the measures have exported at margins of dumping in Investigation No. 482 that are significant. Exporters of Chinese aluminium extrusions have not increased export prices to reflect higher LME aluminium costs following the completion of review Investigation No. 392.

The anti-dumping measures imposed as an outcome of Investigation No. 392 have been inadequate in addressing injury to the Australian industry as input prices have increased by circa 30 per cent following Investigation No. 392. Capral highlights with the Commission the urgent need for regular, annual reviews of measures to ensure contemporary prices are reflected in anti-dumping measures and the Australian industry is not exposed to ongoing material injury for extended timeframes.

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