

EZY TOOLS P/L

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DUE: 15th April 2019

The Director
Investigations 4
Anti-Dumping Commission
GPO Box 2013
CANBERRA ACY 2601

Email: investigations4@adcommission.gov.au

Dear Sir/Madam,

Public File

Ezy Tools wishes to respond further to Investigations No. 490 & 494 – Review of anti-dumping measures inquiry – aluminium extrusions exported from Malaysia by Alumac Industries Sdn Bhd. We, Ezy Tools P/L, are the importer of these aluminium profiles from Alumac Industries Sdn Bhd. We are an interested party to these two Investigations.

After reading the Alumac response published on the ADC website Public File, dated 12th April 2019, we wish to add some more points.

SEF: The Commission clearly found in the investigation that Alumac has not been the beneficiary of the three forms of subsidies from the Government of Malaysia, nor any other subsidies.

Both Alumac and Ezy Tools support the Commission's recommendation **to revoke** the **Countervailing Duties**.

- Additionally, Ezy Tools would also ask that the Minister *use his/her special decision-making powers to back date and make retrospective these Countervailing Duties to 22nd June 2017; SEF page 8, from the date Report No. 362 was accepted/published*
- This is from when countervailing duties were first applied to our Ezy Tools imports of aluminium extrusions from Alumac in Malaysia
- We make this request because these countervailing duties should never have been applied and paid for by Ezy Tools in the first place and that this has seriously injured us financially
- We do hope to be able to recoup all of the countervailing duties outlaid by Ezy Tools

SEF: it is also clear that no dumping was found, yet the SEF 4.1 preliminary findings state:

4.1 Preliminary Finding – the Commission finds that the **variable factors** (being the export price and the normal value) relevant to the determination of dumping duty payable under the Customs Tariff (Anti-Dumping) Act 1975 (Dumping Duty Act) **have changed** with respect of aluminium extrusion exported to Australia from Malaysia by Alumac.

*It goes on to talk about recommending to the Minister that the dumping duty notice have effect **as if different variable factors** (being the export and normal value) **had been ascertained**. The revised variable factors have resulted in different dumping margins relevant to the taking of IDD.*

We take this as meaning that **Alumac has been found to be “not dumping”**, and Ezy tools **should not have been liable to pay any IDD** on all the shipments from the 22nd June 2017 importation period onwards.

The Commission determined that: “those exports of aluminium extrusions to Australia by Alumac had a dumping margin of **negative 6.78 per cent**”. I then read in the **SEF on page 21** a bit more on this; namely the Dumping Margin **was adjusted to negative 2.84%** due to: “inclusion of an upwards adjustment to Normal Value for export machining” costs.

While in the Alumac response to the SEF it says the “dumping margin was **negative 9.0%**”; and that there were “also negative dumping margins for all models exported by Alumac”.

What can I say here? All this is difficult to follow again. I have been told though when I sought help to comprehend this, that it means Alumac is clearly “not dumping”.

So, again, Ezy Tools requests that the Commission recommend to the Minister that the IDD be fully revoked for the aluminium extrusions Ezy Tools imports from Alumac in Malaysia.

Ezy Tools **agrees with** the request by Alumac that the Commission **exempt Alumac** from dumping duties as the Commission has determined that these exports by Alumac to Australia (of the aluminium extrusions imported by Ezy Tools) for the investigation period were not dumped.

The investigation period was: 1st July 2017 to 30th June 2018 (one financial year) and this is from when we began to have ICD & IDD applied to our imports from Malaysia.

Nothing has changed before, during or since this particular period of investigation in our business relationship with Alumac. Ezy Tools invents/designs aluminium profiles/makes a “proto type” for our tool and then we request drawings/a die quote/sample and so on. We agree to volume/sign a contract and add any new profile to an order we put in and do a market trial back here in Australia (once we have manufactured enough of the tools to go sell them in our distribution network). If it is successful, we can add more to the next order and so on.

In Alumac’s response they state that they: “did not participate nor submit the Export Questionnaire with full data for the (initial) investigation”. They went on to try to explain that this time round is

the first true investigation that they've been able to participate in, and the results of this investigation prove that they have not been dumping or countervailing.

As I've kept saying, **due to Alumac's inexperience with the ADC and Anti-Dumping Regulations** and their first poor response, **Alumac was NOT PROPERLY INVESTIGATED AT ALL** and was *automatically put into the "uncooperative group" and Duties (ICD 3.2% & IDD 13%) were then applied to the Ezy Tools shipments.*

Most other Companies back then exporting such goods to Australia from Malaysia and under investigation were found: "to be not dumping". The list of these Companies is available on the **Public Record**, and the **SEF page 8**. I still maintain, that **if Alumac had had the skills** they now have to respond properly, they too would have been found to be "not dumping" along with the rest of them. This Investigation No. 490 & 494 proves that belief I have in them. And I must thank them here, for all their efforts this time round in trying to supply the ADC with as much information as they can to show they are not dumping; I know it has been an arduous bureaucratic task.

I have to add the criticism that there is little regard or allowance in the Regulations for inexperience, language differences (NESB), unfamiliarity with the ADC, its website, and generally what's expected of SMEs like us, who cannot afford to pay professionals to do all this work for them. It has not been easy and now we know more about what to do, it is still very complex and there's lots more to learn even now; it just keeps going from one thing to the next.

In their response Alumac says that the Commission: "found a very low dumping margin" and then **"decided not to consider the revocation review"**. Alumac said: "we would highlight that the calculation of dumping margin in the initial application (7-Sept-2018) was a rough comparison without putting all factors. *It was unlike the investigation No. 494 in which the Commission has taken all factors into working and verification and had determined a **negative** dumping margin*".

When we first read that the Commission had **"decided not to consider the revocation review"**, Ezy tools sought government advice on this and we were clearly told that both ICD & the IDD should both be revoked **as it was clear that Alumac was not dumping aluminium extrusions into Australia**. We have also read that this is not necessarily what the Commission may finally recommend to the Minister. And so we request that the Commission recommend to the Minister that Alumac (and thereby Ezy Tools) be exempted from dumping duties (both ICD & IDD).

My other submission (dated 12th April 2019) covers all my points on both "floor price duty method" & "ad valorem duty method". Ezy Tools requests that the ad valorem duty method be used at 0% so that the bureaucratic burden is lifted from us as a SME.

Capral is a large company and I presume they have the experience and budget and personnel necessary to handle such complex ADC work. Alumac has improved since the first investigation and, like Ezy Tools, gained a lot more experience in dealing with such matters; though for both of us, *nowhere near that which Capral possesses*. I feel Capral, as a very large entity, has an unfair advantage over us as much smaller companies. As I've said before, this feels like a "David and Goliath" battle; where one small company with a turnover that can be counted in the "hundreds of thousands" is up against a huge company where their turnover is more likely in the "tens of millions"!

The LME graphs and tables are very interesting to Ezy Tools, as this is how we bargain with Alumac. We keep an eye on these fluctuations constantly, and you can see how they vary. We do try to order if we think it may go down, just as we try to make overseas payments by watching the exchange rates; that effort rarely works in “our favour” of course, but I can plan the budget around cost/price expectations. If I have to pay by a set date, then I have to take what comes, no choice.

The LME is even more volatile than the bank exchange rates. It would be as Alumac said: “**to punish us and our importers despite the dumping duty margin has determined as negative**”. Also, the ADC needs to factor this in for Ezy Tools too, we are always paying more by the time we pay (30% down, then when the balance is due later). The bank takes a hefty cut too when we pay! It is a lot of money for little work by the banks!

Ezy Tools imports “raw aluminium extrusions, with no “minor working”. We order and get our full lengths and these are loose packed and we unload as the first job we do. **We are manufacturers and we “value add” by completely transforming these extrusions into hand tools.** This is our business, our work and what we do. We do not have others drill or cut etc., we do all that and much more in our production processes; it is all a part of our costs, not Alumac’s.

Alumac refers to Table 2: The goods and like goods, SEF page 14. Ezy Tools fits into the Column 1 category, not the other columns. Alumac states that by trying to include Ezy Tools’ extrusions into Column 2 (to include minor working), that the Commission is being unfair to us. As I’ve said before I do not understand how you work out Normal Value (stated here as: “the average of all models and it has included the minor working costs”), but it doesn’t sound like it is in our favour here. And that the Commission proposed to set the floor price equal to the ascertained normal value – that sounds like it does not reflect the reality that we only import Column 1 *plain* Aluminium extrusions.

Again, the small volumes involved are raised by Alumac. How can we be “dumping” and be “injurious” to Capral when we import what keeps being described as “low volumes”? And we are an SME as well; we cannot possibly be importing anything, in any amount, that would be harming Capral. It is just not logical. **As a small company with low volumes on most of our dies,** it is only logical that LOW VOLUMES should be taken into account as part of the recommendation to the Minister that we (Alumac & Ezy Tools) are not dumping.

We request that the Commission recommends to the Minister that Alumac be exempt from dumping duties and that the ICD & IDD applied to these ezy tools extrusions is revoked fully.

An ad valorem duty method is one of the simplest forms of duty and is easy to administer. It is the obvious duty method that should be applies to Alumac’s exports to Ezy Tools (0%).

Regards,

Diann Grass,

Administration & Accounts & Sales & Marketing @ Ezy Tools P/L