

30 October 2018

The Director
Investigations 4
Anti-Dumping Commission
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CANBERRA ACT 2601

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Public File

Dear Ms Sir/Madam

Investigation No. 494 – Review of anti-dumping measures inquiry – aluminium extrusions exported from Malaysia by Alumac Industries Sdn Bhd

I. Introduction

On 27 September 2018 the Anti-Dumping Commission (“the Commission”) published Australian Dumping Notice No. 2018/149 (“ADN 2018/149”) concerning the commencement of an investigation into the review of anti-dumping measures applicable to Alumac Industries Sdn Bhd (“Alumac”) of Malaysia.

The anti-dumping measures were imposed on 27 June 2017 by the then Assistant Minister for Industry, Innovation and Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science (“the Parliamentary Secretary”) following consideration of Anti-Dumping Commission Report No. 362.

Alumac earlier made an application for the revocation of the anti-dumping and countervailing measures (Investigation No. 490). Capral Limited (“Capral”) has made a submission to Investigation No. 490 opposing the revocation of the measures.

In investigation No. 362, Alumac was notified by the Commission that it would be considered an uncooperative exporter pursuant to subsection 269T(1) of *the Customs Act*. As Alumac was confirmed as a non-cooperative exporter, its exports to Australia attracted an effective duty rate of 16.2 per cent, being an interim dumping duty of 13.0 per cent and an interim countervailing duty of 3.2 per cent.

II. Revocation of measures application

In its application for the review of measures, Alumac has detailed that the measures should be varied as it considers some of the variable factors have changed since the investigation period in Investigation No. 362. Alumac is also seeking the revocation of the anti-dumping and countervailing measures.

In its submission to Investigation No. 490, Capral Limited (“Capral”) observed the Commission’s comments in Con 490 that *“the Commission considers there appears to be evidence that Alumac may be exporting aluminium extrusions at dumped prices and therefore do not consider that there are reasonable grounds for Alumac to assert that dumping is not continuing, nor that dumping is unlikely to recur and that the anti-dumping measures applying to Alumac exports are no longer warranted.”*

The Commission’s comments suggest that Alumac may be dumping during the investigation period for Investigation No. 490. Capral submits that Alumac may also be dumping throughout the current

investigation period (i.e. 1 July 2017 to 30 June 2018) and that the anti-dumping measures are required to ensure the Australian industry is not subject to material injury that the measures are intended to prevent.

Capral therefore continues to oppose Alumac's application for the revocation of the anti-dumping measures.

Alumac has also requested revocation of the countervailing measures. The Commission has noted in Consideration Report No. 494 ("Con 494") that Alumac has not provided evidence in support of its application for the revocation of the countervailing measures, nor has it included a statement of opinion that the applicant considers that the countervailing measures are no longer warranted.

The Commission has stated in Con 494 that it does not consider that the applicant Alumac has satisfied section 269ZB(1) and (2) "*with respect to the assertion that anti-dumping measures, in the form of a countervailing duty notice, are no longer warranted.*" The Commission goes on to state that the application does not include evidence in support or a statement of opinion by Alumac that the countervailing measures are no longer warranted. As a result, the Commission has indicated that Alumac's application for revocation of the countervailing measures does not comply with section 269ZB.

Capral supports the Commission's interpretation and confirms that it considers the countervailing measures are warranted to prevent injury to the Australian industry.

III. Review of measures

The measures applicable to exports of aluminium extrusions exported from Malaysia were based on variable factors determined in the investigation period 1 July 2015 to 30 June 2016. The current review of measures investigation period is a two-years post the original investigation. Capral agrees with Alumac that each of the variable factors has changed since the original investigation period and, in accordance with increases in the LME primary aluminium price, the Major Japanese Port ("MJP") premium and alloy premiums, the changes in the variable factors (i.e. as reflected in the normal values, export price and non-injurious price) since the original investigation appear to be material in nature.

Capral is aware that the London Metals Exchange ("LME") cash rate for aluminium plus the Major Japanese Port ("MJP") premium has increased from US\$xxxx during 2016 to approximately US\$xxxx across the twelve months ending 30 June 2018¹.

This represents an increase of approximately xx per cent.

Confidential Attachment 1 depicts the move in the LME and MJP from January 2008 to 30 June 2018.

The variable factors applicable to exports by Alumac therefore should have increased from the levels of the original investigation period. The variable factors applicable in the review investigation period 1 July 2017 to 30 June 2018 should reflect the higher LME, MJP and alloy premium increases.

IV. Conclusions

Capral reaffirms its position as stated in submission to Investigation No. 490 that grounds do not exist for the revocation of anti-dumping and countervailing measures applicable to exports of aluminium extrusions by Alumac from Malaysia. Capral agrees with the Commission's assessment in Con 490 that it would seem that Alumac is exporting at dumped prices throughout the current investigation period (and hence anti-dumping measures are warranted) and that Alumac has not satisfied the requirements of section 269ZB for the revocation of the countervailing measures.

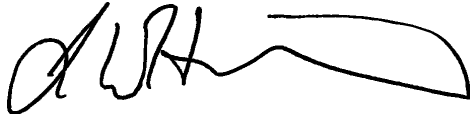
In respect of the review of measures applicable to Alumac, Capral notes the significant increase in aluminium costs (as reflected in the LME), increases in the MJP and billet premiums applicable to raw material aluminium costs used in the manufacture of the aluminium extrusions exported to Australia.

¹ Source: Metal Markets Bulletin.

Each of Alumac's applicable variable factors therefore have increased since the original investigation period of Investigation No. 362. Capral also anticipates that packaging costs applicable to the exported goods have also increased and should be reflected in revised variable factors.

If you have any questions concerning this submission, please do not hesitate to contact me. I can be contacted on (02) 8222 0113 or you may contact 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