



ALUMAC INDUSTRIES SDN BHD (300593-X)

(Aluminium Extrusion Manufacturer)



12-April-2019

Public record

The Director
Investigation 4
Anti-Dumping commission
GPO Box 2013
CANBERRA AC 2601

Email : investigations4@adcommission.gov.au

Dear Sir/Madam

Investigation No. 490 & 494 – Review of anti-dumping measures inquiry – aluminium extrusions exported from Malaysia by Alumac Industries Sdn Bhd

Alumac Industries Sdn Bhd ("Alumac") has reviewed the recently published Statement of Essential Facts No. 490 (revocation of measures) and 494 (review of measures) concerning aluminium extrusions exported to Australia from Malaysia by Alumac.

The Commission has determined that Alumac was not the beneficiary of any subsidies from the Government of Malaysia during the investigation period. Alumac supports the Commission's recommendation to revoke the countervailing duty notice in relation to aluminum extrusions exported to Australia from Malaysia by Alumac.

The Anti-Dumping Commission also determined that exports of aluminium extrusion to Australia by Alumac has a dumping margin of **negative 9.0 per cent**. Besides, from the working provided by the Commission, there are also negative dumping margin for all models exported by Alumac.

Alumac requests that the Commission exempt Alumac from dumping duties since the Commission had determined that the export from Alumac during the investigation period were not dumped.

During the original investigation in year 2016, Alumac did not participate nor submit the Export Questionnaire with full data for the investigation. As the results, the Commission rated Alumac as uncooperative exporter and imposed the current effective rate of 16.20% to aluminium extrusion exported to Australia by Alumac.

The Investigation No. 490 and 494 were the first submission from Alumac to the Commission and the results of the investigation had proved that Alumac did not export aluminium extrusion to Australia at dumped price. Since this is the first time investigation concerning aluminium extrusion exported to Australia by Alumac and proving that the dumping margin is **negative** the Commission could exempt Alumac from dumping duties.



In the 7-September-2018 application, Alumac was seeking for both review of the variable factors and revocation review. The Commission had work through our data and found a very low dumping margin in the 7-Sept-2018 application. With that, the Commission has decided not to consider the "Revocation Review".

We would highlight that the calculation of dumping margin in the initial application (7-Sept-2018) was a rough comparison without putting in 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. Therefore, Alumac requests the Commission to recommend to the Minister exempt dumping duties for export aluminium extrusion to Australia by Alumac

Alumac noted that the Commission proposes using the floor price duty method. Duty becomes payable only if the actual export price is less than the floor price which floor price is set equal to the ascertained normal value.

Alumac does not agreed the Commission's recommendation to use a floor price method for duties.

The ascertained normal value was determined based on the data Alumac provided and verified by the Commission which the data was from July-2017 to June-2018. Alumac queries that the floor price (normal value) can quickly become out-of-date. The raw material for aluminium extrusion is aluminium billets which is a commodity product. Below are the LME price movement from investigation period (July-2017 – June-2018) to March-2019 :-



MONTHLY AVERAGE LME ALUMINIUM FOR PERIOD JULY-2017 TO MARCH-2019



A) LME ALUMINIUM DURING INVESTIGATION PERIOD

YEAR	MONTH	LME
2017	JULY	1,903.62
	AUGUST	2,030.09
	SEPTEMBER	2,100.48
	OCTOBER	2,130.41
	NOVEMBER	2,101.02
	DECEMBER	2,070.74
2018	JANUARY	2,214.50
	FEBRUARY	2,184.93
	MARCH	2,076.52
	APRIL	2,246.40
	MAY	2,290.55
	JUNE	2,240.29
	AVERAGE	2,132.46

B) LME ALUMINIUM AFTER INVESTIGATION PERIOD

YEAR	MONTH	LME	PRICE DIFF FROM AVERAGE	
2018	JULY	2,098.93	(33.53)	-1.57%
	AUGUST	2,045.50	(86.96)	-4.08%
	SEPTEMBER	2,023.00	(109.46)	-5.13%
	OCTOBER	2,034.17	(98.29)	-4.61%
	NOVEMBER	1,937.75	(194.71)	-9.13%
	DECEMBER	1,931.45	(201.01)	-9.43%
2019	JANUARY	1,845.89	(286.57)	-13.44%
	FEBRUARY	1,859.55	(272.91)	-12.80%
	MARCH	1,872.24	(260.22)	-12.20%

As shown above, the average LME aluminium during investigation was much higher than the current LME aluminium. ie.

Average LME aluminium from investigation period = USD2132.46/TON

March LME aluminium USD1872.24/TON

Price decreased **USD260.22/TON** (12.20%)

Should the floor price method being imposed, the importers are force to buy at LME aluminium USD 2132/TON while the current March LME aluminium is only USD1872/TON.

If this is the case, would be totally unfair, Alumac and our importers are the "injured party" in this investigation despite the dumping margin has determined as **negative**. All our hard work giving full cooperation for compiling, submitting the data for investigation and verification are misuse to punish us and our importers despite the dumping margin has determined as negative.



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In addition, the floor price method which all export models covered by one single floor price is also **not** suit exports of aluminium extrusion to Australia by Alumac where there are many models and types of the goods with significantly different in pricing. Example : MF, Anodised, powder coating and each of them may or may not complete with machining and short length cutting.

Alumac also concerned about the broad categories defined by finish for model matching purposes in which Commission use Model control code (MCC) structure (required in the Exporter Questionnaire). Example powder coating extrusion profiles in different colour will have different powder coating cost.

In additional, "Aluminium extrusions with minor working" such as precision cut, machined, punched or drilled are not in any of the category in the MCC structure. "Aluminium extrusions with minor working" required different works will have different in work cost.

However, the Commission require these aluminium extrusion with minor working to be included in the investigation (part of the Goods Under Consideration, Table 2-The goods and like goods, page 14 in SEF).

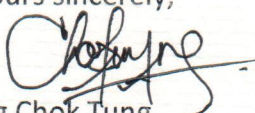
Alumac note that the Commission proposed to set the floor price equal to the ascertained normal value. In this investigation, the normal value is calculated from the average of all models and it has also included the minor working cost. This is not a fair method especially to the importers that only import aluminium extrusions in Mill Finished or aluminium extrusions without minor working from Alumac currently and in the future.

Alumac would also highlight that should there be a Continuation Investigation occurs, there will be further administrative burden to Alumac and Anti-dumping Commission. Alumac exports very small volume to Australia and our importers are SME. It does not make sense that in a situation where there is a finding of no dumping the Minister imposes a form of duty method that requires the exports and SME importers complete duty assessment questionnaires to continually prove that the range of export models covered by the single floor price are not dumped.

Finally, since The Commission finding that the exports of aluminium extrusion to Australia from Alumac during the investigation period were not dumped. Alumac requests the Commission not to recommend to Minister using the floor price duty method. Furthermore, Alumac requests the Commission to recommend to Minister exempt Alumac's export from dumping duties.

Thank you.

Yours sincerely,


Ng Chok Tung
Chief Executive Officer