

## Investigation No. 509 – Aluminium Extrusions exported from Malaysia

### **Exporter Briefing: EverPress Aluminium Industries Sdn Bhd**

#### I. Background

According to the Status Report (EPR Document No. 010) on EverPress Aluminium Industries Sdn Bhd (“EverPress”) the Anti-Dumping Commission (“the Commission”) has determined EverPress to be “uncooperative”.

Capral Limited (“Capral”) has provided a submission concerning EverPress exporter questionnaire response (“EQR”) – refer letter dated 10 July 2019.

#### II. Relevant considerations

Capral has noted that EverPress exports to Australia via an agency/distributor. Where the Commission determines normal values under subsection 269TAC(1) for EverPress, it may be appropriate to make an adjustment for the role of the agent/distributor if EverPress’ domestic sales are not via an agent/distributor.

Capral identified that EverPress financial statements were “tailor-made”. The Commission will be required to exercise special care when examining EverPress’ costs to ensure these are consistent with prevailing raw material costs. Capral would recommend that the Commission benchmark EverPress aluminium ingot, and associated costs (i.e. MJP premium and alloy premium) with LME costs as per published LME data.

Capral observed in EverPress’ EQR response that EverPress’ export prices are fixed according to price lists. This would seem to be inconsistent with industry practice to price according to market selling prices and requires clarification.

EverPress exports mill-finish, anodized and powder coated goods to Australia. Goods sold on the domestic market are predominantly mill-finish, with a couple of anodized models. An appropriate upwards adjustment to EverPress’ normal value for mill finish products to allow for powder coating costs is required (i.e. the cost of powder coating plus a margin).

It is also noted that EverPress’ EQR confirms that until 30 May 2018 there was a 6 per cent gst on domestic sales of aluminium extrusions sold in Malaysia. It is claimed the gst was abolished on 1 June 2018. Appropriate adjustments for tax differentials between domestic and export prices is required.

For packaging costs, Capral points to previous investigations by the Commission where costs incurred by the exporter for packaging of the goods differ between domestic and export sales. Packaging costs for export are typically higher than domestic packaging costs, including for steel trolleys, wooden crates and inter-leave paper. In recent investigations involving exporters in China, Malaysia and Vietnam, some exporters have claimed no difference between domestic and export packaging costs, however, the Commission has established this not to be the case. Recent investigations (including 362, 392, 442 and 492) have confirmed the existence of these costs for export sales of the goods to Australia necessitating an upwards adjustment to the Chinese exporter’s normal value.

#### III. Subsidisation

The EverPress EQR states that EverPress is not in receipt of any tax benefits from the Government of Malaysia. The Commission has established that EverPress is uncooperative in respect of this investigation. Capral therefore considers that EverPress should be the subject of the “uncooperative exporters” rate for subsidization by uncooperative Malaysian exporters as determined in Investigation No. 362 – that is, a rate of subsidy of 3.24 per cent applies.